Benchmark Holdings plc

ANNUAL REPORT 2015

AT THE GENESIS OF A SUSTAINABLE FOOD CHAIN

We aim to set a new benchmark for sustainable living, starting with food production. From there we can do even more to create a more sustainable world for all. Not for the sake of it but because we will be able to do more of the things that we think are right. The more we do, the more impact we have.

Our 2015 Annual Report is an integrated report which presents our financial and sustainability performance, underlining the existing connections between competitive environment, Group strategy, business model, risk management and corporate governance.

MALCOLM PYE
CEO

"2015 has been a year of growth for Benchmark. We are on target with our strategy, and have been making significant investment in our infrastructure and technological capabilities across the business to create the solid foundations we need to realise our vision and stay ahead of the curve in our fast-paced markets."

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Benchmark Vaccines, Braintree

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WHY WE DO WHAT WE DO

We believe in using science to enable sustainable living, starting with the sustainability of food.

Our work is needed because the way we live today is unsustainable — and nowhere is the challenge more acute than with food.

The world's population has not yet peaked whilst, simultaneously, rapid economic development and improving diets mean that demand for meat and fish is rising. We need to waste less and produce more efficiently, providing better quality food from the same land and water whilst keeping prices affordable.

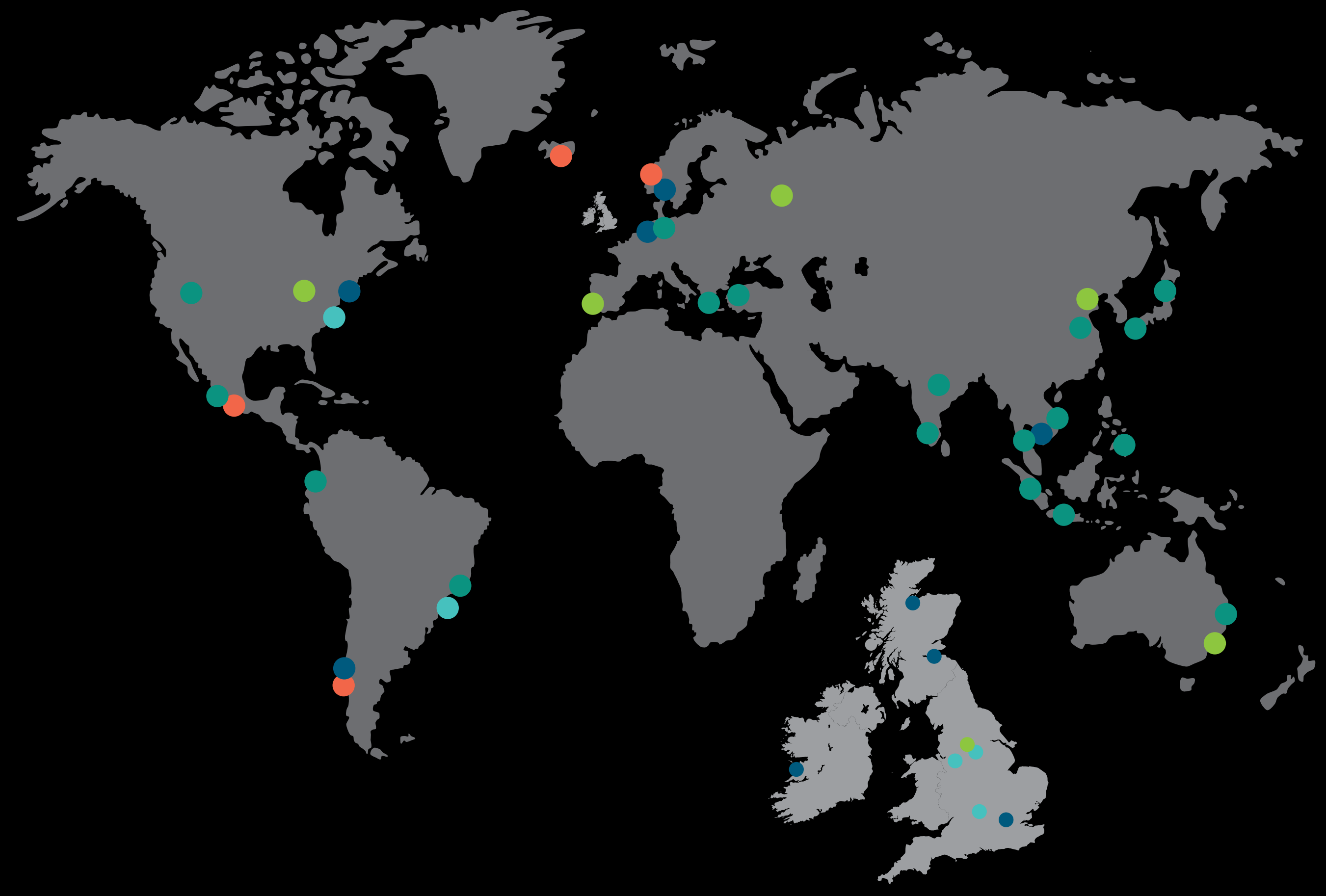
Today we are dependent on an industrialised food system that's storing up significant challenges for the future of the planet. The use of antibiotics and pesticides in agriculture is widespread, which has deep implications for human health and environmental safety. This more intensive production is increasing the risk of pests and disease. Without change, we won't be able to produce the food we want and need to survive.

To address these challenges we need to harness the power of science to align our production with nature, enabling us to grow the food we need more efficiently and more sustainably. For example, through the development of new vaccines, we can keep animals healthy rather than use antibiotics to treat disease.

The approaches, science and applications we develop can enable sustainable living far beyond food production. Our discoveries and innovations will improve animal health, human health and the wider environment.

BENCHMARK AT A GLANCE

- Animal Health
- Sustainability Science
- Technical Publishing
- Breeding and Genetics
- Advanced Animal Nutrition*



826
People

27
Countries

5
Continents

£8.8m invested in scientific R&D*

25% growth in Benchmark's revenue from 2014

Active in markets worth $180bn worldwide

*including acquired intangibles

ADVANCING ANIMAL HEALTH & WELFARE

- World's largest provider of clinical and diagnostic services to global aquaculture
- State-of-the-art aquatic health laboratories in North America, Europe, Asia and soon South America
- Animal Health product pipeline of 61 products delivering safe, efficient and sustainable health solutions

GROWING SUSTAINABLE BUSINESS

- Working with global food brands to change the way food is grown and sourced
- Industry-renowned network of commercial farms and sustainable research facilities

GENERATING KNOWLEDGE TRANSFER

- Supplying news and commentary to a global readership of over six million
- Leading international provider of distance learning, from Continuing Professional Development (CPD) to MSc courses

SELECTING FOR SUSTAINABLE RESULTS

- Improving production and sustainability in aquaculture through advanced breeding and genetic programmes
- World-leading breeding and genetics centres across three continents

ADVANCING ANIMAL NUTRITION*

- Leader in speciality aquaculture nutrition market, complementary to Benchmark's position in genetics and health
- Market leader in early stage fish and shrimp hatchery products
- New products in development to reduce disease and enhance immunity
- Advancement of innovative nutrition products through R&D

*As of 30 December 2015, following the acquisition of INVE Aquaculture

02.
STRATEGIC REPORT

Commercial and sustainable research farm, FAI Oxford

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OUR MARKETS

AQUACULTURE
$119bn global market

- Aquaculture fastest-growing livestock sector, CAGR 5.1 per cent
- Global aquaculture market $119bn, larger than beef (Source: Food and Agriculture Organization, FAO)
- Breeding and Genetics estimated $1.5bn global market

ANIMAL HEALTH
$22bn global market

- Animal medicines and vaccines sector estimated at $22bn within the estimated $92–102bn animal health industry (includes diagnostics, medicated feed, veterinary services) (Source: Vetnosis)
- Animal medicines and vaccines sector projected to grow at a CAGR of 5.7 per cent per annum (2011–2016) (Source: Vetnosis)

SCIENCE, TECHNICAL & MEDICAL PUBLISHING
$26bn global market

- The Group's Technical Publishing division sits primarily within the agriculture segment of the STM (science, technical and medical) publishing market
- STM market estimated in 2014 as a $33.7bn market with a projected growth from 2014–2015 estimated at 4.0 per cent, and CAGR from 2014–2018 of 4.2 per cent (Source: Outsell 2015)

SUSTAINABILITY CONSULTING
$13.8bn global market

- Verdantix estimates global sustainability consulting market at $13.8bn. Of this, $1.2bn categorised as strategic and management consulting services and $12.6bn technical sustainability consulting
- Overall sustainability consulting market estimated to be growing at 4–5 per cent, per annum. Growth projected to continue accelerating as developed economies emerge from global recession

OUR STRUCTURE

Our goal is to become a global leader in each of our markets in order to set a new benchmark for sustainable food production. From there we can do even more to create a more sustainable world for all. We are achieving this through investment in four key areas:

- High-quality scientific R&D
- Growing a first-class business development team
- Expanding into existing and new business sectors through targeted acquisitions
- Attracting and retaining the highest calibre people

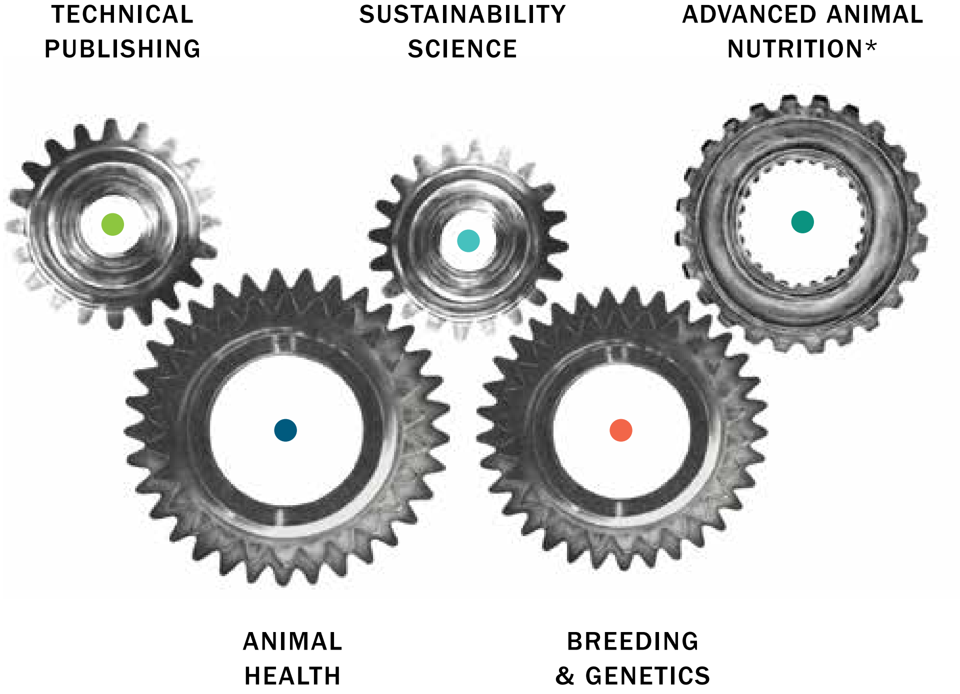
The key to our success is the way we bring together expertise from different disciplines. It enables us to identify the best and most effective solutions, focusing effort and resources on what works best. It also creates synergies, enabling us to take knowledge from one discipline and apply it in another.

Together, the different parts of our business achieve far more than they could in isolation.

Our business divisions are:

- Animal Health
- Breeding and Genetics
- Sustainability Science
- Technical Publishing

Post year-end, we added a fifth division, Benchmark Advanced Animal Nutrition, following the acquisition of INVE Aquaculture in December 2015.



*As of 30 December 2015, following the acquisition of INVE Aquaculture

RESULTS IN BRIEF

	2015	2014
Revenue (£m)	**44.2**	35.4
EBITDA from Trading Activities (£m)	**2.4**	6.6
(Loss) / profit before tax (£m)	**(11.4)**	(1.4)
Basic (loss) / earnings per share from Trading Activities (p)	**(1.13)**	3.29
Basic (loss) / earnings per share (p)	**(5.96)**	(1.04)
Investment in scientific R&D (including acquired intangibles) (£m)	**8.8**	6.5
Net cash balance at period end (£m)	**13.6**	16.5

Fish Vet Group, Norway

HIGHLIGHTS OF 2015

Successful equity fundraisings

- £70m raised in November 2014 to fund the dual acquisition of SalmoBreed AS and StofnFiskur HF, and increase vaccine manufacturing capacity
- Further £185.7m raised post year-end to acquire INVE Aquaculture. Acquisition makes Benchmark a global leader in the aquaculture technology market

Building the Group

- Addition of world-leading salmon breeding companies, StofnFiskur and SalmoBreed, giving Benchmark an immediate international position in the global aquaculture breeding sector
- Double acquisition created a fourth division, Benchmark Breeding and Genetics, to drive improvements in production efficiency traits, disease resistance and product quality
- Post year-end acquisition of INVE Aquaculture created fifth and final business division, Benchmark Advanced Animal Nutrition, giving Benchmark leadership in the speciality aquaculture nutrition market

Investing in next generation capacity

- Investment in phased redevelopment of state-of-the-art Ardtoe Marine Research Facility in Scotland
- £9m invested at our site in Braintree, UK to deliver an ultra-modern GMP (Good Manufacturing Practice) recombinant vaccine antigen production facility, and an automated egg and monolayer virus antigen production suite
- New Oxford-based Animal Health Centre, has welcomed 30 sheep and 42 cattle to demonstrate the safety and efficacy of the products we produce including our own inactivated sheep abortion vaccine, Mydiavac®
- Feasibility study underway to increase capacity of salmon ova production by building an on-land state-of-the-art facility in Norway

Harnessing leading-edge technology

- Advancement of new biotech vaccine technology platforms including new cell lines, Virus Like Particle (VLP) technology and recombinant antigen platforms
- Development of genomic tools to enhance selection for disease, yield and efficiency traits at SalmoBreed, StofnFiskur, Akvaforsk Genetics Center (AFGC) and Spring Genetics
- Major breakthrough in genetic breeding programmes for pancreas disease and sea lice resistance through a new genetic method in aquaculture called Genomic Selection

Advancing our product pipeline

- Improved sea lice control treatment, Salmosan Vet®, fully licensed (MA granted) by the Norwegian Medicines Agency and made available for sale in Norway in November 2014
- Development of the HypoCat cat allergy vaccine advancing well and on target for commercial release in 2018
- Substantial progress made with new technologies behind development of HypoCat, including the further development of the manufacturing process for the Virus Like Particle (VLP) technology
- PondDtox®, an aquaculture biocide, established firm foothold in its market with increased demand throughout the year
- Virasure® is also performing well, with complementary products to better manage biosecurity on aquaculture farms in development
- Inactivated sheep abortion vaccine, Mydiavac®, launched in 2014 and toll manufactured by Benchmark Vaccines, has been well received in the UK agricultural community due to its unique ability to curb abortion outbreaks and minimize antibiotic use
- Acquisition of INVE added 40 products in development with little or no duplication with existing pipeline

Strategic acquisitions

- December 2014 — Acquisition of two leading salmon breeding and genetics companies, SalmoBreed and StofnFiskur, created a world-class salmon and aquaculture business
- January 2015 — Acquisition of Improve International successfully integrated into Benchmark Technical Publishing. Improve is the largest global provider of Continuing Professional Development (CPD) training for veterinary professionals across the UK, Republic of Ireland, Scandinavia and mainland Europe
- February 2015 — Pioneering algae production business TomAlgae, including its product Phylavive™ — join the Group moving Benchmark into the nutrition market to produce sustainable feed and address health challenges in the primary stages of aquaculture
- April 2015 — Acquisition of Ascomber Ltd, who run the UK's leading aquaculture conference, further strengthening Benchmark Technical Publishing and expanding our aquaculture portfolio
- July 2015 — Widening the reach and impact of our Breeding and Genetics division, Norway-based aquaculture genetics and research company Akvaforsk Genetics Center, and American-based Spring Genetics joined the Group, representing a strategic move into the fast-growing tilapia genetics and breeding sector

Increased global outreach

- Our aquaculture health business, Fish Vet Group (FVG) began trading in Chile. A state-of-the-art fish health laboratory equipped with robotic qPCR and digital histology capabilities is currently under development
- With operations across four continents FVG, now operates a global 24-hours service and is the only company to do so
- Addition of INVE Aquaculture post year-end increased Group employees to 826 people, serving customers in more than 70 countries across six continents

Top: Trials facility at FAI Ardtoe
Bottom: FAI Animal Health Centre

CHAIRMAN'S STATEMENT

ALEX HAMBRO
NON-EXECUTIVE
CHAIRMAN

Your company has had an eventful and transformative year with solid progress made in a number of areas in line with the group's strategy to become a major global player in innovation and sustainability in aquaculture, agriculture and animal health and breeding. We have continued to transform the group, building a strong platform that is well-positioned to deliver our goal of bridging the sustainable food production gap and to take advantage of what is sure to be an important and revolutionary market over the next ten years.

Undoubtedly the most significant change in the group took place subsequent to the year end with the completion of the acquisition of INVE Aquaculture in December 2015. INVE is a leading specialist manufacturer of primary stage, technically advanced nutrition and health products for the aquaculture industry. This acquisition is transformative for the group, redefining its size and scale — following the acquisition, headcount, revenues and net assets are more than doubled, and the enlarged group will now serve customers and markets in more than 70 countries worldwide.

The INVE acquisition, which was funded through a combination of new equity and debt facilities, cost a total of $342m (c.£227m) and is expected to enhance earnings during the first full year post-completion. In view of the size of the acquisition relative to the Company, it was classified as a reverse takeover under the AIM Rules and therefore required the approval of shareholders and the readmission of the enlarged share capital to trading on AIM. This acquisition creates the fifth and final 'cog' of the divisional 'gearbox' (see page 15) with the formation of the Advanced Animal Nutrition division.

2015 has also seen continued investment in the four key areas identified when the Company was admitted to AIM: high-quality scientific R&D; growing a strong business development team; attracting the highest calibre people; and expansion into existing and new business sectors through targeted M&A. The group grew from three to four trading divisions with the formation of the Breeding and Genetics division, and expenditure on R&D increased two and a half fold in the year as the product pipeline further progressed using the new technologies and manufacturing processes acquired in 2014. Headcount increased from 222 to 402 in the year, and to 826 post year end, resulting from a combination of the acquisition activity and recruitment of further key skills into the Benchmark team.

The year wasn't without challenge, and as highlighted in the interim statement in June, we experienced market turbulence in Chile with the introduction of generic products competing with our leading sea lice treatment product (Byelice® / Salmosan®) significantly affecting sales in the first half of the year. This challenge was resisted in the second half by strengthening our customer relationships in those markets through a combination of focused client service and refreshed volume supply contracts.

We continue to closely monitor the threat of generic competition to our animal health products which has highlighted the strategic need for the group to create a more varied portfolio of income streams.

Targeted acquisitions have played a vital role in delivering our growth strategy and have enabled us to work towards greater diversification of our revenue streams. I am pleased to report the successful completion of seven strategic additions to the group during the year, including the formation of Benchmark Breeding and Genetics division with the double acquisition in December 2014 of StofnFiskur and SalmoBreed in Iceland and Norway respectively. We completed a secondary equity raise to finance these acquisitions with gross proceeds of £70m. The group's Technical Publishing division has also undergone significant transformation in the year following the acquisition of Improve International Group in January 2015, and Ascomber in April 2015. I have been pleased with the integration of all of the acquired businesses into the group, which generally are performing well against their targets.

The acquisition of TomAlgae in February 2015, which is developing an innovative shrimp feed, was the group's first move into advanced animal nutrition, and following the purchase of INVE, TomAlgae will form part of the new fifth division.

The Sustainability Science division has undertaken a restructuring exercise to tighten management organisation and leverage resources across the Group. We are starting to see progress in areas like the integration of trials and R&D programmes with the Animal Health division and with the Breeding and Genetics division with salmon, cleaner-fish and tilapia projects using our facilities in Scotland and Brazil.

In the Animal Health division work has progressed well on Benchmark Vaccines' ultra-modern vaccine production facility in Braintree which will transform our manufacturing capability, providing both increased capacity and the ability to manufacture a range of conventional and recombinant vaccines as well as new technology based vaccines, including Virus Like Particles (VLP). Our pipeline of 61 products currently in development with a total addressable market of estimated £646m is generally progressing well.

The Group remains committed to investing significant resources to secure the long term trading prospects for the business and, as well as selective in-fill acquisition activity, we will continue to invest significantly in the new product pipeline over the next few years whilst ensuring that the revenue producing divisions are prudently managed so as to achieve their targets.

Results

The adverse impact of the generic competition to our Salmosan® /Byelice® product line in Chile led to like for like sales (excluding acquisitions in 2015) for the Group being down on 2014 by 17%. The reduction in Salmosan® sales was more than offset by revenues from new acquisitions and total Group revenue for the period increased by 25% to £44.2m (2014: £35.4m). This demonstrates the progress made in the Group's important strategy to diversify away from the historic reliance on Salmosan®.

The Group's earnings are set out in the Consolidated Income Statement. The Group made an operating loss of £11.6m (2014: operating loss £1.2m) reflecting an increase in Operating costs of Trading Activities of £13.7m (2014: £8.3m) with the completion of the programme to invest in people post IPO and the new acquisitions noted above. There was also a large increase in operating costs of Investing Activities to £9.7m (2014: £6.4m) which includes a 250% increase in R&D expense and a significant increase in acquisition-related expenses arising from the M&A activity undertaken throughout the year.

EBITDA from Trading Activities (the full reported numbers excluding the costs relating to Investing Activities) fell to £2.4m (2014: £6.6m), due to the increase in operating expenses as noted above.

At the year end the group was ungeared and had net cash of £13.6m (2014: £16.5m). Since then the group has arranged revolving credit facilities of $70m jointly with RaboBank and HSBC. $55m of this facility was drawn for the acquisition of INVE in December 2015 and the remainder is available for expansion in working capital.

Outlook

Our Breeding and Genetics division has seen a subdued start to the year, due to the temporary closure of the Chilean border to imports of salmon eggs from Iceland (as announced on 6 November 2015) remaining in place for longer than anticipated. The Chilean National Fisheries and Aquaculture Service (Sernapesca) has now announced that its risk assessment has been completed, and that it expects to reopen the Chilean border to imports of salmon eggs from StofnFiskur by 25 February 2016. In response, StofnFiskur has stepped up its marketing efforts in Chile.

The Group's other divisions, including the new Advanced Animal Nutrition division, have made an encouraging start to the year. The integration of INVE Aquaculture is well underway and proceeding as planned.

The Hon. Alexander Hambro
Chairman
1 February 2016

CHIEF EXECUTIVE'S STATEMENT

MALCOLM PYE
CEO

Benchmark continues to focus on areas of the food chain where there is a clear and immediate need for rapid development on a global scale. Through the combined efforts of our 'gearbox' of divisions, our business brings together the key disciplines within the biological sciences to address current challenges of the food chain and deliver sustainable solutions to them. The research and application of technology to help drive the development of sustainable aquaculture to meet the growing demand for marine protein and the development of new vaccine and biotechnologies in animal health to replace antibiotic use, remain key focus areas for Benchmark. Via its Technical Publishing division, the Group also continues to build its programmes for the development of sustainable food production and for the delivery of technical knowledge and training to the veterinary and production professionals who implement these schemes around the world. We will continue to work in the areas that hold many of the key technology challenges for humanity for the foreseeable future; they represent a major business opportunity for the Benchmark group and are strongly driving the long-term growth and development of our business.

In summary

2015 has been a year of growth for Benchmark. We are delivering against the strategy first set out at IPO, and have been making significant investment in our infrastructure and technological capabilities across the business to create the solid foundations we need to realise our vision and stay ahead of the curve in our fast-paced markets.

Our people remain our key resource and we continue to invest in them, preparing us for the next phase of growth and maximising the immediate opportunities available to us. We have recruited some world-class industry professionals during 2015, significantly increasing our headcount across the group as it has grown, but we remain agile with the creativity, energy and appetite to take market opportunities as they arise.

Group highlights

Breeding and Genetics

The formation of Benchmark Breeding and Genetics following the acquisitions in December 2014 of two world-leading salmon breeding companies — StofnFiskur and SalmoBreed — gave us an immediate international presence within the global aquaculture breeding sector. This is a position we have strengthened and diversified throughout the year through the addition of two leading aquaculture breeding and genetics companies, Norway-based Akvaforsk and USA-based Spring Genetics. These supplementary acquisitions support a strategic move into the fast-growing tilapia sector, which has seen global production increase 11 per cent annually over the past decade, making it the world's second most farmed fish. They are also indicative of our wider group strategy of ensuring diversified revenue streams, offering expertise in an increased variety of species whilst utilising the technological synergies available from other areas within Benchmark.

The new Breeding and Genetics division has integrated well and delivered its planned growth in its first year under Benchmark's ownership, despite strongly adverse currency headwinds in its major market in Norway.

Animal Health

The development of the HypoCat cat allergy vaccine is advancing and remains on target for commercial release in 2018. We have also made substantial progress with the new technologies behind the development of HypoCat, including the further development of the manufacturing process for the Virus Like Particle (VLP) technology and the building of our new antigen manufacturing suite, which is on schedule for delivery in the first half of 2016. This is an important step forward in increasing our capacity, allowing us to manufacture a range of conventional and recombinant vaccines as well as new technology based vaccines, including VLPs. Our pipeline of products has also continued to progress, with the number of products currently in development increased from 47 to 61.

Technical Publishing

This financial year was our most effective for the Technical Publishing division as its revenues grew both organically and through targeted acquisition, turning into profit for the first time. The acquisition and integration of two leading business in UK aquaculture and veterinary education effectively tripled the size of the division and allowed for greater penetration into different geographies, providing a stronger platform for knowledge transfer across Benchmark and our global markets.

Sustainability Science

A significant restructuring which tightened the management of our Sustainability Science division, coupled with a global shift in the way companies recognise and engage with building sustainability into their business, have resulted in improved prospects for the division. We are starting to see the growth in areas where we have made investments over the previous two years, allowing the integration of trials and R&D programmes with the Animal Health division. We are extending this work to integrate in a similar way with our breeding division with salmon, cleaner-fish and tilapia on our farms in Scotland and Brazil.

Targeted Acquisition Strategy

Our acquisition strategy is focused on building our capabilities, broadening and deepening our scientific expertise, and securing our routes to market. Acquisitions have played an important role in our growth strategy this year, with seven additions to the Group during the period. In addition to SalmoBreed and StofnFiskur these include:

- Akvaforsk Genetics — world leaders in aquaculture genetics services and research
- Spring Genetics — leading tilapia primary breeding company
- Improve International — leading independent veterinary training and CPD provider
- TomAlgae — innovator and global leader in freeze dried algal primary feed
- Ascomber — technical conferences and exhibitions

Independently, these all have a strong fit with Benchmark and have each been successfully integrated bringing new technologies, expertise, revenue and profit streams. More importantly however, these acquisitions have been a case of the whole being greater than the sum of its parts — they not only take us into new segments of our core markets and open up new opportunities for further business development but add compound value to each other.

Our most recent acquisition, completed post year-end, is our largest to date, is transformational and so it has been included here for clarity. In December 2015 we secured the purchase of INVE Aquaculture, a leading international specialist manufacturer of primary stage technically advanced nutrition and health products for shrimp and marine finfish, for a total consideration of $342 million, of which $300m was payable in cash and $42m payable in Benchmark shares. This was financed from the placing of new shares to new and existing institutions raising approximately £185.7m with the rest being satisfied under new debt facilities provided by Rabobank and HSBC. The acquisition of INVE made us a global leader in the aquaculture technology market overnight and there are many opportunities for the development of productive synergies between the Benchmark companies and INVE. It allows us to enter the shrimp market, a rapidly growing subsector of aquaculture and creates the fifth pillar of Benchmark's divisional structure — the newly formed Advanced Animal Nutrition division.

Challenges

The entry of a low-grade generic to our leading sea lice product, Salmosan® /Byelice® in Chile, signalled an important challenge early in 2015 initially causing a significant reduction in market share. This has been addressed through the strengthening of our team on the ground and building stronger relationships with customers through enhanced technical service and loyalty schemes. We have also seen challenges to our Breeding and Genetics division through the sharp decline in value of the Norwegian Krone, which fell by circa 20% from the completion of the acquisition to the financial year end. Despite this, our team were successful in meeting our market targets set for the Breeding and Genetics division.

Our people

The continuation of the building of the team at Benchmark has been a rewarding challenge throughout the year. Striving to find the right person for the job, as well as someone who is the right fit for our culture is key factor in our long-term growth and success. This strategy is working, and we have in 2015 secured high-calibre appointments across the business to ensure we have the management capability we need to deliver our business goals now and in the future. It is also important to note that we share a common ethos with those companies we have acquired, as integrating the acquisitions throughout the year has been smooth not only with regards to financial targets and structures, but also in the corporate culture which governs everything we do. Benchmark has grown from 124 employees in 2012 to 826 following the acquisition of INVE, and yet our unity of purpose remains the same.

Looking forward

The market opportunity is growing and is now better than ever; our business is set to grow for the long term. Our markets continue to maintain strong growth and there is an unprecedented need for the technology we provide. We increasingly have the skills and resources, which, when coupled with our appetite to innovate where technology does not yet exist, mean we can move fast to develop solutions. In addition to creating and applying knowledge, we believe in sharing it so that we can help our customers around the world get the best from the available technology and from the innovative products and services we are delivering. In order to do this we have created a unique business that is bringing together the key disciplines that harness the fundamental biology that defines success for our customers.

Last year was one of investment and building the foundations for growth, a strategy which is now coming to fruition and will continue to be seen in the accelerating growth and performance of the Company over the coming years. Benchmark is now strongly positioned with a unique business opportunity in one of the most important and exciting international business arenas — the food chain. The development of sustainable living and our special focus on aquaculture and global leadership in the technology it needs has created a major opportunity for Benchmark in the future, one which we intend to capitalise on.

FVG, USA zebrafish services

CHIEF FINANCIAL OFFICER'S STATEMENT

MARK PLAMPIN
CFO

Key financials

£000	2015	2014
Total revenue	**44,199**	35,354
EBITDA from Trading Activities	**2,423**	6,623
(Loss)/profit before tax from trading activities	**(1,289)**	5,031
Total net costs on Investing Activities	**(10,070)**	(6,406)
Loss before tax	**(11,359)**	(1,375)
(Loss)/Earnings per share from Trading Activities (pence)	**-1.13**	3.29
Basic loss per share (pence)	**-5.96**	-1.04

Divisional Analysis	Revenue		EBITDA from Trading Activities		Operating costs of Investing Activities		Operating profit/(loss)	
£000	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Animal Health	**21,098**	32,981	**2,129**	10,462	**(6,151)**	(4,622)	**(5,926)**	4,924
Sustainability Science	**3,134**	3,073	**(494)**	(1,028)	**(140)**	(140)	**(1,139)**	(1,439)
Breeding and Genetics	**15,871**	–	**4,620**	–	**(234)**	–	**3,052**	–
Technical Publishing	**6,967**	2,873	**284**	(272)	**(18)**	(52)	**(306)**	(515)
Corporate	**2,271**	833	**(4,116)**	(2,539)	**(3,111)**	(1,592)	**(7,280)**	(4,157)
Inter-segment Sales	**(5,142)**	(4,406)	**–**	–	**–**	–	**–**	–
Total Group	**44,199**	35,354	**2,423**	6,623	**(9,654)**	(6,406)	**(11,599)**	(1,187)

During the 2015 financial year the Group delivered a satisfactory result whilst managing challenging trading conditions for Salmosan® / Byelice® in Chile and also successfully integrating seven acquisitions.

The temporary loss of Salmosan® / Byelice® market share in Chile around the mid-year point, coupled with 2014 sales that were above normalised levels due to new market launches, resulted in a reduction in Animal Health revenue versus the prior year. A revised sales strategy for Chile was successfully implemented and sales recovered to a more normalised level by the end of the financial year.

The most notable acquisitions were the four that formed the new multi-species Breeding and Genetics division and the purchase of Improve International that helped the Technical Publishing division to move into profit during the year at EBITDA level. In addition, the purchase of TomAlgae marked the Group's first entry into advanced animal nutrition. All of the acquired businesses have been integrated on time with minimal disruption and are generally performing well against their targets.

Sales of aquaculture breeding products and services became the Group's largest revenue generator and the resultant diversification of sales and profit streams is an important step in the development of Benchmark.

Operating costs increased in 2015 with the completion of the post IPO investment in people and associated infrastructure, and a more than doubling in R&D spend which resulted in good progress with the new product pipeline.

Group results

Group turnover increased by 25% to £44.2m in the year (2014: £35.4m) despite the adverse impact of generic competition to our Salmosan® product line. Revenues from the Animal Health division fell in the year by 36% to £21.1m. This was principally due to the reduction in Salmosan® sales in Chile which resulted from a combination of strong launch year (2014 comparative) sales and generic competition in 2015. It was noted in our interim statement in June 2015 that Salmosan® / Byelice® is a mature product which is off-patent, and the Company took immediate action in response to the increased competition by altering the sales strategy to reward customer loyalty. New volume supply contracts were secured with a number of major customers and sales were stabilised in the second half of the year.

The growth in turnover was achieved through the successful acquisition and integration into the Group of SalmoBreed AS and StofnFiskur HF which together formed the basis for the new Benchmark Breeding and Genetics division, and of Improve International Limited which was combined into the Technical Publishing division. The Breeding and Genetics division was further expanded in July 2015 with the acquisition of Akvaforsk and Spring Genetics. These acquisitions have performed strongly in the year, and this acquisitive growth has allowed the Group to work successfully towards its aim of diversifying its operations away from its previous reliance on sales of Salmosan® / Byelice®. The newly formed Breeding and Genetics division contributed revenues of £15.9m in the year, while the Improve International Group contributed a further £3.8m. The Sustainability Science division performed in line with the previous year, with revenues of £3.1m (2014: £3.1m).

The Group made an operating loss of £11.6m in the year (2014: operating loss £1.2m) due to a combination of reduced sales and margin in the Animal Health division as noted above, and a higher level of expenditure in Investing Activities in the year which, including amortisation of R&D related intangibles, was up 57% to £10.1m (2014: £6.4m). This was offset by the contributions from the new acquisitions, with the Breeding and Genetics division producing an operating profit of £3.1m and the Technical Publishing division returning an operating loss of £0.3m (2014: operating loss £0.5m)

As in previous years, the Group has chosen to sub-divide its reported figures in the financial statements into 'Trading Activities' and 'Investing Activities' in order to better present the performance of its business. Trading Activities are those operations which generate earnings in the current period, and Investing Activities are those activities which have no associated income stream in the current period, but which are intended to provide the Group with income generating operations in the future, for example, investment in pipeline products like HypoCat in the Animal Health division. Both activities are vital to the continued and future success of the Group.

Trading Activities

Gross profit of £16.1m was up on the previous year (2014: £14.8m). This was driven by the strongly performing acquisitions, with the Breeding and Genetics division producing gross profit of £6.0m and the Technical Publishing division £2.3m (2014: £0.4m). The reduction in sales of Salmosan® / Byelice® against the prior year, contributed to gross profit in the Animal Health division falling to £6.6m (2014: £14.4m). Overall gross profit percentage fell to 36% (from 42% in 2014) due to the change in sales mix towards the acquired businesses.

Operating costs from Trading Activities increased to £13.7m (2014: £8.3m) reflecting the increased size of the Group. Headcount increased from 222 at the start of the period to 402 through the seven acquisitions and further strengthening of the Benchmark team. The skills brought into the Group through the new headcount shows our commitment to investing in the development of our high-calibre team and thus ensures that we have the capability to deliver our growth strategy.

Operating costs for the new Breeding and Genetics division were £1.3m and for the Improve International Group were £1.6m in their respective periods since acquisition.

Although turnover in the Animal Health division fell from the lost Salmosan® / Byelice® sales in the first half of the year, the operating costs increased to £4.4m (2014: £4.0m) due to the expansion of Fish Vet Group's diagnostics services with the launch of new laboratories in Norway and Thailand.

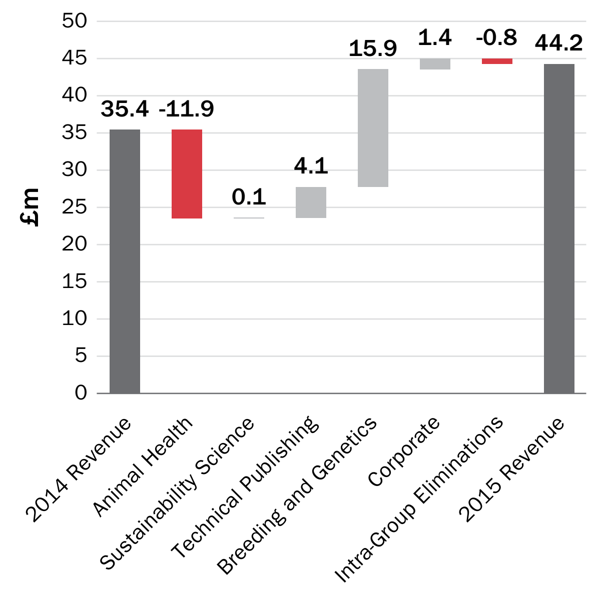
The operating costs at Corporate level have increased from £2.2m in 2014 to £4.9m in the current year. This increase reflects: the full year impact of the significant post IPO headcount increase in 2014 together with a more moderate increase in 2015; increases in Directors' remuneration to market levels; increased travel related to business development and M&A activity; the full year impact of operating costs specifically related to being a public company (2015: £0.40m (2014: £0.25m)); and continued higher spend on strategic marketing and legal & professional advice to provide enhanced protection for the intellectual property in the Group's products and services.

As a result of the above factors EBITDA from Trading Activities of £2.4m was down on the previous year (2014: £6.6m).

Depreciation and amortisation at £4.3m in the year (2014: £1.4m) was higher than in previous years due to the significant increase in tangible and intangible fixed assets balances following the increased investment in the year, primarily from the acquisition of the Breeding and Genetics division.

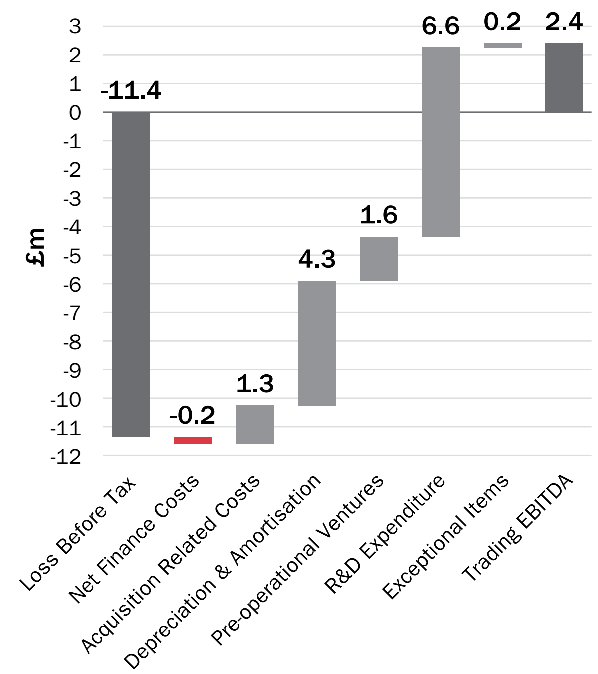
Group Revenue
2015: £44.2m (+25%)

Group Revenue by Division



Group EBITDA from Trading Activities
2015: £2.4m (-63%)

Reconciliation of Group Loss before Tax to Group EBITDA from Trading Activities



Investing Activities

	2015 £000	2014 £000
R&D expenditure	6.6	2.7
Pre-operational expenses (net of sundry sales / cost of sales)	1.6	1.6
Acquisition related expenses	1.3	0.4
Exceptional items:	0.2	1.7
Depreciation and amortisation on assets related to the above	0.4	–
	10.1	6.4

R&D expenditure, one of the Group's key investment objectives, is classed as an Investing Activity as it is undertaken to provide growth in future income streams. Expenditure has continued to increase significantly in the year as the Group executes its strategy of investing in high-quality scientific research and development. The acquisition of the Breeding and Genetics division further demonstrates this, with these businesses pursuing their own research and development programmes (£1.4m in the period since acquisition). The bulk of the remaining increase was in line with expectations as noted in last year's annual report, and related to the development of the team focusing on the delivery of the Animal Health product pipeline following the acquisitions made in that area in 2014, and the continued collaboration with HypoPet to bring to market a breakthrough cat allergy vaccine.

Pre-operational expenses in the early part of the year related to the final costs of setting up the laboratory facilities in Norway and Thailand, and later in the year, related to setting up laboratory facilities in Chile and Brazil. Further, the results of the FAI Aquaculture business, which has been the subject of substantial investment in state-of-the-art marine research and testing facilities, have been reclassified as pre-operational in 2015 as the trade previously carried on by the business was disrupted and put on hold while the new facilities are built and commissioned. We expect all of these facilities to become operational in 2016.

Significant acquisition related costs were incurred in the year in respect of the acquisition of the new Breeding and Genetics division, which involved an equity raise of £70m, and also the costs associated with the other acquisitions of Improve International Group and TomAlgae. The timing of the completion of the acquisition of SalmoBreed compared to the date when Benchmark actually took control caused an exceptional foreign exchange gain of £1.6m to be incurred which reduced the acquisition related costs of £2.9m to £1.3m. These acquisitions were much larger than those in the previous year, incurring respectively higher level of costs.

Exceptional non-recurring costs in the year of £0.2m related predominantly to a restructure at FAI Farms and were greatly reduced from 2014 when costs were incurred in relation to the IPO.

Finance costs

Net finance income of £0.2m has been earned in the year (2014: cost £0.2m) as the Group has had no bank borrowings throughout the year following their repayment in 2014.

Taxation

The Group incurred a tax charge for its UK and overseas operations of £0.4m in the period (2014: tax credit of £0.1m). The charge relates primarily to a corporation tax charge on overseas profits (£0.9m) against which the Group's losses cannot be relieved. This is offset by a deferred tax credit of £0.5m from a combination of the use of brought forward trading losses and some small deferred tax assets recognised on temporary timing differences expected to reverse in the short-term. The Group has adopted a prudent stance on the recognition of deferred tax assets on trading losses, and deferred tax of £2.9m has not been on losses.

Earnings per share

Basic loss and diluted loss per share were both -5.96p (2014: loss per share -1.04p). The movement year on year is due to a combination of the result for the year as noted above, and the issue of 82m new shares in the equity raise used to fund the acquisition of StofnFiskur and SalmoBreed in December 2014. Loss per Share from Trading Activities was -1.13p (2014: earnings per share 3.29p) with the movement again due to the result and the dilutive effect of the higher number of shares in issue.

Dividends

The Company has paid no dividends during the year (2014: 0.2p per share) and the Board does not recommend payment of a final dividend in respect of the year ended 30 September 2015.

Balance sheet

Group net assets increased in the year to £92.1m (2014: £37.3m), with the main increase arising from a secondary equity raise in December 2014 used in part to fund the StofnFiskur and SalmoBreed businesses. The remainder of the funds have been utilised on the significant investment made in the year in additions to fixed assets and on the new acquisitions. Fixed asset additions of £13.0m includes £9.0m on the new vaccine manufacturing facility at Braintree which should be completed in Spring 2016 and £2.0m on the new state of the art trials unit at Ardtoe.

Note 33 to the accounts outlines the fair value of the assets and liabilities acquired in the acquisitions made during the year. These include separately identifiable intangible assets of £36.3m relating to the accumulated genetic information in the newly acquired Breeding and Genetics division (£22.1m), intellectual property in the Improve International and TomAlgae businesses (£3.0m), and contracts, licences and customer lists (£11.2m). Deferred tax liabilities totalling £9.0m were provided for the tax timing differences on these intangible assets. Goodwill of £27.8m arose on the acquisitions.

A new equity raise took place in December 2014, which brought in gross funds of £70m, with equity raising costs of £2.1m netted off the share premium account.

Cash flow

The group ended the year with cash balances of £13.6m (2014: £16.5m). Of the total cash outflow in the year of £2.9m, £9.0m outflow related to cashflow used in operations and £61.4m was expended on investing activities relating to the purchase of the businesses acquired in the year (£47.5m net of cash acquired with the acquisitions) and additions to fixed assets (£14.0) mainly relating to the new vaccine manufacturing facility at Braintree and the trials unit at Ardtoe. These outflows were funded by a net cash inflow from funding activities of £67.4m with £67.9m net of costs received from the equity raise in December 2014 noted above.

Treasury

The Group has established procedures to mitigate financial risk to ensure sufficient liquidity is available to meet foreseeable requirements. These ensure that finance is secured at minimum cost where required and that cash assets are invested securely and profitably. The finance function manages the Group's foreign exchange, liquidity and funding, interest rate and credit risks within a framework of policies and guidelines authorised by the Board.

The Group uses simple derivative financial instruments for risk management purposes only. Group policy prohibits speculative arrangements. Transactions in financial instruments are always matched to an underlying business requirement, such as expected foreign currency revenues and payments. The Group uses derivatives only to manage its foreign currency and interest rate risks arising from underlying business activities. No such derivatives were outstanding at the year-end. Treasury activities are reported to the Board on a monthly basis within the Group management accounts.

Foreign exchange risk

The Group's reporting currency is pounds sterling. Where Group entities operate with a different functional currency, the Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency 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.

Where significant transactions are conducted in currencies other than the functional currencies of the individual entities, exposure to movements in exchange rate is mitigated by the use of simple financial derivative instruments as appropriate.

Liquidity and funding

The Group's finance function is responsible for sourcing and structuring borrowing requirements. The Group had no bank borrowings throughout the year, and as part of the acquisition of INVE subsequent to the year-end, the Group has refinanced, and obtained a revolving credit facility of up to £46m, leaving sufficient funding facilities to meet its normal funding requirements in the medium term.

Interest rate management

Controls over interest rate exposures are in place and dealings are restricted to those banks with the necessary combination of geographic presence and suitable credit rating. As at 30 September 2015, the Group had no bank loans.

Credit risk

The policy followed in managing credit risk permits only minimal exposures, with any surplus funds invested mainly in short-term deposits with financial institutions that meet credit criteria approved by the Board. Specifically, counterparty creditworthiness is determined by reference to credit ratings as defined by the global rating agencies: Fitch, Standard & Poor's and Moody's.

Transformational acquisition post 30 September 2015

On 30 December 2015 the Group completed the acquisition of INVE Aquaculture Holding B.V. ("INVE"), a leading specialist manufacturer of primary stage technically advanced nutrition and health products for aquaculture, for a total consideration of $342m (approximately £227m). Of the headline consideration, $300m (approximately £199m) was paid in cash and $42m (approximately £28m) was satisfied through the issue of consideration shares. Following the acquisition, which is expected to be earnings enhancing in the first full financial year post-completion, INVE management joined the enlarged Group and invested in Benchmark shares.

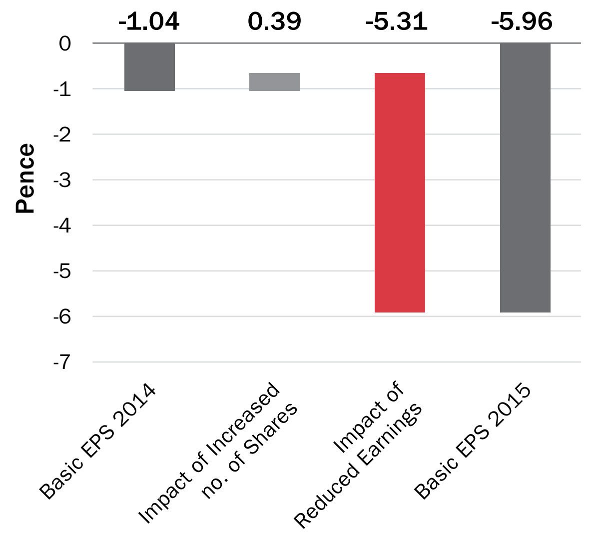
The cash consideration was financed by a placing of 215,922,141 new Benchmark shares to new and existing institutional investors raising approximately £185.7m. The balance was satisfied with debt funding drawn under new debt facilities provided by HSBC Bank plc and Rabobank (Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.).

In view of the size of the acquisition relative to the Company, the transaction was classified as a reverse takeover under the AIM Rules and therefore required the approval of shareholders and the readmission of the enlarged share capital to trading on AIM. This approval was received at a General Meeting on 29 December 2015 and the admission to AIM and completion of the acquisition took place on 30 December 2015.

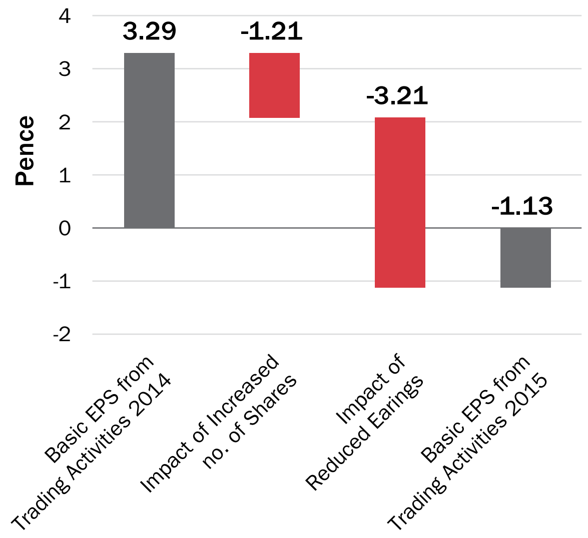
This acquisition is transformational for the Benchmark Group as it results in a more than doubling of total revenue, headcount and net assets. The enlarged Group will serve customers in more than 70 countries across six continents.

INVE reported revenue of £54.0m in the year ended 31 December 2014 with operating profits of £14.4m and total assets of £39m.

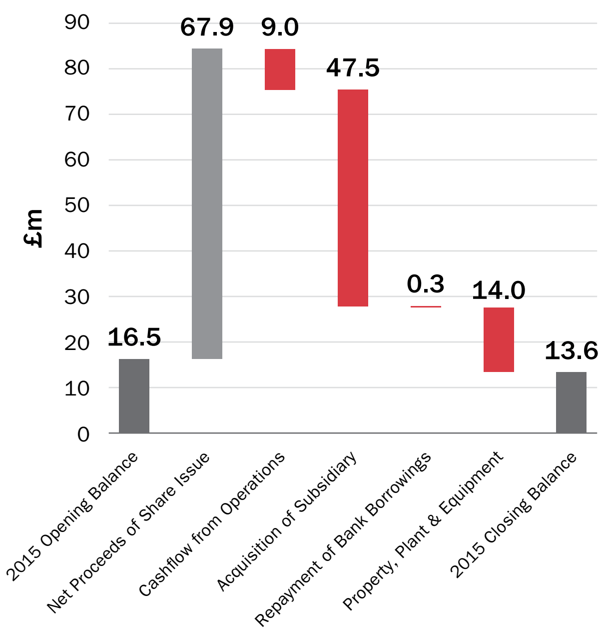
Basic EPS



Basic EPS from Trading Activities



Group Cashflow 2015



Net Assets
2015: £92.1m (+147%)

GROUP OPERATIONAL OVERVIEW

ROLAND BONNEY
COO

2015 has been an important year for Benchmark as we have continued to scale-up our infrastructure and strengthen our capabilities across the Group. We have made significant investment across our divisions to enable us to produce the next generation of technologies and solutions needed to play a leading role in the development of sustainable food production.

As we live longer the number of people in the world that need to be fed also increases — by 75 million each year. At the same time, economic development means that an increasing number of people are aspiring to eat more meat and fish. We need to waste less and produce more efficiently, cost effectively providing better quality food from the same finite resource of land and water.

To address these challenges, we have to harness the power of science to fundamentally align our production with the natural environment. The health of people is inextricably linked to the health of our farming production systems and the health of our food animals. That is why Benchmark is dedicated to keeping animals healthy through good system design, management practices and the development of new vaccines and breeding technologies to prevent and resist disease. This approach will help to provide the long term, sustainable solutions our food chain requires and remove its over reliance on antibiotics — an issue which is increasingly prevalent. These solutions are not just needed for the next generation; they are paramount for this one.

Hands in the water, feet in the mud

Benchmark is built on our team's collective understanding of the fundamental biology of animals and their environments. We put the animal at the centre of our designs and interventions, bringing together knowledge of breeding and genetics, health products, veterinary science, farming and husbandry. Our breadth of experience and expertise gives us a unique perspective across the entirety of the food chain and enables us to create the most effective solutions to the challenges facing our customers and partners — both producers and consumers.

Nowhere is our on the ground perspective clearer than in our FAI farms and research facilities — FAI Ardtoe, FAI Brazil and FAI Oxford — where we put scientific research into farming practice. Building on the FAI brand, RL Consulting, Trie and FAI Consultancy are now managed, marketed and traded under one common FAI brand globally. This integration and consolidation allows us to provide complete sourcing and research solutions to our global clients, whilst also more efficiently utilizing management and staff resources.

Supporting the aquaculture industry as it gets to grips with the challenge of sustainability without compromising its high-growth trajectory is core to our strategy. Throughout the year we have continued to make significant progress with the phased redevelopment of our state-of-the-art Ardtoe Marine Research Facility in Scotland, which will progressively support our sustainable aquaculture research programme. The facility is designed to operate 24-hours a day, seven days a week for 365 days a year providing development services to our Animal Health, Breeding and Genetics and our newly acquired Advanced Animal Nutrition divisions. Trials at the new facility are now underway.

Boosting knowledge transfer

The acquisition of Improve International, the largest global provider of Continuous Professional Development (CPD) training for veterinary professionals, was completed in January 2015 and its successful integration into Benchmark's Technical Publishing division has surpassed the Directors' expectations. Improve International has retained its full management team and secured a number of new contracts, including being appointed the provider of official veterinary training and educational services for Defra (Department of Agriculture, Food and Rural Affairs).

In April 2015 we acquired Ascomber which runs the UK's leading aquaculture conference. The upcoming 2016 conference is already fully booked and its addition to the group expands our aquaculture portfolio and the services we can provide to the sector. It also moves us into the important and growing conferences, exhibitions and events arena that we have identified as a key market from which we can further develop the education and training services we offer. A vital component of our overall strategy is to not only to develop world-leading technologies and solutions, but also to ensure we have access to the platforms which allow us to market and share them with the rest of the industry.

At the genesis of a sustainable food chain

Robust genetics and breeding is fundamental for any animal production system to be sustainable and efficient. The creation of our new division, Benchmark Breeding and Genetics, puts Benchmark at the forefront of the provision of world leading aquaculture breeding programmes and brood stock across species including salmon (a well established market) and tilapia, one of the fastest growing segments in the aquaculture sector.

The teams forming this new division have integrated well with each other and with the wider Benchmark Group. They have rapidly and professionally developed collaborations that have enhanced our strategic and commercial relationships with our customers whilst also generating ground-breaking research (see page 64). This ability to collaborate and improve is testament to the calibre of the teams we have brought in and the corporate ethos we recognised in them, which was so similar to our own. The acquisitions completed in 2015 are now firmly embedded, supporting the overall Benchmark strategy.

The development of our vaccine production capability continues apace at our site in Braintree, where we have invested £9m this year to deliver an ultra-modern GMP (Good Manufacturing Practice) recombinant vaccine antigen production facility and an automated egg and monolayer virus antigen production suite. Construction of our Braintree Biotech Building (BBB) is on schedule for delivery in the first half of 2016 and will be transformative in increasing our capability and capacity, allowing us to manufacture a range of conventional and recombinant vaccines, including Virus Like Particle (VLP) vaccines.

This improved capacity and capability is already providing results, as the development of the HypoCat product (scheduled for commercial release in 2018) has afforded us a much deeper understanding of VLP vaccines, and has illustrated the potential read across to other species and products.

The strategic decision to expand the antigen manufacturing at Braintree has resulted in us pushing back the planned development of the Biocampus site, this allows us to expand our production capacity utilizing our existing resources and highly skilled team. We can then, when needed, bring in the Biocampus site to best secure continuity of manufacturing of our animal health product pipeline in the longer term.

Advanced Animal Nutrition

Post year-end in December 2015 we secured our largest acquisition to date with the purchase of INVE Aquaculture, which is included in this report for clarity, as it is transformational to the Group in creating Benchmark's Advanced Animal Nutrition division and thereby completing our divisional structure.

The advanced nutrition sector in which INVE operates is, as with the breeding and health sectors, fundamental to the sustainability of aquaculture production. Together with Benchmark's skills, expertise and capacity across our other divisions, it makes us a leading provider of integrated technology, products and services to the aquaculture industry. Aquaculture is not only a multi-billion dollar sector but one of the fastest growing and most resource-efficient in the food industry. Most importantly, we believe the teams at Benchmark and INVE share a common ethos and culture. Both companies have a strong history of working collaboratively with partners to develop technologies, and both management teams have a drive to address one of the most pressing issues of our time in developing a healthy, sustainable food chain.

Our enlarged Group will serve customers in more than 70 countries across six continents, giving us leadership in the speciality aquaculture nutrition segment. Additionally, the INVE acquisition marks our first foray into the shrimp market, as we continue to diversify the catalogue of species we cater for by adding a niche but fast-growing sector of the market.

The acquisitions we have made have grown our technical capability and our capacity to service our customer base in the rapidly expanding aquaculture sector. We have a proven track record, pre and post listing, of successfully integrating acquisitions and have built a strong business development team to manage this.

Evolving the Group structure

The key to our success is our ability to bring together expertise from different disciplines centred around the fundamental biology of the animal. It enables us to identify the most effective solutions, focusing our research and technical resources on the developments that will provide the most benefits for production systems now and in the future. Identifying and evolving the synergies between disciplines has been a key focus for our senior management team throughout the year, creating the collaborations necessary to deliver success.

By bringing different disciplines together, we can offer our customers end-to-end solutions that take care of all their needs. This helps our customers maximise efficiency and sustainability in all parts of their work, and allows us to develop lasting relationships with some of the biggest brands and corporate names in the world.

The Operations Board and divisional management have been central to implementing this strategy and this structure is also streamlining the flow of communications between the Executive and the rest of the business, which is vital now that we have 826 people across 27 countries making up the wider Group following the acquisition of INVE Aquaculture.

Our people

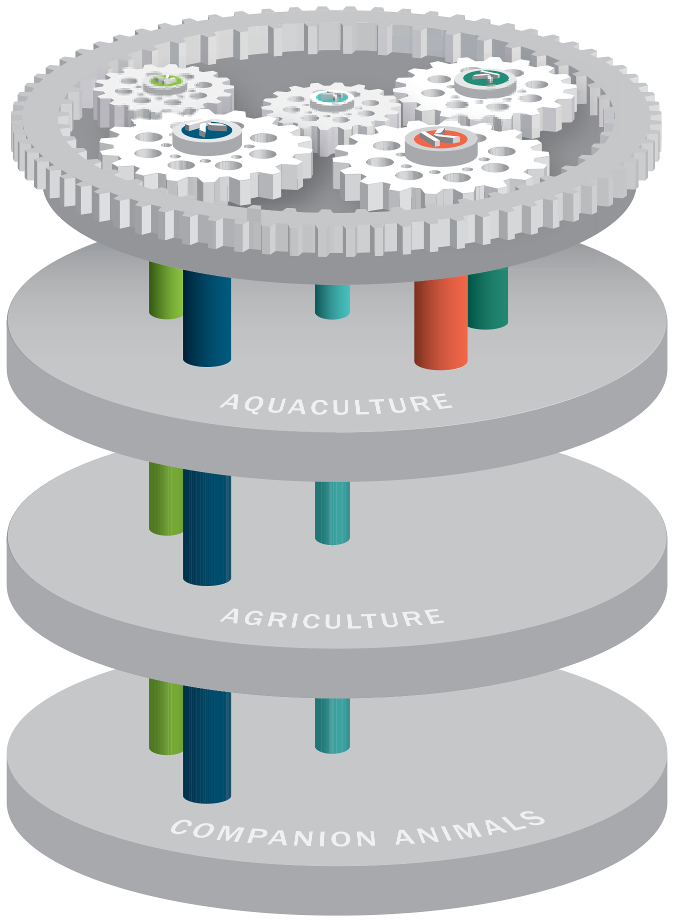
We have continued to recruit high calibre and motivated individuals into our teams throughout the year. Belief in our purpose is a strong driver across the group as our people see the challenges humanity faces and are passionate about finding solutions. They want to make a difference to the world in which they live and working at Benchmark allows them to do this. We focus on empowering people which helps them to be creative, to maintain motivation and to be effective in their respective roles, all of which are essential in a group growing as rapidly as Benchmark.

Summary

2015 has been another year of significant growth, investment and development for Benchmark and one from which we have placed the last remaining 'cog in our gearbox' to complete our divisional structure. We now have an unparalleled capability to harness the growing knowledge of fundamental biology to deliver the much needed effective and sustainable solutions to the sectors we serve.

As we move into new markets across the world, Benchmark's reality is beginning to match the ambition with which we have always viewed the Company. Expanding into growing markets such as South East Asia and South America, and providing solutions for some of the fastest growing food segments in the world, means that 2016 is primed to be Benchmark's most important year yet.

In the urgent race to deliver sustainable living there is no more important starting point than that which sustains life — food — and its production.



Salmon fry at StofnFiskur, Iceland

GROUP OPERATIONAL FRAMEWORK

ANIMAL HEALTH

Advancing health and welfare of terrestrial and aquatic animals

- Veterinary services
- Disease diagnostics
- Manufacture of licensed vaccines and antigens for farm, aquatic and companion animals
- Contract-manufacture of veterinary vaccines and medicines to EU GMP (Good Manufacturing Practice) requirements

TECHNICAL PUBLISHING

Up skilling professionals and businesses through expertise, education and knowledge transfer

- Digital news
- Knowledge transfer
- Technical publishing
- E-learning and technical training
- Market analysis

SUSTAINABILITY SCIENCE

Growing and sourcing good food better

- Science & technical Advice
- Data management
- Strategy & visibility
- Animal health solutions
- Food & farming
- Training & events

BREEDING AND GENETICS

Good animal health and welfare through robust breeding and genetics programmes

- Improving production and sustainability in aquaculture
- Identification and development of genetic material to improve growth, disease resistance and product quality
- Second largest supplier of salmon eggs and genetic expertise in the world
- Leading provider of technical genetic services across many aquaculture species in Norway, Canada, Thailand, China and the USA
- World-leading breeding and genetics centres across three continents

ADVANCED ANIMAL NUTRITION*

Advanced nutrition and health products for shrimp and marine species of finfish

- Leadership in speciality aquaculture nutrition market, complementary to Benchmark's position in genetics and health
- Market leader in early stage fish and shrimp hatchery products
- Development of innovative advanced nutrition products
- Wide portfolio of high-end diets for crustaceans and marine fish
- Health products to enhance performance of fish and shrimp
- Products sold primarily in Asia, Europe and the Americas
- R&D programmes

*As at 30 December 2015

FAI Oxford

OUR RESPONSIBILITY

Sustainability is not a simple standard or a tick-box. It has no agreed recipe book or a set path. Instead it is defined with every step we take and redefined as we learn more. Our responsibility to a sustainable future is best understood through the 14th century Latin origins of the word — sustinere — which means 'to continue — to keep up'.

Our 3Es framework of Economics, Environment and Ethics helps us to 'keep up.' It helps us understand the challenges and opportunities around us, and guide our commercial interests, investments and actions with a long-term view that will improve the world today and for future generations.

The 3Es are anchored in practical, on-the-ground experience — from the farm gate to the Boardroom. We understand the challenges facing societies' major engines of production and we identify the best, leading edge science to address those challenges. Putting the 3Es into practice provides direction for our own business as well as that of our partners, to promote prosperous societies and successful farmers, healthy environments, animals and high-quality food for people.

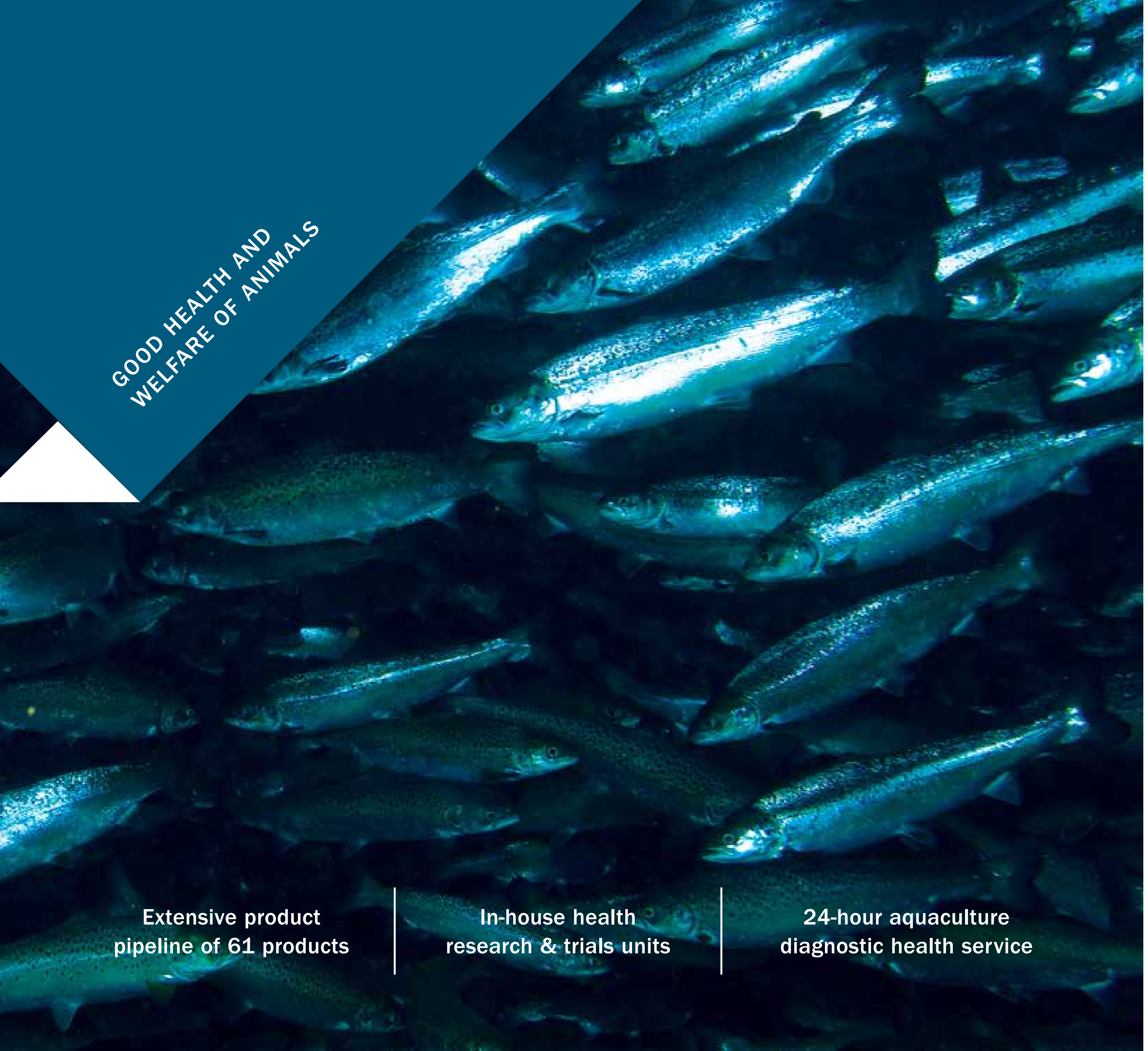
The 3Es framework which places equal value on Economics, Environment and Ethics, guides all of our work and is the cornerstone of everything we do. When these are made part of any organisation, the core structure of sustainability is built in. The 3Es model provides a framework from which we are able to pursue our commercial interests in a manner that ensures consideration and respect for the people and partners with whom we work; the livestock and animals for which we are responsible; and the communities and environments in which we operate.

BENCHMARK'S STRATEGY DRIVES...

- Good health and welfare of animals
- Growing sustainable business
- Knowledge transfer for the food chain
- Robust animal breeding and genetics
- Advanced animal nutrition

BY BUILDING:

- Next-generation scientific research and state-of-the-art production capacity
- A world-class team



"We have made significant strides this year across the division. Our aquaculture health business, Fish Vet Group (FVG), has had a fast-paced and productive year. With operations across four continents, we are now the only company to operate a 24-hour service. For our customers this means that wherever they are in the world, we can provide them with the rapid and reliable results they need to manage their business."

HAMISH RODGER
GLOBAL MANAGING DIRECTOR
FISH VET GROUP

ANIMAL HEALTH DIVISION
REVIEW

Improving animal health for a more sustainable future

We have made significant strides this year across our Animal Health division. The health and welfare of animals is at the heart of a thriving and sustainable food chain. Benchmark has been built around understanding what animals need and the key disease challenges affecting them in order to design safe, effective and reliable health services, products and advice. Central to this is developing products and strategies that reduce reliance on medications and antibiotics to treat disease.

Salmosan® / Byelice® is a mature product and is off patent. In mid 2015 a generic competitor product was launched in Chile and this reduced our market share. This has been addressed through the strengthening of our team on the ground and building of stronger relationships with customers. Our market share recovered to a more normalised level by the end of the financial year.

By working alongside teams from our other divisions, our Animal Health teams have an in-depth knowledge and understanding of the impact these disease challenges have at farm-level, ensuring that the health products and solutions we develop are not only effective but are also easy-to-use and cost-effective. The products and solutions we develop are backed up by robust research carried out on our research farms and through collaborations with partners and institutions.

Collaboration across our divisions can help develop effective solutions to some of the biggest challenges in food production — for example, the challenge of disease in aquaculture. We live in an age where demand for fish is growing rapidly, and fish production is expanding to keep up. Producing more fish brings with it the challenge of managing disease. Disease management can never be truly effective if you try to address different aspects of the challenge in isolation — which is why our interdisciplinary approach is so powerful. By bringing together diagnostics, breeding and genetics, medicine research and nutrition, we are enabling a holistic approach to achieving healthier, more productive aquaculture. We look at everything from genetic selection to vaccines and the use of 'natural control' (e.g. cleaner-fish) in our mission to find the most effective solutions.

Aquatic veterinary and diagnostic services

At the forefront of our Animal Health division is our aquaculture health business, the Fish Vet Group (FVG). We have had a fast-paced and productive year, building on our position as the world's largest aquaculture health provider. The histopathology service, a fundamental that FVG was built on, includes scanning equipment that allows ultra-high-resolution images of histology slides to be sent to internal and external partners around the world, facilitating collaboration on a global scale. It also enables quicker, more accurate comparative analysis of tissues, using a suite of digital image analysis tools.

With operations across four continents, FVG now operates a 24-hour service meaning that if one of our customers in Asia, for example, needs a diagnosis urgently, it can be turned around within 24-hours, somewhere in the world there is always one of our histopathology teams at work. We are the only company who can offer this service, providing our customers with the diagnosis and information they need to manage disease, limit mortality and produce more value.

FVG's growing global customer base also benefits from the team's remarkably diverse and expert team. By recruiting leading global health experts across a range of key diseases, the FVG global team has first-hand knowledge of emerging health issues in their unique regions. This information is circulated among the Group, permitting more effective diagnosis, treatment, and proactive management advice for our clients and partners.

Market penetration in all of the countries in which FVG operates has increased throughout the year. Across the UK, FVG now provide consultancy to all of the major aquaculture producers and are the prescribing veterinary surgeons for circa 40 per cent of the Scottish farmed fish. They also provide diagnostic services to over 90 per cent of the Scottish finfish aquaculture market, and veterinary services and diagnostics to 95 per cent of the industry in Ireland.

In Norway, the biggest salmon farming country in the world, FVG serve all of the major farming companies and fish health services, supported by the introduction of a rapid molecular diagnostic throughput robotic qPCR at our lab in Norway. This service, coupled with digital histopathology, sets us apart from our competitors as we are able to provide customers with a rapid diagnosis, along with informed and tailored advice about how to manage it.

FVG began trading in Chile this year, making us the only aquaculture health provider in the country able to provide a rapid turnaround service to this important market. Our 12,000[2] feet state-of-the-art laboratory equipped with robotic qPCR and digital histology capabilities is now underway and scheduled for completion in 2016.

In Asia, our state-of-the-art lab, launched in 2014, replicates our world-leading labs across Europe and the Americas. Run by our expert team whose ability to provide total aquaculture health services, coupled with proactive management support from aquatic health experts and dedicated laboratory technicians, make it a valuable part of the region's growing aquaculture industry.

Strengthening their offering to the American market, FVG Inc gained USDA APHIS (Animal and Plant Health Inspection Service) approval for their laboratory in Portland, Maine, permitting accredited fish health inspections and certification. They also expanded their technical offering into the important zebrafish research community.

Responsible health solutions

In December 2014, our improved formulation sea lice control treatment, Salmosan® Vet, was fully licenced and made available in Norway and the UK. Salmosan® is the longest running sea lice treatment in the world. Currently available in the UK, Norway, Faroe Islands, Canada (emergency registration) and Chile (Byelice®), it is used throughout the global salmon industry for the control of pre-adult to adult stages of sea lice. To support safe and correct usage, all Salmosan® / Byelice® customers have access to our technical support team and global pharmacovigilance system.

We are investing across the Group to develop alternatives for sea lice control such as the use of cleaner-fish, which is a natural and sustainable control method, and examining the use of new technology to enhance the effectiveness of sea lice treatments and reduce environmental impact.

PondDtox®, the world's only microbial solution that can both prevent and remedy a hydrogen sulfide-infected pond, has established a firm foothold in its market, with increased demand throughout the year. Virasure® is the first in a suite of advanced biocides launched in Europe, China and India that is also performing well. Building on its success, we are developing complementary products that will work alongside Virasure® to provide producers with additional easy-to-use, low-cost products to manage biosecurity on their farms.

Ensuring the highest standards for efficacy testing

Our new Animal Health Centre in Oxford has welcomed 30 sheep and 42 cattle in the last 12 months to demonstrate the safety and efficacy of the products we produce. The Centre operates to the UK's Veterinary Medicines Directorate (VMD) and the EU's Good Manufacturing Practice (GMP) standards, which are some of the highest in the world. Rigorous testing is an integral element in our commitment to provide efficacious and reliable vaccines with excellent safety profiles.

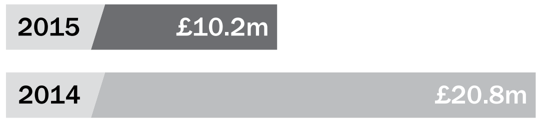
Mydiavac®, Benchmark Animal Health Ltd inactivated sheep abortion vaccine, has been well received in the UK agricultural community due to its unique ability to curb abortion outbreaks and minimize antibiotic use. Mydiavac tackles the widespread problem of Enzootic Abortion of Ewes (EAE) caused by the bacteria Chlamydophila abortus. When a ewe is infected with this bacteria before lambing it causes abortion or the birth of weak lambs. During the first half of 2015, EAE accounted for 38 per cent of sheep abortion diagnoses by the government, more than any other infection. 'Abortion storms' can occur in flocks, which can cause devastating losses of over 30 per cent of lambs in the flock.

ANIMAL HEALTH DIVISION
FINANCIAL PERFORMANCE

Animal Health Division Revenue
2015: £21.1m (-36%)

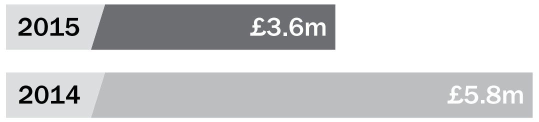
Fish Vet Group Services Revenue
2015: £0.8m (+5%)

Own Products Revenue
2015: £10.2m (-51%)



Animal Health Division EBITDA from Trading Activities
2015: £2.1m (-80%)

Factored Products Revenue
2015: £3.6m (-37%)



Manufacturing Revenue
2015: £3.5m (+6%)

	2015 £000	2014 £000
Revenue	**21,098**	32,981
Cost of Sales	**(14,524)**	(18,548)
Gross Profit	**6,574**	14,433
Operating costs relating to Trading Activities	**(4,445)**	(3,971)
EBITDA (from Trading Activities)	**2,129**	10,462
Operating costs relating to Investing Activities	**(6,151)**	(4,622)
Depreciation and amortisation	**(1,904)**	(916)
Operating profit	**(5,926)**	4,924

FAI Oxford

"There is a food awareness revolution happening right now with consumers, farmers, chefs and the food industry showing growing interest in the links between the origin of food and taste, farming practices and quality. Benchmark Sustainability Science is positioned to make this trend work for farmers, animals and our environment by partnering and supporting with the world's leading food retailers, producers and sectors."

RUTH LAYTON
HEAD OF SUSTAINABILITY SCIENCE
AND BENCHMARK CO-FOUNDER

SUSTAINABILITY SCIENCE DIVISION
REVIEW

Benchmark Sustainability Science harnesses the power of science and practical know-how in order to provide sustainable sourcing solutions for the food supply chain. We provide practical advice, applied research and state-of-the-art solutions that leave our clients at FAI confident in the quality and integrity of their food. We innovate, operate and demonstrate best practice agriculture and aquaculture.

Growing our impact

Meeting global customers' growing demand for knowledge about how their food is produced requires companies to centre business strategy around their purpose, and to communicate clearly and transparently the impact they are having. Companies are ultimately judged by what they do and how they do it. Increasingly, they are expected to demonstrate the benefit and contribution they make to society as a whole. Every company is different, as is their opportunity and the impact they can make. We work with partners to help them articulate their purpose and deliver real changes throughout their supply chains, from their bottom line to their customers' lives.

Marks & Spencer (M&S) Protein Sourcing Partnership

Since 2013 FAI has worked alongside M&S as a principal strategic and scientific partner in the development of their Agricultural Programme to source food animal protein from the most sustainable supply chains.

A cornerstone of the service we provide is our pioneering cloud-based data service which provides M&S with tailored supply chain management facilitate traceability of consistently high-quality products. We collect and process data focused on key outcome measures at farm level, during transport, and at the abattoir and processing centers. By ensuring all of our stakeholders have access to production data about their supply chain, we are able to continuously assess and benchmark their practices and identify risks. Through the collection and analysis of this data we can support and inform the improvement of M&S's standards and practice, and build on the brand confidence and integrity of their supply chain.

IKEA Food Health and Sustainability

Throughout the year we have worked with IKEA to inform a new direction for its $1.5bn food business based on our 3Es strategic framework of Economic, Ethical and Environmental sustainability. Working with their senior management team and internal and external stakeholders, through the use of surveys and engagement tools, we helped develop the IKEA Health and Sustainability strategy that was signed off by their board in September. We are excited about our working partnership with IKEA to drive forward their food sustainability and animal welfare commitments in a way that ensures real impact at farm level.

Sharing best practice in McDonald's supply chain

McDonald's is one of FAI's longest-running partners. We are engaged in the development and delivery of their agricultural programmes in the United Kingdom and Europe. Working alongside companies like McDonald's allows FAI to drive faster and more significant progress towards sustainable food production.

FAI helped establish and continue to manage McDonald's Flagship Farms Programme designed to help McDonald's identify and engage with some of the best performing farmers supplying their European market. These farms are used to highlight best practice and support sharing of knowledge and experience within the wider McDonald's agricultural supply chain.

"Over the years FAI has played a critical role in determining the direction of our key agriculture programmes. Bringing practical farming experience and deep sustainability knowledge to bear, FAI has helped ensure these programmes bring value to both our business and those of our farmers."

Keith Kenny
Vice President Sustainability — McDonald's Corporation

Investing in a sustainable future for aquaculture

Aquaculture now supplies half of the seafood we consume globally, filling the gap between growing global demand and stagnating wild capture volumes. The industry has developed rapidly in the last 40 years to produce significant volumes but this rapid growth brings with it challenges such as environmental and social impact, as well increased disease pressures. Throughout the year, significant investment has been made in our infrastructure and in-house capacity and expertise to enable us to positively shape a more sustainable future for global aquaculture. We are transforming our sustainable aquaculture facility in Scotland (see page 65 for more information).

Alternative health solutions for the salmon industry

Sea lice are parasites which feed on both wild and farmed salmon, compromising their welfare and negatively impacting productivity by slowing growth rates. Typical measures to control sea lice include husbandry techniques and licensed medicines, but the industry is looking for new methods that reduce reliance on chemicals and medicines.

The commercial use of cleaner-fish as a means of sea lice control has gathered significant momentum over the last few years. Cleaner-fish feed on sea lice, reducing the need for treatment or human intervention. Across the Group we are investing in their commercial use by establishing a secure and sustainable supply of lumpsuckers — a commonly used cleaner-fish — and by improving their welfare through a detailed analysis of the biological needs and disease challenges facing lumpsuckers when they are raised in hatcheries and when they are released into salmon farms.

Supporting Brazil's growing tilapia and shrimp industry from the outset

The production and consumption of seafood — and in particular tilapia and shrimp — is growing rapidly in Brazil. To support these fast-growing industries we are establishing a tilapia hatchery at our farm in Sao Paolo State to demonstrate best practice, We are also working in collaboration with our Animal Health and Breeding and Genetics divisions to provide robust genetics and state-of-the-art fish health and laboratory services. This collaboration across the Group will offer our customers in Brazil end-to-end solutions that optimise efficiency and sustainability in all parts of their supply chain.

Making best practice, common practice

We believe that too many scientific endeavours are removed from the reality of day-to-day farming. That's why we work with farmers to identify the most important problems and mobilise science, practical expertise and evidence to find the most effective solutions.

Our approach is focused on driving meaningful improvements, mitigating risk and realising long-term business benefits for our partners by inspiring producers to meet and exceed key performance outcome measures, rather than telling farmers how to farm.

Demand for cage-free eggs is growing in Brazil due to changing consumer attitudes, increased campaigning from NGOs, and commitments made by multinational companies. We realised this trend two years ago and established one of Brazil's first-ever cage-free egg production systems at our farm in Jaboticabal. Through demonstrating high welfare, good health, consistent production and profitability, we have positioned ourselves as the leading expert on these systems. In response, the Ministry of Agriculture and the Humane Society International have all independently approached FAI Brazil to provide technical know-how and advice to ensure the successful roll-out of commercial cage-free production nationwide.

Local protein sources in organic pig feeding rations

Increasing numbers of consumers around the world are prepared to pay more for organic food and to support local economies. However, with feed costs continuing to rise along with consumer concern about the negative impact feeds such as soya have on the environment and local communities, our team at FAI in Oxford conducted a two-part project in partnership with the Organic Research Centre (ORC) to develop a nutritious alternative organic diet for pigs that can be grown locally and is sustainable. The results of our trial, which was concluded this year and compared performance growth of pigs reared on different diets, demonstrates that a 100 per cent organic diet for pigs using alternative, locally-grown sources of protein — such as peas and beans — as part of a forage-based ration is a viable alternative to soya as a protein source for organic pig production.

Additionally, because we design solutions to meet the health and welfare needs of animals, this alternative diet also fulfils the behavioural needs of pigs to root and forage for their feed which occupies them for over 60 per cent of their time, reducing the occurrence of tail and ear biting which are common welfare challenges seen in modern-day pig production. Initial evidence also suggests that this diet may improve gastric health, with very minimal stomach ulcers observed in our forage-fed pigs in comparison to grain-fed organic pigs.

SUSTAINABILITY SCIENCE DIVISION
FINANCIAL PERFORMANCE

Sustainability Science Division Revenue
2015: £3.1m (+2.0%)

Sustainability Science Division EBITDA from Trading Activities
2015: (£0.5m) (-51%)

	2015 £000	2014 £000
Revenue	**3,134**	3,073
Cost of Sales	**(2,229)**	(2,339)
Gross Profit	**905**	734
Other income	**–**	101
Operating costs relating to Trading Activities	**(1,399)**	(1,863)
EBITDA from Trading Activities	**(494)**	(1,028)
Operating costs relating to Investing Activities	**(140)**	(140)
Depreciation and amortisation	**(505)**	(271)
Operating loss	**(1,139)**	(1,439)

KNOWLEDGE TRANSFER FOR THE FOOD CHAIN

Improve International, Official Veterinary Conference

Website growth of 12%	Appointed to deliver defra official veterinary training	14 new titles published

"2015 was our most effective year as a business. The acquisition and integration of two leading businesses in UK aquaculture and veterinary education tripled the size of our division. It also provided a strong platform for knowledge transfer across Benchmark and our markets."

JAMES BANFIELD
HEAD OF TECHNICAL PUBLISHING

TECHNICAL PUBLISHING DIVISION REVIEW

Our news sites and publications allow us to take the innovations and knowledge created across the Group direct to our clients and partners around the world, helping to make best practice common practice.

2015 proved a year of strong progress across the division. We began developing training and education tools in collaboration with other Benchmark divisions in order to provide a more comprehensive range of products and services across our markets. Besides creating and applying knowledge, we also focus on the importance of collaboration and sharing information. Our business is fundamentally based on innovation and partnership, both inside and outside Benchmark, drawing on the specialist knowledge and expertise which is the essential factor in our customers' success.

Expanding our veterinary health offering in Europe

The acquisition of Improve International, the largest global provider of continuing professional development for veterinary professionals, was completed in January 2015 and its successful integration into the Group has surpassed the Directors' expectations. Improve International has retained its full management team and secured a number of new contracts. Improve International is the provider of official veterinary training and educational services for Defra (Department of Agriculture, Food and Rural Affairs).

Work throughout the year has included a two-day conference attended by 250 vets, the launch of a tailored magazine and the delivery of over 2,300 Official Controls Qualification Veterinarians or OCQ (V) — a necessary qualification for all Official Veterinarians (OV) — on behalf of Defra. In recognition of its work throughout the year, Improve International has been shortlisted in the Best Compliance category at the upcoming 2015 E-learning Awards.

Our veterinary examining body, the European School of Veterinary Postgraduate Studies (ESVPS), has continued to expand its presence in Italy in partnership with the country's largest veterinary education and publishing company. ESVPS celebrated an important milestone this year with over 2,000 students having now completed their Post Graduate examination.

In preparation for their next phase of growth, ESVPS also established a new academic board, launched 12 new OCQ (V) examinations. ESVPS, in collaboration with Improve International, agreed endorsement of the General Practitioner Certificate with UANL (Universidad Autonoma de Nuevo Leon) in Mexico.

Targeted conferences for industry professionals

A call for increased information flow between the Animal and Plant Health Agency (APHA), private vets and farmers on bovine TB testing was just one of the topics discussed at the UK's first dedicated conference for Official Veterinarians (OVs) attended by 250 delegates. The conference was run in association with the Animal and Plant Health Agency.

Speaking about the decision to host the conference David Babington, Managing Director of Improve International, which joined Benchmark Technical Publishing in January 2015, said:

"Since working more closely with OVs we have become increasingly aware of their commitment to fulfilling their role effectively and of their desire to be better informed and more actively involved in discussions about the control of notifiable diseases. Staging this conference to bring them up to date with the latest thinking and to provide an environment in which they could network and share ideas was our response and we are delighted at the support it has received in its first year."

Boosting knowledge transfer to UK aquaculture

As part of our strategy to grow and diversify our portfolio across the division, in April 2015 we welcomed to the Group Ascomber Ltd which runs the UK's leading aquaculture conference. The next 2016 conference is already fully booked and its addition to the Group expands our aquaculture portfolio and the services we can provide to the high-growth aquaculture sector. It also moves us into the important and growing conferences, exhibitions and events arena which we have identified as a key market from which we can further develop the education and training services we offer.

Ascomber and its Aquaculture UK event is a great fit for Benchmark. In its 10th year, it is a world-renowned event attracting over 1,000 industry professionals from around the globe. It has established itself as an international trade venue for the aquaculture industry, offering aquaculture professionals direct access to qualified buyers and suppliers from all over the globe and representing all aspects of the industry.

Growth in new markets

Our distance learning Post-Graduate partnership with the University of St Andrew's won a further 10 bursaries from the British Commonwealth Fund for the 2015 academic year. Additional courses are in development in collaboration with academic partners in the UK, USA, Latin America and Asia Pacific regions.

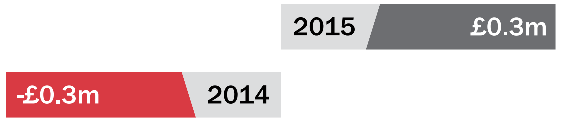
Improve International continued to expand its service offering overseas through new working partnerships — often in collaboration with local universities — in Peru, Chile and Ecuador. Courses were delivered for the first time in Small Animal Surgery and Equine Medicine in Osaka in Japan, and Monterrey and Mexico City, Mexico benefiting 68 delegates.

A new agreement is also in place with the University of Nantes in France to deliver veterinary short courses from November 2015.

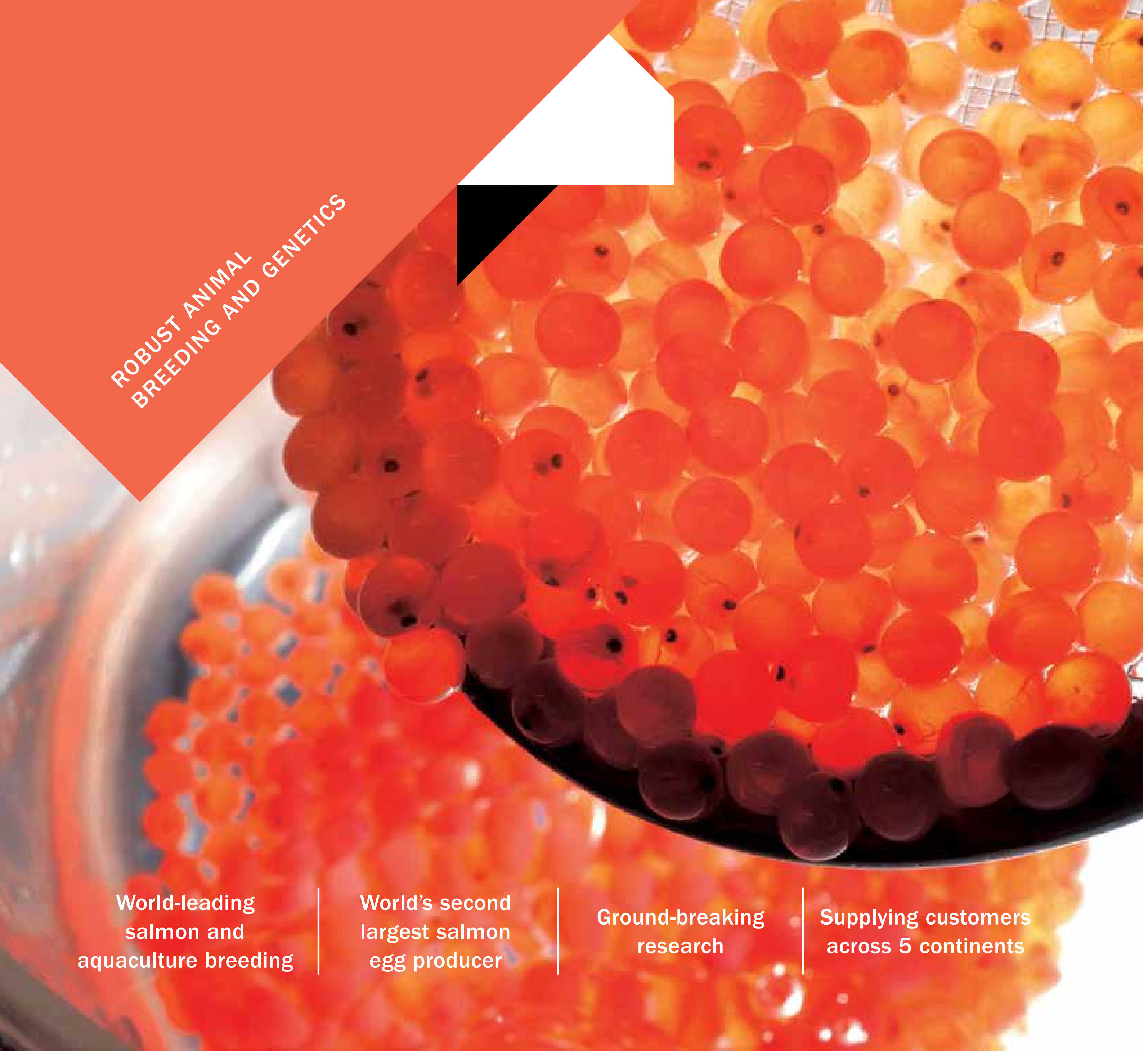
TECHNICAL PUBLISHING DIVISION
FINANCIAL PERFORMANCE

Technical Publishing Division Revenue
2015: £7.0m (+142%)

Technical Publishing Division
EBITDA from Trading Activities
2015: £0.3m (+204%)



	2015 £000	2014 £000
Revenue	**6,967**	2,873
Cost of Sales	**(4,677)**	(2,438)
Gross Profit	**2,290**	435
Operating costs relating to Trading Activities	**(2,006)**	(707)
EBITDA from Trading Activities	**284**	(272)
Operating costs relating to Investing Activities	**(18)**	(52)
Depreciation and amortisation	**(572)**	(191)
Operating loss	**(306)**	(515)



"2015 has been a very exciting year for Benchmark's Breeding and Genetics division. It has gone from strength to strength in such a short time. We are now positioned as one of the leading global players in the aquaculture genetics sector."

BIRGITTE SORHEIM
MARKETING DIRECTOR
BENCHMARK BREEDING AND GENETICS

StofnFiskur eggs, Iceland

BREEDING AND GENETICS DIVISION REVIEW

Benchmark Breeding and Genetics was formed in December 2014 following the dual acquisition of two leading salmon breeding companies: StofnFiskur HF and SalmoBreed AS. Bringing together the two companies created the world's second largest salmon egg producer and brought into Benchmark two world-class breeding and genetics teams.

The division was created to drive improvements to animal health, welfare and efficiency by addressing key challenges throughout the global aquaculture and livestock industries — such as disease, metabolic disorders, reproductive performance and nutritional efficiency. Breeding programmes for food animals have traditionally focused on improving productivity and efficiency, often at the expense of animal health and welfare. Benchmark's breeding strategy has balanced and robust genetics at its core — placing equal importance on productivity and efficiency as well as health and welfare. It is also innovation-led, using modern breeding technologies and research to build a more sustainable aquaculture industry.

Combining strengths

The acquisition of SalmoBreed and StofnFiskur has opened up new opportunities to combine the strengths of each company to supply out-of-season, high performance products to the Norwegian market. In a project started shortly after the dual acquisition, we launched a new product, CrossBreed, which is made from crossing salmon ova (eggs) from StofnFiskur's Icelandic strain with milt (sperm) from the SalmoBreed strain in Norway. Through combining the two strains, which are genetically different, we are designing a fish that has hybrid vigor for genetic traits such as survival and reproduction. This year we have seen higher demand for CrossBreed from the market than what we were able to supply. We are planning to scale up our production for next season, dependent upon the supply of high-quality frozen milt.

Increasing capacity

To increase salmon ova production capacity in Norway, in August 2015 Benchmark Breeding and Genetics commenced a feasibility study with Salten Stamfisk AS to build a new land-based production facility. The new plant would be the first in Norway to produce a year-round supply of ova from land-based, biosecure facilities and will open up new market opportunities for biosecure ova that are currently not available to Norwegian producers. The new plant will have a yearly production capacity of 150m ova and will contribute to more jobs in Sørfold, Norway.

Investing in innovation

We continue to prioritise investment in research and innovation in order to find solutions that enable a more sustainable future for aquaculture. In September 2015, SalmoBreed in Norway made a significant breakthrough in the production of salmon that are more resistant to sea lice and pancreas disease (PD). The method, called genomic selection, enables the breeding values for selection of parent broodfish to be calculated using both phenotypic data and information from a large number of DNA markers. The calculations were conducted by Akvaforsk Genetics Center (AFGC) on behalf of SalmoBreed.

Genetics Manager at SalmoBreed AS, Dr Borghild Hillestad, said:

"With genomic selection, we can select those individuals showing the highest resistance to sea lice within each separate family, and hence get a stronger assurance that the eggs we supply actually have the desired genetic value of the trait of interest."

The research, which was carried out in co-operation with Nofima for a Research Council of Norway project, is expected to lead to considerable savings for the global salmon industry, as well as reducing its reliance on chemicals.

Accessing new and rapidly growing markets

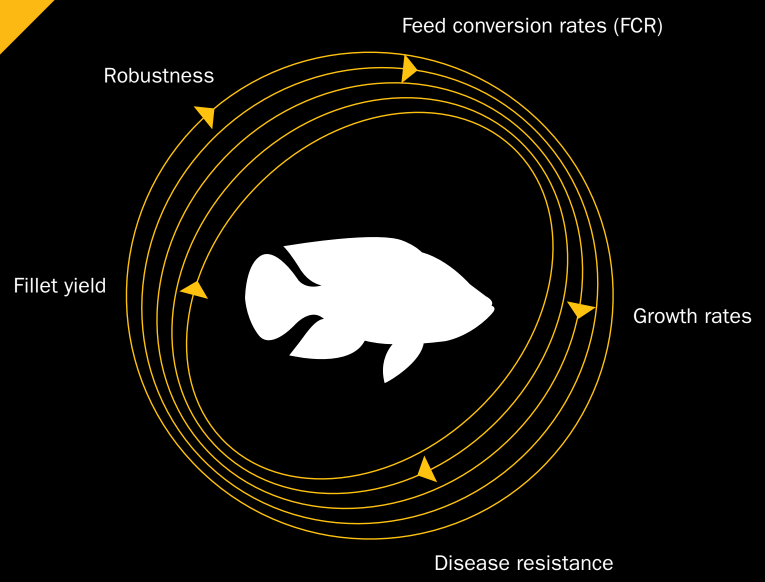
In July 2015, Benchmark entered the tilapia market through two further acquisitions of Norwegian-based aquaculture genetics and research company, Akvaforsk Genetics Center, and American-based Spring Genetics. Akvaforsk has a world-class aquaculture genetics team and is a leading provider of technical genetics services across many aquaculture species worldwide. Spring Genetics, which is based in Miami and Mazatlan, Mexico, has built a strong brand in a rapidly growing market as one of only a handful of independent Nile tilapia breeding companies — its tilapia strain is marketed under the brand SpringTilapia®.

In addition to substantially increasing capability and capacity across the division, the established and well-respected brands of the two companies provides access to new geographies and customers in emerging markets.

The Rise and Rise of Tilapia

Once little known and overlooked, tilapia has become a seafood favourite for consumers around the world, with around three million metric tons produced annually. It is now the second largest species of fish farmed (after carp) worldwide and one of the most popular farmed fish in the United States.

In the West its popularity with health-savvy shoppers is largely driven by its high protein content and palatability. It is a major focus for aquaculture — with 75 percent of global production coming from farms — because of its large size, rapid growth, vegetarian-based diet and good resistance to disease, which can help reduce or eliminate the need for chemicals or antibiotics.



"Tilapia is a young but rapidly growing industry. It was important to us to be involved as early as possible in order to get to grips with the challenges of responsibly farming such a sought-after fish."

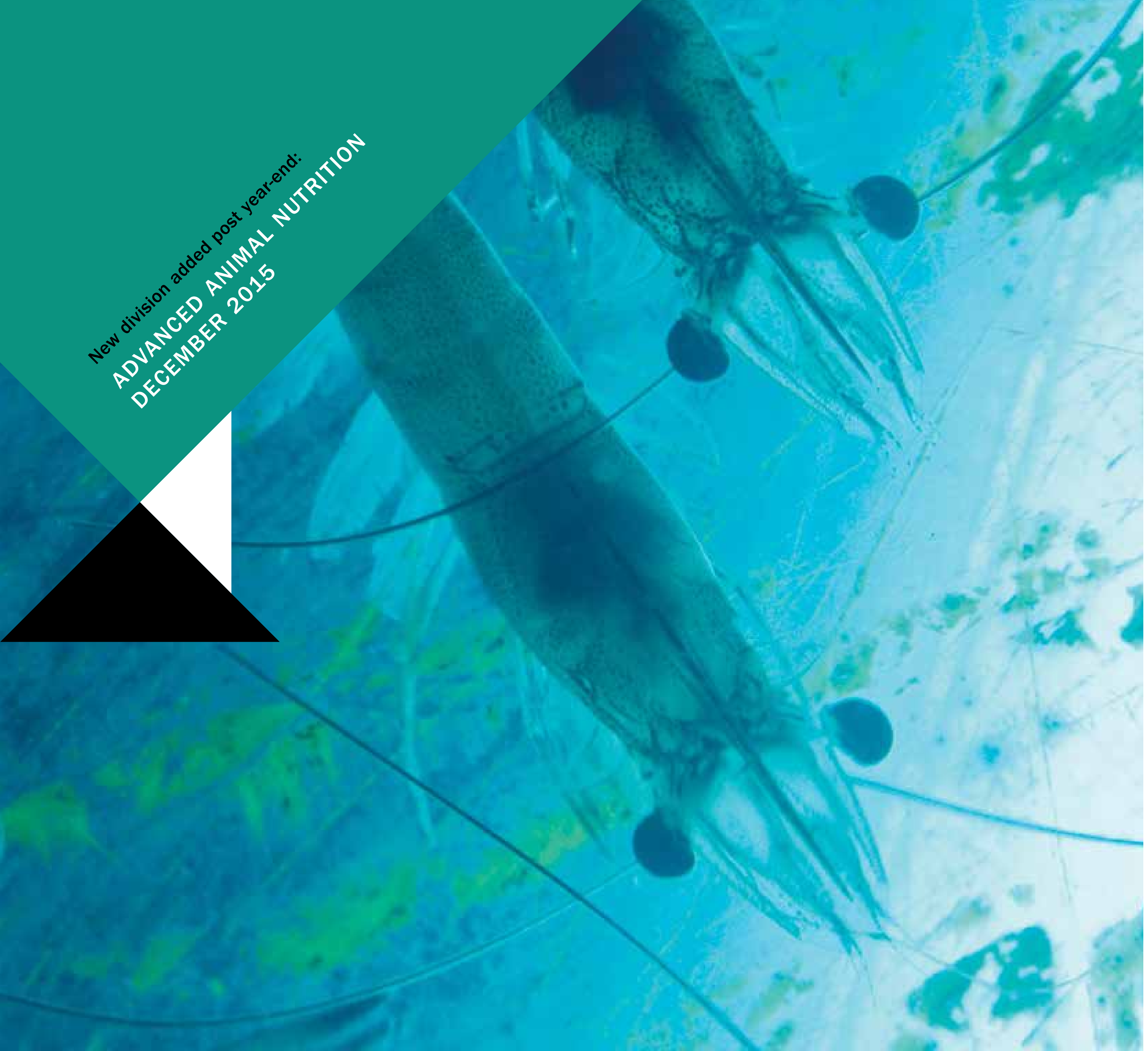
MALCOLM PYE
CHIEF EXECUTIVE OFFICER

BREEDING AND GENETICS DIVISION
FINANCIAL PERFORMANCE

Breeding and Genetics Division Revenue
2015: £15.9m

Breeding and Genetics Division EBITDA from Trading Activities
2015: £4.6m

	2015 £000	2014 £000
Revenue	15,871	–
Cost of Sales	(9,912)	–
Gross Profit	5,959	–
Operating costs relating to Trading Activities	(1,339)	–
EBITDA (from Trading Activities)	4,620	–
Operating costs relating to Investing Activities	(234)	–
Depreciation and amortisation	(1,334)	–
Operating profit	3,052	–



"Benchmark's toolbox of health and genetics solutions will complete INVE's current offering in advanced nutritional and health products. Together we will become a unique knowledge and solutions platform that supports our customers in taking better care throughout the culture lifecycle. As a result, we can more effectively than ever contribute to our clients' sustainable growth and long-term success."

PHILIPPE LÉGER
CEO, INVE AQUACULTURE

ADVANCED ANIMAL NUTRITION DIVISION
REVIEW

Advanced Animal Nutrition and Health Products

- Leadership in speciality aquaculture nutrition market, complementary to Benchmark's position in genetics and health
- Market leader in early stage fish and shrimp hatchery products
- Wide portfolio of high-end diets for crustaceans and marine fish
- Health products to enhance performance of fish and shrimp
- Unequalled local presence in all major aquaculture markets enables the Group to promptly respond to customer needs

Post year-end, Benchmark acquired INVE Aquaculture in December 2015, a leading specialist manufacturer of primary stage, technically advanced nutrition and health products for shrimp and marine species of finfish. The acquisition has created a fifth business division, Benchmark Advanced Animal Nutrition, making us a global leader in the aquaculture technology market.

The advanced nutrition sector in which INVE operates is highly important to the sustainability of aquaculture production. This, together with Benchmark's skills, expertise and capacity across our other divisions, makes us a significant and unique provider of integrated technology, products and services to the industry.

Supported by partnerships with a number of industry participants, INVE will continue to focus on the development of innovative advanced nutrition products through its R&D programmes which have previously led to such technologies as SEP-Art and High-5. Through its collaborations with industry partners, INVE seeks to develop advanced products to reduce disease and enhance immunity within target species, through the application of probiotics and immuno-stimulants.

Products

INVE is perceived as the market leader in early stage fish and shrimp hatchery products. Their products are sold primarily in Asia, Europe and the Americas.

INVE's products fall within three main categories:

Live feed (artemia)

Artemia is a live feed used in the early stages of larvae feeding. Easily digested, live artemia offer important health benefits and improved performance when included in feeding regimes for larval shrimp.

INVE sources and processes artemia and applies its patented technology to improve the nutritional and hygienic quality of the product. Two of INVE's primary patented technologies for artemia processing are SEP-Art and High-5. SEP-Art utilises magnetisation of specially coated cysts enabling substantially more biomass than conventional methods. High-5 utilises technology that increases hatching rate.

Replacement diets

Replacement diets are compound feed products used in fish and shrimp hatcheries in both early and later feeding stages. INVE has developed a wide portfolio of high-end diets for crustaceans and marine fish and differentiates itself by providing feeding protocols and technical support to its customers

Within the hatchery feeding stages, INVE's diets can provide:

- Significantly increased growth and improved disease resistance;
- Superior quality fry (early stage fish) with high survival rates and growth rates; and
- Improved immune response stimulation and larval digestion resulting in robust fry

Health products

Health products are used to enhance the production performance of fish and shrimp and provide protection against disease using microbial management and bioremediation, enhanced biosecurity and improvement of immunity and robustness.

INVE is a high-end supplier of health products and aims to create innovative products and protocols, utilising probiotics and applying a holistic approach covering all culture stages of crustaceans and fish.

INVESTING IN NEXT-GENERATION SCIENTIFIC RESEARCH & PRODUCTION CAPACITY

Product pipeline of 61 products with an addressable market of £646m

£9m invested in modernising and significantly expanding capacity of our vaccine production site in Braintree, UK

Development of state-of-the-art Marine Research Facility at Ardtoe

"Delivering solutions to enable sustainable living requires a culture of creativity, backed-up by the ability to turn innovation into reality. Across the Group, we are investing in our infrastructure and building our scientific expertise to deliver the breakthroughs we need at a greater scale."

JOHN MARSHALL
TECHNICAL DIRECTOR
BENCHMARK ANIMAL HEALTH

Benchmark Vaccines, Braintree

To achieve innovations that enable sustainable living, we need to invest to grow. We continue to make significant investments in our infrastructure and our in-house capabilities and expertise in order to deliver the breakthroughs and the change we need to achieve our purpose as a business.

Building our capacity

We have invested £9m in the year to deliver an ultra-modern GMP (Good Manufacturing Practice) recombinant vaccine antigen production facility and an automated egg and monolayer virus antigen production suite at our established site in Braintree UK. Construction of our Braintree Biotech Building (BBB) is on schedule for delivery in Spring 2016 and will be transformative in increasing our capability and capacity, allowing us to manufacture a range of conventional and recombinant vaccines — including Virus Like Particles (VLP) — both efficiently and flexibly.

The strategic decision to expand the antigen manufacturing at Braintree has resulted in us pushing back the planned development of the Biocampus site, this allows us to expand our production capacity utilizing our existing resources and highly skilled team. We can then, when needed, bring in the Biocampus site to best secure continuity of manufacturing of our animal health product pipeline in the longer term.

Supporting the aquaculture industry to get to grips with the challenge of sustainability as it continues its high-growth trajectory is a core part of our strategy. Throughout the year we have continued to make significant progress towards delivering our state-of-the-art Ardtoe Marine Research Facilities in Scotland. The final facility will operate 24-hours, 7 days a week for 365 days a year and will allow us to run finfish research and trials unit for lumpsucker, broodstock and smolt production; shellfish and micro-algae research and production, as required. It will benefit each of the business divisions — from the development of improved protocols for cleaner-fish production and expanding our portfolio of funded research and contract-trials projects, through to the development of training courses and product proof-of-concept trails.

Strengthening our capability

In September 2014, we entered into an exclusive licensing agreement with HypoPet, a Swiss research company based at the University of Zurich, to develop and commercialise a breakthrough vaccine for cats intended to neutralise the primary cause of human allergic reaction to cats. The estimated global market from this vaccine is £250m. The development of the product is on track with positive results from the formulation trials. Over 10 per cent of the global population suffer from cat allergies and we have seen positive demand for this product throughout the year from Europe and America, despite it still being in the production stage.

Delivering health solutions for the future

As at 30 September 2015, the number of products in development has increased to more than 60. Of these, approximately half are vaccines, including the HypoCat vaccine; approximately one third are pharmaceuticals and biocides; and the remainder are toll-manufactured vaccines being developed for other animal health companies. The Directors estimate that the total addressable market of our development pipeline is £646m.

In the near-term, work is underway to launch a range of algae nutrition and health products in China and Thailand, focused on aquaculture feeds. The diagram below represents Benchmark's recent pipeline of major products, excluding toll manufacturing products.

What are Virus Like Particles?

Vaccines work by mimicking pathogens that have the potential to cause disease, tricking the immune system into believing it is under attack. This creates memory cells or immunity which helps the body defend itself against a particular pathogen.

While vaccines do not subject its host to a full-blown infection or illness, they do typically contain an agent that resembles a disease-causing microorganism and are often made from weakened or killed forms of the virus or its surface proteins.

Unlike weakened or killed forms of viruses, which are engineered or synthesized in the lab, VLPs are non-infectious because they do not contain any viral genetic material and can offer a safer alternative to live-attenuated or inactivated vaccines. Several first-generation VLP approaches have yielded successful vaccines for humans.

PRODUCT PIPELINE

	Pre POC*			Passed POC*				Development Trails			In Regulatory		
Biocides/ water condtioners	PAQ004 5m			EAQ004 2m				EAQ001 3m			EAQ002 Pre-Stock Rapid 25m		
Aquaculture vaccines	VAQ006 15m	VAQ017 25m	VAQ024 8m	VAQ002 6m	VAQ005 2m	VAQ007 3m	VAQ008 3m	VAQ004 8m	VAQ004 Advantigen BC 1m	VAQ020 2m	VAQ012 FryShield IPN 8m	VAQ016 MariShield NV 6m	
	VAQ025 8m	VAQ031 8m	VAQ032 10m	VAQ010 1m	VAQ011 3m	VAQ015 10m	VAQ029 25m	VAQ021 3m	VAQ022 8m	VAQ028 Marimune Flip 3m			
	VAQ033 4m	VAQ034 10m	VAQ035 6m	VAQ003 5m									
	VAQ036 5m												
Aquaculture paraciticides	PAQ016 10m	PAQ021 10m	PAQ022 20m	PAQ007 9m	PAQ017 5m			PAQ006 1m	PAQ009 1m	PAQ018 10m	PAQ008 Ectosan 25m	PAQ010 KleenKoi 5m	PAQ014 Salmosan USA 0.1m
	PAQ015 1m	PAQ024 8m											
Terrestrial products	VTS006 6m	VTS008 2m	VTS003 1m					VTS007 2m	PAQ023 3m				
Other pharma	VC0002 55m							PAQ003 4m		VC0001 Hypocat 200m	NAQ001 Phylavive 3m		
Addressable market (£)[1]	217m			74m				249m			72m		

*POC = Proof of Concept.

[1] Total addressable market figures for each product category are based on management estimates. Benchmark's total pipeline is 61 products including toll manufacturing products, with estimated addressable market of £646 million.

BUILDING A WORLD-CLASS TEAM

Fish Vet Group, Asia

89.5%
Employee retention rate over the last 12 months

62%
of employees graduates

81%
increase in headcount

"We are committed to continuously attracting and retaining people of the highest calibre and creating a working environment where they are able to grow, evolve and fulfil a valued role in Benchmark."

ANNA WINTON
HEAD OF PEOPLE

Upholding our culture and values

The founding vision for Benchmark was to build a profitable, thriving and ethical company where employees felt inspired, valued and motivated to come to work. Our values and culture are the foundations upon which the Group has been built and are a core reason we are able to attract and retain people of such high ability. Maintaining this has been a key focus throughout the year as we have grown from 222 people in 11 countries across four continents, to 826 people in 27 countries across five continents following the acquisition of INVE Aquaculture, which happened post-year end.

We aim to create a working environment where our people feel inspired to drive our impact and growth. At the beginning of the year we rolled out a more targeted recruitment strategy, supported by tailored training and integration programmes aimed at giving all employees the opportunity to grow, evolve and fulfil a valued role in Benchmark.

Investing in our people

As a Group we are focused on how we achieve our purpose while remaining an agile business able to move quickly to make the most of new opportunities. Our people are our most important and valued resource and throughout the year we have continued to invest in building their capability and expertise in order to deliver the innovations and breakthroughs we need to achieve our purpose as a business. This includes spotting and nurturing leaders and talent in order to prepare us for our next phase of growth, as well as recognising individuals' skills and strengths and placing people where they are most useful, happy and fulfilled.

We continue to add to our strong global management team who are supporting the substantial level of investment being made throughout the business while overseeing the high level of growth and change that has taken place during the financial year. The People team has been working closely with the other support functions and new management teams to integrate seven acquired businesses across new markets and territories into the Benchmark group. Good internal systems and communications are key to this and throughout the year we have been investing in tools such as our Group intranet, and systems such as OpenHR and OpenPeople to improve efficiency, better facilitate the sharing of knowledge and information across the Group, and help nurture our company culture and values across departments, divisions and locations around the world.

We recognise the value of face-to-face meetings and where possible aim to bring people together for key events, such as our in-house introductory days. Launched this year, these tailor-made sessions aim to provide new starters and employees from newly acquired businesses with a comprehensive introduction to Benchmark and our ethos, and provide them with an opportunity to meet key members of our senior management team. These sessions provide people with an understanding of how their role contributes to our overall business strategy, as well as helping to build relationships and encourage greater collaboration.

Evolving the Group structure

We continue to build our in-house capacity and capability in order to successfully integrate new businesses and teams into Benchmark in a way that identifies and builds on the synergies between their culture and way of working, and our own. Each of the businesses that have joined the Group had a strong fit with Benchmark and have been successfully integrated, bringing on-board new technologies, expertise and capabilities.

Post year end, in December 2015, we completed the acquisition of INVE Aquaculture to form our fifth and final division, Advanced Animal Nutrition. This acquisition more than doubles the number of people employed across the Group and the months ahead will be focussed on aligning our strategies, systems and policies in order to successfully and smoothly integrate INVE into the Group.

Our Senior Management team has continued to develop into an important forum for broader communication and delivery of our policy and strategy to the wider Group. In addition, the establishment of our Operations Board, comprised of the heads of each division, has been central to the successful integration of new businesses and people throughout the year, and has led to improvements to cross-divisional working. The new structure has also improved the flow of communications between the Executive Board and the rest of the business, which is essential for a company of our size and geographical spread.

Camanchaca Salmon, Rio del Este, Chile

ENVIRONMENTAL FOOTPRINT

We continue to make progress on becoming a 'Net Positive' business by driving forward environmentally sound business management and operations in the Group, and with our clients.

Becoming a 'Net Positive' Group

Food production is one the world's biggest polluters and we are well-placed to develop new systems and solutions with our partners to lessen its negative environmental impact.

In-house, as a baseline, we adhere to relevant environmental legislations and standards by implementing best practices within waste minimisation and management, energy use and water use. However, we always strive to do more. We regularly review our footprint and identify "hotspots" in our operations where we need to make a difference — these often have economic and ethical benefits, as well as environmental.

Video Conferencing

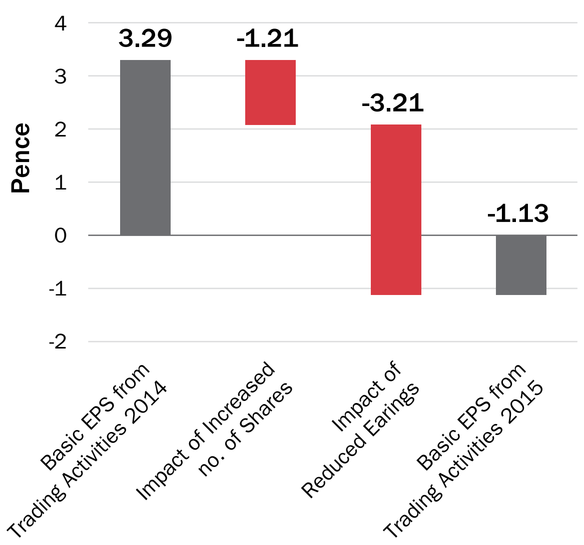
We recognise the value of face-to-face meetings and that in some instances in-person meetings are essential. However, as a sustainability Company, reducing our carbon footprint by lowering the number of flights we take across the business is a priority. Our video conferencing units, which have been installed at seven key sites across the Group, have been pivotal to this. During 2015, video conferencing software was made available across the whole Company, allowing employees to schedule global meetings with multiple offices and locations via a few clicks of a mouse. We are supporting this through training and are seeing widespread adoption across the Group. This offers positive saving for our carbon footprint, as well as reducing the amount of time and money employees spend travelling.

KEY PERFORMANCE INDICATORS

Group Revenue
2015: £44.2m (+25%)

Group EBITDA from Trading Activities
2015: £2.4m (-63%)

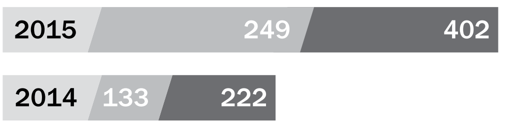
Basic EPS from Trading Activities



Products in Pipeline
2015: 61 (+30%)

Investment in R&D (including acquired intangibles)
2015: £8.8m (+35%)

Headcount (Including Number of Graduates)
2015: 402 (+81%)



Net Assets
2015: £92.1m (+147%)

StofnFiskur Salmon fry

RISK MANAGEMENT

Approach to risk management

Effective risk management and control is key to the delivery of our business strategy and objectives. Our risk management and control processes are designed to identify, assess, mitigate and monitor significant risks, and can only provide reasonable and not absolute assurance that the Group will be successful in delivering its objectives.

The Board is responsible for the oversight over how the Group's strategic, operational, financial, human, legal and regulatory risks are managed and for assessing the effectiveness of the risk management and internal control framework.

Risk management process

Principal risks are formally reviewed by the Board on a periodic basis. Updates in terms of emerging risks or significant actions undertaken are addressed as and when required at Board meetings.

During the 2015 year a bottom up review of risks was undertaken in order to confirm and update the Group risk register. This focused on the risks of each business unit and was undertaken by local management under the guidance of the CFO and an independent risk adviser.

Principal risks are determined through an evaluation of likelihood of occurrence and potential impact in order to provide a gross risk score. Existing controls and other mitigating factors are then considered in order to arrive at a net risk score. Finally an assessment is undertaken of which risks identified at a business unit level could potentially have a significant impact on the Group as a whole.

When a material acquisition is completed an assessment of risk is undertaken to identify the principal risks as part of the integration process. Group company Directors continually assess risk and uncertainty in their respective business units.

PRINCIPAL RISKS SUMMARY

Risk categories

The key risks to Benchmark's business can be categorised as follows:

- Revenue Risks. Resulting from reliance on a small number of key revenue streams
- Biosecurity Risks. Operations in the biotech and animal biology sector face the risk of contamination or disease
- Regulatory Risks. Many of the outputs from the Group's products and services enter the food chain
- Financing Risks. Future acquisitions and capital intensive R&D and infrastructure developments require access to sufficient and appropriate finance
- Management Risks. Sudden or unplanned loss of executive talent could present challenges to delivery of business plans
- M&A Business Execution Risks. Acquisitions are notoriously difficult to make work or fulfil financial expectations
- Pipeline / R&D Assets Risks. There is risk of delay and cost overrun as well as of failure of new products in development
- Product / Employee Liability Risks. Some animal health products can be harmful to human health or the environment if not handled correctly and health & safety issues exist in farming / veterinary and aquaculture operations in the field
- Supply Chain Risks. The security and continuity of supply of components / inputs to products is a risk
- Corporate Structure / Governance Risks. The Group has a relatively complex business model and Group structure which presents risk of failure of governance

Principal Risks

The principal risks and uncertainties as identified by the Group's risk management procedures are summarised below. The opportunities that arise from those risks and uncertainties have also been identified.

Risks and uncertainties	Mitigating factors	Opportunities
Generic products may be viewed as more effective than the Group's products.	Salmosan® is a branded product which is manufactured to a high specification and is trusted by the Salmon industry. The Group has invested heavily in field based technical support and other disease management services to ensure customers have a total aqua solution available to them. Sea lice treatments represent a very small proportion of the costs of salmon farming whereas the costs of stock damage or loss can be prohibitively expensive.	The provision of total aqua solutions presents opportunities for pull-through of services and new products.
Under-utilisation of animal health vaccine manufacturing facilities would result in a shortfall in revenue.	There is a shortage of animal health vaccine manufacturing capacity in Europe and hence toll manufacturing opportunities that are available. The Group's new product pipeline includes a number of vaccines that will provide significant utilisation of Group manufacturing capacity in the future.	Having in-house manufacturing provides security of supply of the Group's own products. The shortage of manufacturing capacity in Europe presents opportunities to win new toll manufacturing contracts with Animal Health companies, thereby increasing the Group's profile with potential collaborative partners.
The Group is reliant on the continued success of its research and development programmes for aquaculture and the commercial success of its pipeline products. An unexpectedly high new product development failure rate or delay in reaching market would delay revenue growth.	The Group has built a high-calibre team of animal health product development specialists covering all stages of the process to market. Many new products in development involve collaboration with industry partners and often present a lower risk as the Group can leverage the partner's existing development work. Rigorous proof of concept studies are undertaken at an early stage in order to seek to minimise the possibility of failure.	This approach to product development tends to enable the Group to access a wider portfolio of potential solutions to identified market needs and often allows accelerated progress to market launch.
The Group's revenue and profitability are currently derived from a small number of products and aquaculture species.	The acquisitions of SalmoBreed and StofnFiskur and recent establishment of the Advanced Animal Nutrition division provides significant diversification of Group revenues. The new division is predicted to deliver the largest proportion of Group revenues in 2016. The new product pipeline of 61 products will diversify this risk significantly.	The Group is fast building a strong position as a key player in the global aquaculture industry across multiple species and this brings new opportunities at an increasing pace.
The Group is reliant on third parties to provide it with some raw materials and manufacturing services.	Wherever possible dual suppliers of key raw materials, components and manufacturing services are engaged. In addition the Group continually evaluates the security of the supply chain for each of its products and will consider establishing in-house manufacturing where there is a high risk. The Group will also increase stock holding where appropriate in order to mitigate the risk of product shortages.	Where dual supply is achieved this presents opportunities for cost saving and also to encourage collaboration. Where in-house manufacturing is the preferred approach this can present opportunities to generate revenues from providing manufacturing services to third parties.
Damage to Group assets could result in loss of principal animal health vaccine manufacturing facility coupled with long-lasting consequential losses including loss of customers.	The Group is considering establishing a second construct manufacturing site at BioCampus Edinburgh. This would help the Group to significantly reduce disaster recovery timescales and hence losses.	The launch of a second manufacturing facility will provide substantial additional capacity.
Failure of critical new plant or new facilities coming online within anticipated timescales would lead to a delay in generating cashflows. There could be potential contractual penalties for failure to supply.	Each new capital project undergoes detailed planning under the supervision of an experienced project manager who works with a designated in-house project team including Finance, Legal, IT, People, Regulatory, etc.. These teams are supplemented by retained specialist consultants and advisors. Close attention is paid to drafting of supplier contracts in order to reduce the risk of delays or where appropriate pass the cost on to the contractor.	
Development of resistance to some existing products would lead to reduced efficacy.	The Group has deployed a technical support team to provide customers with regular advice and training on proper use of its products. There is a particular focus on good stock management and avoiding over-use.	Helping customers to avoid over-use ensures the long-term sales of a product and allows time for the launch of new generation treatments from the Group's new product pipeline.
Disease outbreaks in salmon breeding programmes would lead to reduced revenues, possible asset write offs, reputational damage and the potential for product liability claims.	Group breeding facilities operate high standards of biosecurity, quality control and quality assurance. In particular StofnFiskur's location in Iceland provides some of the best resources for disease free production.	Consistent disease-free production results in increased customer confidence and the potential to expand sales.
Access to rights to commercialise some pipeline products developed in collaboration with universities/third parties are yet to be negotiated and there is a risk that the Group may not be able to launch these products or may have to agree to less favourable terms in order to do so.	A system for monitoring the contractual and IP position of pipeline products has been developed and will be integrated with systems for monitoring status of product development. The Group is currently expanding the in-house legal team to include a technology transfer officer focussing on IP who will work closely with the product development team.	Further focus on this area will provide opportunities to improve terms for future product development collaborations.
The Group has recently launched/ is in the process of launching several new laboratories in new markets and there is a risk that revenues will be lower than anticipated due to slow customer uptake.	Significant time is spent appraising new markets and sites before commencing capital spend. Key management for new operations are identified at an early stage and a key requirement is that they have an established profile in the market.	Expansion of the Fish Vet Group brand strengthens the Group's position as a world leader in aquaculture and provides the opportunity for top line synergies.
Vaccine manufacturing is highly regulated and there is a risk of loss of licences which would lead to a loss of contracts and reputation.	The Benchmark Vaccines team has significant experience and high levels of competency and knowledge. Stringent processes and procedures are followed.	The knowledge of our people is a key asset and the need for a high-calibre team to manufacture regulated products is a barrier to entry for potential competitors.
One of the key strategies of the Group is to extract synergies between operating divisions and failure to manage this effectively could inhibit growth.	The Group's management structure is structured to maximise focus on synergies with the senior management team focusing on this as one of their key priorities. In addition, one of the founding principles of the Group's ethos is to encourage collaborative working.	Effective collaboration drives progress faster and opens further opportunities for growth.

The Strategic Report was approved by the Board on 01 February 2016 and signed on its behalf by

Malcolm Pye
Chief Executive Officer

03.
GOVERNANCE

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106 Directors' Responsibilities

BOARD OF DIRECTORS

Board Committees

Nomination Committee	Audit Committee	Remuneration Committee
Alex Hambro (Chair)	Basil Brookes (Chair)	Susan Searle (Chair)
Susan Searle	Alex Hambro	Basil Brookes

MALCOLM PYE
CHIEF EXECUTIVE OFFICER

Malcolm leads the development of Group strategy in relation to growth (both organic and through targeted acquisition), research, marketing and the deployment of resources. He fosters relationships and exchange of skills across the Group to optimise opportunities and drive a solution led approach to business development.

Malcolm is a graduate of Zoology / Applied Zoology from the University of Wales (Bangor). He has over 30 years' experience in international agribusiness including at board level within the Hillsdown Holding / HMTF animal breeding, feed milling, veterinary and poultry companies. During his time at Hillsdown, Malcolm also worked extensively on M&A projects, leading and advising on acquisitions and disposals and integration strategies.

ROLAND BONNEY
CHIEF OPERATING OFFICER

Roland works with management teams to drive improvement through well focused business development, identifying opportunities and the resources required to exploit them. Roland is responsible for people development and Group communications, and for ensuring that Benchmark's strong vision and culture is supported and developed within a growing Group.

Roland is an experienced agriculturalist having set up businesses in large-scale extensive farming and food chain development consultancy to global food retailers. He also has wide international experience working on business development in the USA and in the emerging Latin American and Chinese markets.

MARK PLAMPIN
CHIEF FINANCIAL OFFICER

Mark is responsible for financial controls, risk management and the production of financial information, giving management teams the tools to analyse and develop their business, and the Board the information required for effective oversight.

Mark is a qualified Chartered Certified Accountant with over 20 years' experience. A large part of Mark's career has been spent as a lead advisor in corporate finance, working on M&A and the strategic development of high-growth, small and mid-market businesses. Mark joined Benchmark in his current role in 2010 from PKF (UK) LLP (now BDO LLP), where he was a Partner and National Chairman of the Food Sector Group.

THE HON. ALEX HAMBRO
NON-EXECUTIVE CHAIRMAN

Alex has been in the private equity industry both in the UK and USA for 27 years during which time he has acted as a principal investor; manager and sponsor of private equity and venture capital management teams; and adviser to high net worth families on their private equity investment strategies and targets.

Alex managed the venture capital and private equity fund investment portfolio for Hambros plc, prior to its sale to Société Générale in 1998. Alex is a founding director of Crescent Capital, a venture capital fund management team based in Belfast, and Judges Scientific plc, a scientific instrumentation manufacturing Group. In addition to his Chairmanship responsibilities at these two companies. Alex is also a non-executive director of Octopus Eclipse VCT Plc, Hazel Renewable Energy VCT 2 Plc and Hazel Targa VCT Plc.

SUSAN SEARLE
SENIOR INDEPENDENT DIRECTOR

Susan has over 20 years' experience working with entrepreneurs and academic inventors in the commercialisation of university research and holds an MA in Chemistry from Exeter College, Oxford. She co-founded Imperial Innovations Group plc, now one of the world's leading technology venture investment businesses, leading as CEO from 2002 to 2013.

Susan currently holds Non-executive Directorships at Horizon Discovery™ Group plc, QinetiQ Group plc, Woodford Patient Capital Trust plc and Mercia Technologies PLC. Susan is the Chairman of the Board for WPCT, Chairman of the Remuneration Committee for Horizon Discovery Group, and sits on the remuneration, audit, nomination and risk committees at QinetiQ. She is deputy Chair of Mercia and Chairs its audit committee. Susan is also a Trustee of charity Fight for Sight.

BASIL BROOKES
NON-EXECUTIVE DIRECTOR

Basil was one of the founders and the Finance Director of Wilmington Group plc, a listed media company which floated in 1995. He held that position until November 2012. Basil has over 20 years' experience as a finance director in the media industry, 18 of which were on the boards of fully listed companies. In his early career Basil gained extensive corporate finance experience at Maxwell Communication Corporation plc, where he went on to be appointed Finance Director in 1990.

Prior to working in the media industry, Basil worked at Coopers & Lybrand where he qualified as a Chartered Accountant and went on to become a senior manager gaining experience in audit and financial investigations. Basil holds an MA in Mathematics from Magdalen College, Oxford, and is a Member of the Association of Corporate Treasurers.

ATHENE BLAKEMAN
COMPANY SECRETARY & GROUP LEGAL COUNSEL

Athene is responsible for the provision of legal advice and support to the Group, implementing commercial opportunities and acquisitions. She also works with the research and development teams and external advisers to develop and maintain the Group's IP portfolio, and is responsible for the company secretarial function.

Athene spent nine years as a corporate lawyer at Slaughter and May and Travers Smith LLP, working with Benchmark on its IPO in 2013, before joining the Company in summer 2014. She holds an MA from St John's College, Oxford.

CORPORATE GOVERNANCE REPORT

This report describes our governance principles and structures and reflects our commitment to good corporate governance across the Group.

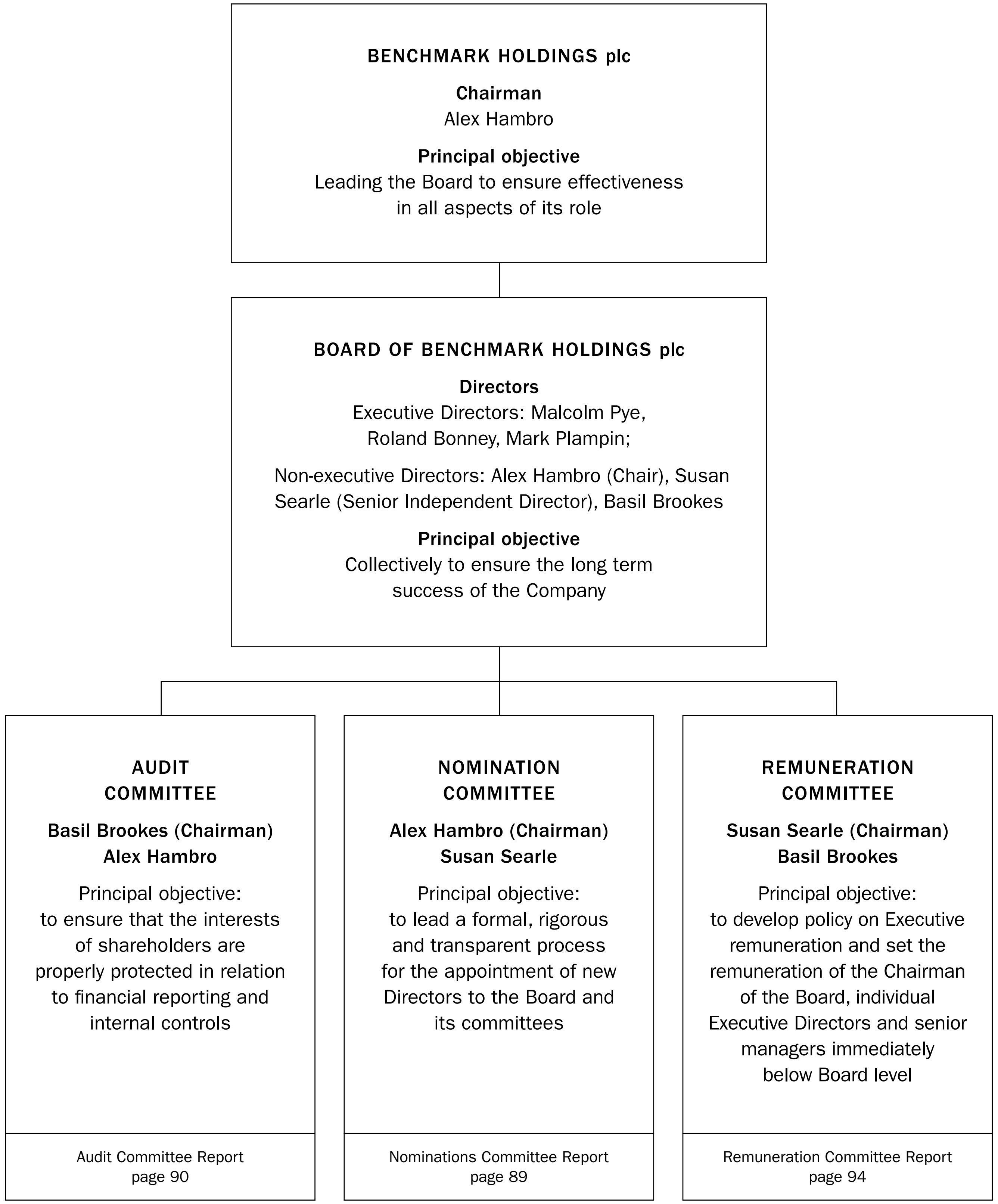
Compliance with the QCA Code

The Company complies with the 12 principles of the QCA Code to the extent practicable and appropriate wherever possible and appropriate for a company of its nature and size. A copy of the QCA Code can be purchased from the Quoted Companies Alliance website at www.theqca.com

Corporate governance framework

Benchmark operates within a clear governance framework, which is outlined in the diagram opposite and set out in this report. The Group's risk management framework is outlined in the Strategic Report commencing on page 74.

GOVERNANCE FRAMEWORK



Board size and composition

The composition of the Board did not change during the year to 30 September 2015.

The Board comprises six Directors: a Non-executive Chairman, two further Non-executive Directors and three Executive Directors.

The size and composition of the Board and its Committees was reviewed during the year, and will continue to be reviewed on an annual basis by the Nomination Committee to ensure that there is an appropriate balance and diverse mix of skills, experience, independence and knowledge of the Group. Further details regarding the review are set out in the Nomination Committee Report.

Role of the Board

The Board is collectively responsible for the long- term success of the Group. The Executive Directors are responsible for the business operations and ensuring that the necessary financial and people resources are in place in order to achieve the Company's strategic aims. The Non-executive Directors are responsible for:

- Constructively challenging and helping develop proposals on strategy;
- Scrutinising the performance of management;
- Satisfying themselves that financial controls and systems of risk management are robust;
- Determining levels of remuneration for Directors;
- Satisfying themselves on the integrity of financial information; and
- Succession planning for the Executive Directors and senior management.

During the year, the Board held a Strategy Day to discuss the long-term strategy of the Group and related matters including succession planning, management structure and financial and people resourcing and deployment.

The Board reviews strategic issues and key strategic decisions on a regular basis and exercises control over the performance of the Company through evaluation of management financial information, by agreeing budgetary targets and monitoring performance against those targets and by monitoring returns on investments.

Matters reserved for the Board

Certain matters are reserved for approval by the Board and the Board has overall responsibility for the Group's system of internal controls and risk management, as described on pages 83 and 85.

Following presentation by executive management and a disciplined process of review and challenge by the Board, clear decisions on policy and strategy are adopted and the executive management are empowered to implement those decisions. A formal schedule of matters reserved for Board approval is maintained which covers items that are significant to the Group as a whole due to their strategic, financial or reputational implications. The matters reserved for Board approval were reviewed by the Board during the year, for the first time since IPO, and taking into account newly acquired businesses, to ensure that Board oversight is effective and appropriate. A summary of these matters is shown on the next page.

BOARD DECISIONS

STRATEGY

- Approval and monitoring strategic and annual business plans
- Review of business performance
- Approval of significant acquisitions, mergers or disposals
- Review and approval of the long term objectives and strategic direction of the Group

REPORTING

- Approval of the Annual Report and Accounts to be put before the Company
- Approval of the financial statements

REGULATORY

- Approval of the Company's interim dividend and recommendation of final dividend
- Compliance with AIM rules for companies, QCA Corporate Governance Code for Small and Mid-size Quoted Companies

FINANCE, GOVERNANCE AND CONTROLS

- Internal control and risk management systems
- Approval of policies, major projects and contracts
- Oversight of Directors' conflicts of interests
- Rules and procedures for dealing in the Company's shares

SUCCESSION PLANNING AND REWARD

- Ensuring adequate succession plans are in place
- Board and Board Committee appointments and removals
- Appointment or removal of Company Secretary
- Appointment or removal of the auditors and determination of the audit fee
- Major changes in employee shares or pension schemes
- Approval of appointment and remuneration of senior management

Board roles and responsibilities

Full biographical details for all Board members can be found on pages 80 and 81 of this report.

Chairman — Alex Hambro

The role of the Chair is to:

- Lead the Board to ensure effectiveness in all aspects of its role;
- Set the agenda for Board meetings;
- Ensure the membership of the Board is appropriate to meet the needs of the business;
- Oversee Board Committees as they carry out their duties, including reporting to the Board;
- Establish appropriate personal objectives for the Chief Executive Officer;
- Ensure Directors are up to date with training and development;
- Provide the information necessary for Directors to take a full and constructive part in Board discussions;
- Promote an open culture of debate; and
- Develop and maintain effective communication with shareholders.

Chief Executive Officer — Malcolm Pye

The role of the Chief Executive Officer is to:

- Run the day-to-day business and operations of the Group;
- Lead the development and delivery of strategy to enable the Group to meet the requirements of its shareholders;
- Lead and oversee the executive management of the Group;
- Deliver the Group's budget and strategic plans; and
- Provide the appropriate environment to recruit, engage, retain and develop the personnel needed to deliver the strategy.

Conflicts of interest

Any Director is obliged to seek authorisation before taking up any position that conflicts, or may conflict, with the interests of the Company. The Board is empowered to authorise situations of potential conflict of interest, where it sees fit, so that a Director is not in breach of his or her duty. All existing external appointments and other such 'situational conflicts' of each Director have been reviewed and authorised by the Board. All Directors must ensure that their external appointments do not involve a time commitment that would adversely affect their responsibilities to the Company. If a conflict were to arise in relation to a transaction or other arrangement proposed between the Company and a party in which any Director had an interest, that Director would be obliged to declare the interest. Where the interest is material, the relevant Director will not be permitted to vote on decisions relating to the matters in which he or she has an interest.

Re-election of Directors

The appointment of Roland Bonney and Basil Brookes was approved at the Annual General Meeting held on 5 March 2015. The Articles of Association require Directors to retire by rotation at the third AGM after the AGM when they were elected. Two Directors are standing for re-election at the AGM to be held on 10 March 2016.

Non-executive Director independence and length of service

The Board considered each Non-executive Director's independence on appointment and concluded that they were independent. The Board reviews independence on an annual basis and has concluded that the Non-executive Directors all remain independent.

Non-executive Directors are appointed for specified terms, subject to re-election, and terms beyond six years are subject to rigorous review. Accordingly, Non-executive Directors are appointed for a maximum of two terms of three years and, thereafter, may serve for an additional period only at the invitation of the Board. The respective periods of service of our Non-executive Directors (including the Chairman) are:

Name	Date of Appointment	Term
Alex Hambro	18 December 2013	3 years
Susan Searle	18 December 2013	3 years
Basil Brookes	18 December 2013	3 years

Induction, business awareness and development

The Chairman is responsible for ensuring that Directors receive a full formal and comprehensive induction. This includes:

- An overview of the Group, its functions and governance;
- Briefings on Directors' regulatory and compliance responsibilities;
- Site visits to key Group locations;
- Detailed reviews of the strategic projects and initatives underway; and
- One-to-one meetings with senior managers.

In order that Directors continue to further their understanding of the issues facing the Group and are able to challenge constructively and help develop proposals on strategy, the Non-executive Directors are encouraged to visit Group locations. During the year, visits have taken place to our facilities in Oxford; Edinburgh; Reykjavik, Iceland; and Sheffield. These site visits, which include business presentations from senior management on strategy and performance, are in addition to the frequent reviews of divisions/businesses at the scheduled board meetings by the Executive Directors and other senior managers.

Board evaluation

The Board conducted an evaluation of its own performance, size and composition in 2015, which was instigated by the Nomination Committee. This was done by way of questionnaire followed by Board discussion and review of the findings, led by the Chairman of the Board and of the Nomination Committee.

There were no significant areas of concern and the Board's view is that the size of the Board and its balance of skills, knowledge, experience and independence is suitable for the Group. Efforts will be made to increase diversity in the future, particularly having regard to the international nature of the Company's business.

Board meetings

During the financial year ended 30 September 2015, the Board held 10 scheduled board meetings and 10 exceptional Board meetings/calls regarding specific opportunities and issues. In 2014/15, all Directors committed an appropriate amount of time to fulfil their duties and responsibilities to the Board.

Board and committee attendance during 2014/15

Name	Routine Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings
Chairman:				
Alex Hambro	10	4	–	1
Non-executive Directors:				
Basil Brookes	10	4	3	
Susan Searle	10	–	3	1
Executive Directors:				
Malcolm Pye	10			
Roland Bonney	10			
Mark Plampin	10			

Company Secretary

The Company Secretary assists the Chairs of the Board and its Committees in ensuring that the Directors have access to the information and advice they need to carry out their roles effectively.

Independent professional advice

The Directors have access to independent professional advice at the Company's expense. In addition, they have access to the services and advice of the Group Company Secretary who is responsible for advising the Board on corporate governance matters.

Relations with shareholders

Engagement with our shareholders is essential to ensure that Benchmark Holdings' medium and long-term objectives are understood and to receive feedback on our strategy, performance and governance. It is crucial that shareholders have the confidence in the Board's ability to oversee the implementation of the strategy and that, if they have concerns, they know to whom these should be addressed. The Chairman is primarily responsible for ensuring that the Board is accessible to major shareholders and that channels for communication are open. He also has principal responsibility for ensuring that all of the Board members and in particular the Non-executive Directors are aware of any concerns raised by major shareholders and that their views are taken into account. The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer all have regular dialogue with institutional shareholders.

Shareholder engagement activities during the financial year included:

- A number of face-to-face meetings with investors during the year;
- Directors attending the AGM, where they were available to answer questions and undertake constructive dialogue with shareholders; and
- Directors attending the General Meeting relating to the acquisition of SalmoBreed and StofnFiskur and related fundraise, where they were available to discuss the transaction with shareholders.

Going concern

The Strategic Report reviews, in relation to the Group as a whole:

- Its business activities
- Its financial position
- The factors likely to affect its future development and performance; and
- The objectives and policies in managing the financial risks to which it is exposed.

The Directors have assessed, in the light of current and anticipated economic conditions, the Group's ability to continue as a going concern, including its solvency and liquidity. The Directors confirm they are satisfied that the Company and the Group have adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis for preparing accounts.

Share capital and control

Details are included on pages 104 and 105 of the Directors' Report.

NOMINATION COMMITTEE REPORT

Statement from Alex Hambro, Chairman of the Nomination Committee

2015 was the Board's first full year since IPO, during which time the Company has grown significantly, including in new sectors and geographies. In July 2015, the Nomination Committee reviewed the Board's size, composition and performance and instigated a Board self-evaluation using a questionnaire with rankings and through open discussion with all Directors. The Nomination Committee also considered succession planning in relation to Board positions and key members of management, and long-term people development for senior management positions.

The Nomination Committee concluded that the size of the Board and its balance of skills, knowledge, experience and independence is suitable for the Group. Efforts will be made to increase diversity in the future, particularly having regard to the international nature of the Company's business.

Since year end, the Company has doubled in size with the acquisition of INVE Aquaculture and introduction of a new Animal Nutrition division. The Nomination Committee will continue to monitor the Board's composition and performance to ensure that it operates effectively in relation to all parts of the Group.

The Hon. Alexander Hambro
Chairman of the Nomination Committee
01 February 2016

The composition of the Nominations Committee during the year was:

- Alex Hambro (Chair)
- Susan Searle

Only members of the Committee have the right to attend meetings. The Head of People and external advisers may be invited to contribute on specified agenda items and contributions may be invited from other Board members.

Key objective

To safeguard the effectiveness of the Board by regularly reviewing its composition, and leading a rigorous and transparent process for the identification and appointment of new Directors.

Responsibilities

- To review the composition of the Board including its size, balance of skills, knowledge, experience and diversity;
- To lead the process for Board appointments and recommend the appointment of new Directors;
- To review the re-appointment of Non-executive Directors;
- To make recommendations on the composition of the Board's Committees;
- To consider succession for Board members and senior management.

The Committee's terms of reference are reviewed annually and a summary of these are available on the Governance section of our website at www.benchmarkplc.com

The Nomination Committee met once during the period under review, with full attendance. In addition, a Board Strategy Day was held, at which feedback from the Board self-evaluation, which was instigated by the Nomination Committee, was discussed.

AUDIT COMMITTEE REPORT

The composition of the Audit Committee during the year was:

- Basil Brookes (Chair)
- Alex Hambro

The Committee members are independent Non-executive Directors.

Basil Brookes is a Chartered Accountant and a Member of the Association of Corporate Treasurers. Basil served for 18 years as finance director of listed companies Wilmington Group plc and Maxwell Communications plc. He also has extensive experience in audit, financial investigations and corporate finance. Further information regarding Basil's experience is set out on page 81.

In addition to the Committee members, there are a number of regular attendees at each meeting. The Chief Financial Officer (CFO) and lead external audit partner normally attend all scheduled Audit Committee meetings. The Audit Committee members regularly take time before or after a meeting, without any Executive Directors or senior management present, to raise any questions and discuss issues with the external auditor. The Chairman of the Audit Committee meets the CFO and the external auditor separately to review current issues and developments prior to each meeting of the Audit Committee, such meetings often taking place by telephone.

Key objective

To ensure that the interests of shareholders are properly protected in relation to financial reporting and internal controls.

Responsibilities

During the year the main responsibilities were:

- To review accounting policies and the integrity and content of the financial statements;
- To monitor disclosure controls and procedures and the Group's internal controls;
- To consider the adequacy and scope of external audits;
- To oversee the appointment and ongoing relationship with the external auditor;
- At the Board's request, to provide advice on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable;
- To monitor the objectivity, independence and effectiveness of the external auditor, including the scope and expenditure on non-audit work;
- To review and approve the statements to be included in the Annual Report on internal control and risk management;
- To review and report on the significant issues considered in relation to the financial statements and how they are addressed.

The Committee's terms of reference are reviewed annually and a summary of these are available on the Governance section of our website at www.benchmarkplc.com

Actions undertaken during the year

The key activities for the Committee for the period under review are set out below.

Presentation of results

At the request of the Board, the Committee reviewed the presentation of the Group's unaudited results for the six months to 31 March 2015 and the audited results for the year to 30 September 2015 to ensure they were presented in a fair, balanced and understandable way. Particular attention was paid to the presentation of the results and the split of investing activities and trading activities which the Board regard as core earnings.

Management override of internal controls

The Committee considered the inherent risk of management override of internal controls as defined by auditing standards. In doing so the Committee reviewed the overall robustness of the control environment, including consideration of the Group's whistleblowing arrangements and the review by the external auditor as well as the report of an independent firm of accountants.

This report by the independent firm of accountants assessed the control framework of those businesses within the Group at last year-end. No major weaknesses were identified, but steps have been taken to rectify the reported deficiencies.

Goodwill impairment

The Committee considered the carrying value of the Group's businesses, including goodwill. The Committee reviewed management's recommendations, which were also reviewed by the external auditor, including an evaluation of the appropriateness of the assumptions applied in determining asset carrying values and the appropriateness of the identification of cash generating units. After review the Committee was satisfied with the assumptions and judgements applied by management and concluded that no impairment of carrying values was required.

Revenue recognition

The Committee considered the inherent risk of fraud in revenue recognition as defined by auditing standards and was satisfied that there were no issues arising.

Acquisition accounting

The Committee considered the acquisition accounting for the businesses acquired during the year under review, paying particular attention to the material acquisitions of StofnFiskur and SalmoBreed. The measurement and assessment of the intangible assets arising on acquisition were subject to very substantive discussions with both the CFO and the external auditor.

External auditor

The review of the annual audit plan and process along with the performance of the lead audit partner was undertaken. The robustness of the audit process, quality of delivery and service levels provided was rigorously assessed and input sought from senior management and those involved in the audit process across the business. The non audit fees payable to the external auditor were monitored throughout the year and their level taken into account, amongst other criteria, when awarding non audit work.

The independence, objectivity and performance of the external auditor was assessed and the Committee recommended to the Board that their reappointment as the auditors of the Company be recommended to shareholders at the Annual General meeting of the Company to be held on 10 March 2016.

Internal audit

During the year under review the Committee considered the need for an internal audit department and concluded that the scale and complexity of the Group, together with the associated risks, did not justify such a function being set up. Given the post balance sheet acquisition of INVE, the Committee will continue to keep this matter under review.

Risk management

The Chief Financial Officer oversaw the exercise to update the Risk Register and identify suitable mitigating actions. This report was presented and agreed by the Board. Work continues to ensure that risk management is imbedded in the Group's procedures.

Safeguards and effectiveness of the external auditor

The Committee recognises the importance of safeguarding auditor objectivity. The following safeguards are in place to ensure that auditor independence is not compromised:

- The Audit Committee carries out an annual review of the external auditor as to its independence from the Group in all material respects and that it is adequately resourced and technically capable to deliver an objective audit to shareholders. Based on this review the Audit Committee recommends to the Board the continuation, or removal and replacement, of the external auditor;
- The external auditor may provide audit-related services such as regulatory and statutory reporting as well as formalities relating to shareholder and other circulars;
- The external auditor may undertake due diligence reviews and provide assistance on tax matters given its knowledge of the Group's business. Such provision will be assessed on a case-by-case basis so that the best adviser is retained. The Audit Committee monitors the application of policy in this regard and keeps the policy under review;
- The Audit Committee reviews on a regular basis all fees paid for audit and consultancy services with a view to assessing the reasonableness of fees, value of delivery and any independence issues that may have arisen or may potentially arise in the future;
- The external auditor reports to the Directors and the Audit Committee regarding their independence in accordance with Auditing Standards. BDO LLP's policy is that audit partners are required to be rotated every fifth year, and audit senior management every seventh year;
- Different teams are used on all other assignments undertaken by the auditor;
- Non-audit services carried out by the external auditor are generally limited to work that is closely related to the annual audit or where the work is of such a nature that a detailed understanding of the business is beneficial;

- The Audit Committee monitors these costs in absolute terms and in the context of the audit fee for the year, in order to ensure that the potential to affect auditor independence and objectivity does not arise. The Committee does not adopt a formulaic approach to this assessment. The split between audit and non-audit fees for 2015 and information on the nature of the non-audit fees incurred is detailed in Note 7 accompanying the consolidated financial statements.

The Audit Committee monitors the effectiveness of the external audit functions. To comply with this requirement, the Committee reviews and comments on the external audit plans before it approves them. It then considers progress during the year by assessing the major findings of their work, the perceptiveness of observations, the implementation of recommendations and management feedback. At the request of the Board, the Committee also monitors the integrity of all financial statements in the Annual Report and half year results statements, and the significant financial reporting judgements contained in them. Further details of the Committee's procedures to review the effectiveness of the Group's systems of internal control during the year can be found in the section on effective risk management and internal control below. The Committee recognises that all financial statements include estimates and judgements by management. The key audit areas are agreed with management and the external auditors as part of the year-end audit planning process. This includes an assessment by management at both a business unit and Group level of the significant areas requiring management judgement. These areas are reviewed with the auditors to ensure that appropriate levels of audit work are completed and the results of this work are reviewed by the Committee.

Effective risk management and internal control

One of the Board's key responsibilities is to ensure that management maintains a system of internal control which provides assurance of effective and efficient operations, internal financial controls and compliance with law and regulation. The Group's systems are designed to identify key financial and other risks to the Group's business and reputation, and to ensure that appropriate controls are in place. Consideration is given to the relative costs and benefits of implementing specific controls.

Assurance

On behalf of the Board, the Audit Committee examines the effectiveness of:

- The systems of internal control, primarily through reviews of the financial controls for financial reporting of the annual, preliminary and half yearly financial statements and a review of the nature, scope and reports of external audit;
- The management of risk by reviewing evidence of risk assessment and management; and
- Any action taken to manage critical risks or to remedy any control failings or weaknesses identified, ensuring these are managed through to closure.

The Audit Committee has completed its review of the effectiveness of the Group's systems of internal control during the year. It confirms that the necessary action plans to remedy identified weaknesses in internal control are in place and have been throughout the year. Where appropriate, the Audit Committee ensures that necessary actions have been, or are being, taken to remedy or mitigate significant failings or weaknesses identified from the review of effectiveness of internal controls. The Group's internal controls over the financial reporting and consolidation processes are designed under the supervision of the CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of the Group's published financial statements for external reporting purposes in accordance with IFRS.

Because of its inherent limitations, internal control over financial reporting cannot provide absolute assurance and may not prevent or detect all misstatements whether caused by error or fraud. The Group's internal controls over financial reporting and the preparation of consolidated financial information include policies and procedures that provide reasonable assurance that transactions have been recorded and presented accurately.

Management regularly conducts reviews of the internal controls in place in respect of the processes of preparing consolidated financial information and financial reporting. During the year ended 30 September 2015, there were no changes to the internal controls over these processes that have or are reasonably likely to materially affect the level of assurance provided over the reliability of the financial statements.

Risk management and internal control system features

Risk management control system

As well as the risks that management identify through the ongoing processes of reporting and performance analysis, the Audit Committee has additional risk identification processes, which include:

- Risk and control process for identifying, evaluating and managing major business risks. During the year, the CFO oversaw an exercise to evaluate the risks faced by the business and to identify suitable mitigating actions;
- External audit reports, which comment on controls to manage identified risks and identify new ones;
- A confidential whistle-blowing helpline and an email address available for employees to contact the Non-executive Directors in confidence.

Internal control system

The internal controls which provide assurance to the Committee of effective and efficient operations, internal financial controls and compliance with law and regulation include:

- A formal authorisation process for investments;
- An organisational structure where authorities and responsibilities for financial management and maintenance of financial controls are clearly defined;
- Anti-bribery and corruption policies and procedures and a dedicated email hotline, designed to address the specific areas of risk of corruption faced by the Group;
- A comprehensive financial review cycle where the annual budget is approved by the Board and monthly variances are reviewed against detailed financial and operating plans.

REMUNERATION REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

Statement from Susan Searle, Chairman of the Remuneration Committee

2015 was Benchmark's second year as a plc, characterised by another major transformation for the business with the Executive Directors working exceptionally hard to overcome some major challenges and conclude a number of significant deals. In the early part of the year Benchmark had to issue a profit warning as sales of Salmosan® / Byelice® were impacted by a generic competitor in the important Chilean market to a greater and faster extent than was originally anticipated by the Company and its analysts. This risk was one identified at IPO and to a certain extent outside the control of the team whose primary focus is on building out the platform and its product pipeline. Nevertheless it was disappointing. The second half of the year saw the acquisition of Akvaforsk and Spring Genetics expanding Benchmark's genetic offering into the fast-growing Tilapia species. Finally, post financial year end, the Company successfully undertook a major equity raise of £186m and aquisition of INVE Aquaculture, more than doubling the size of the business.

Against this background the remuneration committee has sought to make balanced decisions. The committee met three times during which it has carried out remuneration benchmarking of senior executive staff and reviewed the remuneration packages for new senior staff (who have joined the Group as a result of acquisition). The Company has a distinctive culture of co-operation with strong team values and a sense of shared participation in the Group's achievements and vision for the future. As the Company grows in size and internationally the challenge will be to preserve this culture whilst adapting to account for the scale of operations and the many countries in which it now operates. During 2016 the remuneration committee intends to work closely with the Executive Directors to review the appropriate benchmarks for employees taking account of the diversity of activity and geography across the Group.

In our report last year we noted that MM&K had conducted a review of the Executive Directors' salaries and that these were substantially below their peer Group levels. Given the Group has moved from 400 employees to circa 820 with a more than doubling in market capitalisation, the Executive Directors face a more challenging management task and should be appropriately remunerated. We have therefore made a further significant increase in salary for the three senior executives although continue to note that these are still below mean market levels for comparable companies.

In reviewing the bonus awards to Executive Directors the remuneration committee had to weigh up the fact that the year had been one of two halves and against the four clear metrics set out and detailed in this report, progress on three of the metrics had been outstanding but the drop in expected revenue and profit due to competitive pressure on Salmosan® could not be ignored. Coupled with the fact that the Executive Directors' salaries continue to be below market we believe an appropriate bonus has been awarded.

The challenge for this year is to successfully deliver the integration plan for INVE and the other businesses acquired to date and to continue to deliver on the strategy of growth and leadership in food sustainability. If this is delivered, we will make further adjustments to the Executive Directors' salaries and deliver on the potential for them to earn appropriate bonuses.

Susan Searle
Chairman of the Remuneration Committee
1 February 2016

Remuneration Committee overview

The composition of the Remuneration Committee during the year was:

- Susan Searle (Chair)
- Basil Brookes

The committee members are both independent non-Executive Directors. The Company Secretary acts as secretary to the committee and the Head of People also attends committee meetings to provide advice on remuneration policies and practices. At appropriate times, the Remuneration Committee invites the views of the chief executive and chairman of the board, and seeks advice from independent remuneration consultants. No director or employee is present when his or her own remuneration or fees are discussed.

Key objectives: The key objectives of the Remuneration Committee are to develop the Company's policy on executive remuneration and to fix the remuneration of the Executive Directors, chairman of the board and senior managers.

Responsibilities: The main responsibilities of the Committee are:

- To monitor and develop the Company's remuneration policy
- To determine the remuneration of the Executive Directors in line with the Company's remuneration policy
- To approve the service agreements of the Executive Directors
- To approve the remuneration of senior managers in line with the Company's remuneration policy
- To determine the fees of the Chairman
- To review the Company's annual bonus proposals and to approve bonuses for the Executive Directors and senior managers
- To approve the design of and oversee awards under the Company's share incentive plans, including approving awards to the Executive Directors and senior managers
- To consider risks to the Group in light of its remuneration policies.

An overview of the Remuneration Committee's terms of reference is available on the Governance section of our website at www.benchmarkplc.com

Actions undertaken during the year: The introductory statement from the Chairman of the Remuneration Committee on page 94 discusses the work of the Committee during the year.

Directors' Remuneration Policy

The Group's policy is unchanged and seeks to balance three key objectives:

- To pay reasonably competitively in the relevant talent markets to sustain motivation and commitment, recognising that Benchmark has a unique culture and staff join and remain with Benchmark in order to share in the Company's vision for sustainability and participate in the important work it does
- To remunerate in a way that makes economic sense for the Company, ensuring there is a fair balance of return to the executive team, management, staff and shareholders for their contributions to the Company's success
- To encourage the cooperative behaviours which promote business priorities and lead to high performance.

The Company's remuneration policy supports a climate of team involvement and generates a shared enthusiasm for the growth and success of the Group as a whole. It encourages cooperation, sharing of ideas and mutual support between people in different business units. The policy reflects and supports the sense that the Group is involved in creating and delivering services which benefit mankind and the natural environment. The policy also recognises that the non-monetary rewards of team membership, intellectual stimulation, freedom, creativity and producing something worthwhile, have equal or higher place in maintaining personal commitment and in attracting and retaining the best people.

Remuneration policy

The Executive Directors' remuneration comprises fixed elements in the form of a base salary, benefits and pension contributions, and a variable discretionary element in the form of a bonus, which may be satisfied in cash, deferred shares (or nominal cost share options) or a combination of both. The Company has long-term share plans in place but does not intend to make awards to the Executive Directors this year.

Fixed elements of remuneration

The fixed elements of the Executive Directors' remuneration are designed to attract and retain Directors of the appropriate calibre, with the requisite knowledge, skills and experience, and to sustain motivation and commitment.

Following a review of the Executive Directors' remuneration commissioned by the Remuneration Committee, it is clear that the Executive Directors' salaries are substantially below those of their peer Group, and, as reported last year, action is being taken to move towards market over a three year period.

The Executive Directors all participate in defined contribution pension schemes. The terms on which the Company contributes to the Executive Directors' pensions are the same as the terms applicable to other employees. The Company contributes up to 10% of the employee's salary, starting at 5% and increasing by 1% for every 3 years of service.

The Executive Directors also receive private medical insurance for themselves and their families and death in service benefits.

Variable elements of remuneration

Executive Directors are eligible for an annual performance bonus, part of which may be deferred for three years and paid in shares or nominal cost share options. The maximum award, including any deferred element, is 100% of salary. The bonus is designed to reward and incentivise success leading to sustainable long-term growth and to recognise the Directors' commitment to the business. Performance is measured by reference to four key metrics, set out below.

- Progress towards the Group's objectives of mid to long-term growth in revenue and trading earnings per share
- Successful and secure investment of the Group's available capital in long-term revenue and generation of EBITDA from trading activities
- Building on the Group's track record of recruiting the highest calibre and most appropriate people, in terms of skills and experience
- Establishing a strong and long-lasting leadership position in the development of sustainable food and farming internationally.

The Remuneration Committee exercises judgment in assessing performance against these metrics. In setting bonus levels the Remuneration Committee also considers the amount of bonuses paid by the Company's peer Group with reference to Group members' performance. No elements of the bonus are guaranteed.

The variable element of Executive Directors' remuneration may be supplemented with awards under share-based long-term incentive plans.

Statement of consideration of employment conditions elsewhere in the Group

The Remuneration Committee approves the salary increases and bonuses of all senior employees. The committee also reviews and agrees all awards made under the Company's employee share plans.

Historically, the salaries across the Group have been increased annually by reference to the retail price index. In 2015, the average salary increase across the Group including senior management was 3.6%. This percentage rise included adjustments made for additional responsibilities taken on by staff as the Group's activities expanded. The average salary increase across the Executive Directors was 26% as action has been taken to move these salaries closer to their peer Group in line with the commissioned benchmarking review. The entitlements of the Executive Directors to pension contributions are the same as those of employees. Bonuses for employees are determined on a discretionary basis, by reference to a combination of Group and individual performance. Senior managers' bonuses for 2015 will be paid part in cash, and part will be deferred and satisfied in nominal cost share options (other than where the individual is already a substantial shareholder in the Company).

The Company enjoys a strong cooperative culture and the remuneration policy supports a sense of shared participation in the Group's achievements. Everyone in the team is expected and encouraged to have an interest in the Company's shares at a level that reflects the strategic contribution of their role. Following an eventful and successful year in 2014 the Company issued 847,416 nominal cost share options (0.39% of issued share capital) to 229 of its staff, including employees of the newly acquired companies within the Breeding and Genetics division. This grant was not extended to the Executive Directors or senior management, who received share options as part of their 2014 bonus (where appropriate). The grant is in line with the Company's historic remuneration policy, which has seen options granted across the workforce at times of significant achievement in the Company's development.

Executive Directors' service contracts and remuneration on termination

Each executive director contract commenced on 18 December 2013 and is terminable by either party on 12 months' notice at any time, and by the Company at any time and without compensation in case of serious misconduct, breach of duty or in similar circumstances.

In the event of termination by the Company without cause, the executive director is entitled to receive payment of salary for any unexpired notice period and any accrued holiday entitlement. In the event of termination for cause, the director is not entitled to compensation in respect of salary.

The Executive Directors' bonuses are fully discretionary. In the event of termination during a bonus period, the Remuneration Committee will consider payment of a bonus on a pro rata basis for the relevant portion of the year worked, having regard to the circumstances. Deferred bonuses which have been satisfied in share options remain exercisable where the executive director is a good leaver, including in case of death, incapacity, redundancy, retirement, and where the Remuneration Committee so determines. In all other circumstances, deferred bonuses satisfied in share options cease to be exercisable on termination of employment and lapse.

Non-executive Directors' terms of appointment

The Non-executive Directors hold office under letters of appointment. Each appointment is for a term of 3 years commencing on 18 December 2013 but with an additional period of 3 years anticipated. All Directors are required to stand for re-election at least every three years. Two Directors will stand for re-election at the Annual General Meeting to be held on 10 March 2016. Non-executive Directors are typically invited to serve for two three-year terms.

Either the Company or the non-executive director may terminate the appointment on 3 months' notice, and the appointments are subject to the Company's articles of association and to the Director being re-elected by shareholders upon retirement by rotation. On termination as a result of the non-executive director not being re-elected by shareholders or under the articles of association for reasons connected with outside interests or independence, the appointment terminates immediately and the non-executive director is not entitled to compensation. On termination in other circumstances, including on 3 months' notice, a non-executive director is entitled to accrued but unpaid Directors' fees to the date of termination but no other compensation.

The dates of appointment of and length of service for each non-executive director are shown in the table below.

Director	Date of Appointment	Length of Service as at 2016 AGM
Basil Brookes	18 December 2013	2 year 2 months
Alex Hambro	18 December 2013	2 year 2 months
Susan Searle	18 December 2013	2 year 2 months

Shareholder dilution

The total number of ordinary shares issued and issuable in respect of options granted in any ten year period under the Company's discretionary share option schemes (excluding pre-IPO options under the Enterprise Management Incentive (EMI) scheme) is restricted to 10% of the Company's issued ordinary shares from time to time.

In the financial year ended 30 September 2015 the Company allocated 319,518 nominal cost share options (0.15% of issued share capital) in respect of 2014 bonuses payable to the Executive Directors and senior management, and over 847,416 nominal cost share options (0.39% of issued share capital) to other staff as mentioned on page 96.

Annual Report Remuneration for 2015

Single total figure of remuneration for the financial year ended 30 September 2015.

The remuneration in respect of qualifying services of the Directors who served during the financial year ended 30 September 2015 is as set out below.

Executive Directors

	Salary	Bonus (a)	Taxable benefits (b)	Long-term incentive	Pension	Total 2015	Total 2014
Roland Bonney	137,499	55,000	2,076	–	12,375	206,950	240,227
Mark Plampin	133,750	55,000	3,895	–	8,025	200,670	372,707
Malcolm Pye	141,250	55,000	6,589	–	12,713	215,552	242,371

(a) The cash bonuses were paid in January 2016

(b) Benefits provided for all Executive Directors are medical insurance coverage for the Directors and their families, and death in service benefits. Also includes taxable mileage payments as a result of the Company's policy of paying 55p per business mile (10p per mile paid over the HMRC rate of 45p per mile is taxable via P11Ds).

Executive Directors' salaries were reviewed with effect from 1 January 2016. Following a benchmarking exercise undertaken by the Remuneration Committee and having regard to the Group's performance in 2015, the increases awarded are shown on page 100.

Non-executive Directors

Director	Fees (£) 2015	Fees (£) 2014
Basil Brookes	35,000	29,596
Alex Hambro	45,000	41,480
Susan Searle	35,000	39,596

Executive Directors' bonuses for the financial year ended 30 September 2015

The Remuneration Committee considers that the performance of the Executive Directors should be assessed against the delivery of long-term sustainable growth through execution of the business strategy. The Executive Directors' bonuses were determined in light of their performance against four KPIs, which are set out on page 96.

Excellent progress has been made against three of the metrics set out on page 96 but the drop in expected revenue and profit as a result of the competitive pressure on Salmosan® could not be ignored, as described in the Chairman's statement. The Group continued to invest in its product pipeline through research and the acquisition of new products (7 new companies / Groups were acquired during the year), in infrastructure at its Ardtoe site and vaccine manufacturing facilities, and in the new advanced animal nutrition division through the successful acquisition of INVE Aquaculture in conjunction with a £186m fundraising. Group headcount grew by 81% in 2015 with graduates representing 62% of all employees. The Group strengthened its relationships with key players in the food industry and the acquisitions of SalmoBreed and StofnFiskur enhanced the Group's position and profile as a leading supplier to the aquaculture industry.

The Remuneration Committee determined the Executive Directors' bonuses in light of this performance, having regard to the requirement to fairly balance the needs of shareholders and executive rewards within its bonus culture. Accordingly, the Executive Directors received bonuses in respect of the financial year ended 30 September 2015 as set out below.

	Bonus (£) (a)	
	2015	2014
Roland Bonney	55,000	116,000
Mark Plampin	55,000	155,032 (a)
Malcolm Pye	55,000	116,000

(a) Mark Plampin received a bonus of £8,032 in February 2014 in relation to the exercise of options under the EMI scheme and an exceptional bonus of £31,000 in December 2013 for work relating to the IPO. On the balance of £115,000, 60% was deferred and satisfied in nominal cost share options in March 2015.

Defined contribution pension scheme

The Executive Directors all participate in defined contribution pension schemes. Roland Bonney and Malcolm Pye participate in the Benchmark Holdings Executive Pension Scheme and Mark Plampin participates in a self-invested personal pension (SIPP).

In accordance with the policy set out on page 96, the Company contributes 9% of salary for each of Roland Bonney and Malcolm Pye, and 6% of salary for Mark Plampin.

LTIP awards

Mark Plampin received 67,647 nominal cost options as deferred bonus on 9 March 2015. The options will be exercisable from the third anniversary of grant and will have an exercise price equal to the nominal value of the ordinary shares (0.1p). No other awards under the Company's share plans were made to Executive Directors in the financial year ended 30 September 2015.

Executive Directors' external appointments

None of the Executive Directors held Non-executive Directorships or external appointments with organisations other than the Company in the financial year ended 30 September 2015.

Non-executive Directors' fees for the financial year ended 30 September 2015

No changes were made to the Non-executive Directors' fees in the financial year ended 30 September 2015. The salaries of Non-executive Directors have been reviewed since the end of the financial year and from January 2016 each will receive an annual salary of £45,000 to reflect the growth in the Company and in recognition of the valuable support that they all provide to the Executive Directors.

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN 2015

Executive Directors' salaries

Following the benchmarking review commissioned last year the Remuneration Committee has committed to move the executive director's salaries towards market over a three year period whilst taking account of management's philosophy that the team should be led by example with a shared sense of participation. Accordingly, from 1 January 2016, the Executive Directors' base pay was increased as set out below.

	Salary (£)		Increase in salary 2015 to 2016 (%)
	2016	2015	
Roland Bonney	180,000	145,000	24%
Mark Plampin	170,000	140,000	21%
Malcolm Pye	200,000	150,000	33%

Bonus

The 2016 bonus will be implemented in line with the future policy described above.

LTIP

The Company does not intend to make awards to the Executive Directors under its long-term share incentive plans in 2016.

ADDITIONAL INFORMATION ON DIRECTORS' INTERESTS

Directors' interests under the Company's employee share plans

Details of the Executive Directors' interests in outstanding share awards under the employee share plans during the financial year ended 30 September 2015 are set out below.

	Share option scheme	Options held at 30 September 2015	Options exercised in year	Options granted in year	At 30 September 2015	Exercise price	Grant date	Date from which exercisable
Mark Plampin	EMI scheme	135,000 (a)		–	135,000	0.1p	29 August 2013	29 August 2016
Mark Plampin	CSOP II			67,647(b)	67,647	0.1p	9th March 2015	8th March 2018

(a) Prior to its IPO, the Company operated an Enterprise Management Incentive (EMI) share option scheme. At 30 September 2015, options over 1,272,000 ordinary shares remained outstanding under the EMI scheme, including options over 135,000 ordinary shares held by Mark Plampin as detailed above. No further grants may be made under the EMI scheme.

(b) The deferred element of the 2014 bonus as described on page 97.

Directors' interests in ordinary shares

At 30 September 2015, the interests of the Directors and their connected persons in ordinary shares was as follows.

	Interests in ordinary shares at 30 September 2015	% of Company's issued share capital (d)	Interests in ordinary shares at 30 September 2014
Roland Bonney	15,145,686	6.90%	15,145,686
Basil Brookes	39,062 (b)	0.02%	39,062 (b)
Alex Hambro	46,875 (b)	0.02%	46,875 (b)
Malcolm Pye	15,145,686	6.90%	15,145,686
Mark Plampin	401,686 (c)	0.18%	401,686 (c)
Susan Searle	98,125 (b)	0.04%	98,125 (b)

(b) Held through self-invested personal pension (SIPP).

(c) Comprising 130,000 ordinary shares registered in own name, 267,000 ordinary shares held through self-invested personal pension (SIPP) and 4,686 ordinary shares held through the Benchmark employee share incentive plan.

(d) As at 30 September 2015. On 30 December 2015, an additional 215,922,141 ordinary shares were issued pursuant to a placing.

The only change in the Directors' interests in ordinary shares between 30 September 2015 and the date of this report was the issue on 30 December 2015 of 215,922,141 ordinary shares pursuant to the placing regarding the purchase of INVE.

Susan Searle
Chairman of the Remuneration Committee
1 February 2016

DIRECTORS' REPORT

The Directors present their annual report and audited financial statements of the Company and of the Group for the year ended 30 September 2015.

Benchmark Holdings plc is a public limited company, incorporated and domiciled in England and its shares are admitted to trading on AIM on the London Stock Exchange.

The disclosure requirements of the Companies Act 2006, and where the Directors have deemed it appropriate, the UK Disclosure and Transparency Rules, have been met by the contents of this Directors Report, along with the Strategic Report, Corporate Governance Report and Directors Remuneration Report, which should be read in conjunction with this report.

Principal activities and business review

The information that fulfils the requirements of the business review, including details of the 2015 results, key performance indicators, principal risks and uncertainties and the outlook for future years are set out in the Chairman's Statement (page 20) and the Strategic Report (pages 12 to 77) (including key performance indicators and principal risks and uncertainties) (pages 72 and 75).

Results and dividend

The Group's loss for the year attributable to owners of the parent for 2015 was £12.0m (2014: loss of £1.3m). The Directors do not recommend a final dividend in relation to the 2015 financial year (2014: £nil).

Research & development

The Group's research and development activities are outlined in the Strategic Report on pages 64 to 65.

Post balance sheet events

Post balance sheet events are described in note 35.

Directors

The Directors who served the Company during the year were as follows:

- Malcolm Pye
- Roland Bonney
- Mark Plampin
- Alex Hambro
- Basil Brookes
- Susan Searle

All Directors served throughout the year.

Re-election of Directors

The Articles of Association require Directors to retire by rotation at or prior to the third Annual General Meeting (AGM) after the AGM or General Meeting at which they were elected. Non-executive Director independence and length of service Non-executive Directors are appointed for specified terms, subject to re-election, and terms beyond six years are subject to rigorous review. Accordingly, Non-executive Directors are appointed for a maximum of two terms of three years and thereafter may serve for an additional period only at the invitation of the Board.

Directors remuneration and interests

The Remuneration Report set out on pages 94 to 102 will be presented to shareholders for approval at the AGM. It includes details of Directors' remuneration, interests in the shares of the Company, share options and pension arrangements.

Directors' indemnity

All of the Directors benefited from qualifying third-party indemnity provisions during the year and at the date of this report.

Share capital and substantial shareholdings

Details of the issued share capital, together with detail of movements during the year, are shown in note 26 accompanying the financial statements. The Company has one class of ordinary share which carries no right to fixed income. Each ordinary share carries the right to one vote at general meetings of the Company.

At 25 January 2016 the Company has been notified of the following substantial shareholdings comprising 3% or more of the issued ordinary share capital of the Company:

	% of issued share capital
Woodford Investment Management LLP	23.08
Lansdowne Partners	16.88
Invesco Asset Management Ltd	16.68
The Royal Bank of Scotland Group plc	6.84
Roland Bonney	3.20
Ruth Layton	3.20
Malcolm Pye	3.20

Financial instruments

Details of the Group's financial risk management objectives and policies are included in note 3 to the financial statements.

Political and charitable donations

No political donations were made by any Group company in the year. Benchmark encourages employee involvement in charitable causes, and provides manpower and office facilities to Farmability, a farming related charity set up for the benefit of adults with autism and learning difficulties.

Disabled 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.

Employee involvement

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.

Employees are kept informed on matters affecting them as employees and on the performance of the Group through announcements on the Group's intranet and formal and informal meetings at local level. The Group operates an all employee share incentive plan (SIP) in which all employees are eligible to participate. 94% of employees elected to participate in the SIP grant made at the time of the IPO.

Length of notice of general meetings

The Companies Act 2006 requires listed companies to call general meetings on at least 21 clear days' notice unless shareholders have approved the calling of general meetings at shorter notice. A resolution to approve 14 days as a minimum period of notice for all general meetings of the Company other than AGMs was passed at the AGM held on 5 March 2015.

The 14-day notice period will only be used where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The Company offers the facility for all shareholders to vote by electronic means. This facility is accessible to all shareholders and would be available if the Company was to call a meeting on 14 clear days' notice.

Power to allot shares

Each year at the AGM, the Directors seek authority to allot shares for the following year. At the last AGM held on 5 March 2015, shareholders authorised the Directors to allot relevant securities up to an aggregate nominal value of £73,110, representing one-third of the issued share capital, and to further allot equity securities up to an additional aggregate nominal value of £73,110 in connection with a fully pre-emptive rights issue, in accordance with ABI guidance, and to allot for cash equity securities having a nominal value not exceeding in aggregate £21,993 (being 10% of the issued share capital). The authority expires at the conclusion of the next AGM.

In addition, at a General Meeting held on 29 December 2015, shareholders authorised the Directors to allot relevant securities up to an aggregate nominal value of £255,500, and to allot equity securities for cash of the same nominal value, in connection with the placing and related acquisition of INVE Aquaculture.

At the forthcoming AGM, authorities will be sought from shareholders similar to those sought at the 2015 AGM.

Authority for the Company to purchase its own shares

At the Company's 2015 AGM, shareholders renewed the Company's authorities to make market purchases of up to 21,993,000 ordinary shares, representing 10% of the issued share capital. These authorities were not used during the year or up to the date of this Report. At the 2016 AGM, shareholders will be asked to renew these authorities for another year and the resolution will once again propose a maximum aggregate number of ordinary shares which the Company can purchase of 10% of the issued ordinary share capital. Details are contained in the Notice of AGM. The Company held no treasury shares during the year or at the date of this Report.

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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 Companies Act 2006.

Auditor

A resolution to re-appoint BDO LLP as auditor to the Company will be put to the AGM.

This report was approved by the Board on 01 February 2016 and signed on its behalf.

Athene Blakeman
Company Secretary
1 February 2016

Statement of Directors' responsibilities in relation to the Group financial statements and Annual Report

The Directors are responsible for preparing the strategic report, the Directors' 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 elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these 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 they have been prepared in accordance with IFRSs as adopted by the
- European Union, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Fish Vet Group, Norway

04. FINANCIAL STATEMENTS

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Independent Auditor's report to the members of Benchmark Holdings plc

for the year ended 30 September 2015

We have audited the financial statements of Benchmark Holdings plc for the year ended 30 September 2015 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 Financial Reporting Council's ("FRC'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 2015 and of the group's loss 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.

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

1 February 2016

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

Consolidated Income Statement

for the year ended 30 September 2015

	Note	Trading Activities[1] 2015 £000	Investing Activities[2] 2015 £000	Total 2015 £000	Trading Activities[1] 2014 £000	Investing Activities[2] 2014 £000	Total 2014 £000
Revenue	4	44,199	-	44,199	35,354	-	35,354
Cost of sales		(28,102)	-	(28,102)	(20,582)	-	(20,582)
Gross profit		16,097	-	16,097	14,772	-	14,772
Other income	5	-	-	-	101	-	101
Operating costs	28	(13,674)	(9,494)	(23,168)	(8,250)	(4,715)	(12,965)
Operating costs – Exceptional	11	-	(160)	(160)	-	(1,691)	(1,691)
EBITDA		2,423	(9,654)	(7,231)	6,623	(6,406)	217
Depreciation	14	(1,113)	(191)	(1,304)	(533)	-	(533)
Amortisation	15	(2,825)	(239)	(3,064)	(871)	-	(871)
Operating (loss)/profit		(1,515)	(10,084)	(11,599)	5,219	(6,406)	(1,187)
Finance cost	10	(34)	-	(34)	(248)	-	(248)
Finance income	10	260	14	274	60	-	60
(Loss)/profit on ordinary activities before taxation		(1,289)	(10,070)	(11,359)	5,031	(6,406)	(1,375)
Tax on (loss)/profit on ordinary activities	12,28	(751)	355	(396)	(860)	914	54
(Loss)/profit for the year		(2,040)	(9,715)	(11,755)	4,171	(5,492)	(1,321)
(Loss)/profit for the year attributable to:							
– Owners of the parent		(2,273)	(9,715)	(11,988)	4,177	(5,492)	(1,315)
– Non-controlling interest		233	-	233	(6)	-	(6)
		(2,040)	(9,715)	(11,755)	4,171	(5,492)	(1,321)
Basic (loss)/earnings per share (pence)	13	(1.13)		(5.96)	3.29		(1.04)
Diluted (loss)/earnings per share (pence)	13	(1.13)		(5.96)	3.23		(1.04)

[1] Before items described in footnote 2 below.

[2] Includes exceptional items (outlined in note 11), research and development expenditure, pre-operational expenses for new ventures and costs of acquiring new businesses as set out in note 28.

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2015

	Trading Activities[1] 2015 £000	Investing Activities[2] 2015 £000	Total 2015 £000	Trading Activities[1] 2014 £000	Investing Activities[2] 2014 £000	Total 2014 £000
(Loss)/profit for the year	(2,040)	(9,715)	(11,755)	4,171	(5,492)	(1,321)
Other comprehensive (expense)/income:						
Items that may be reclassified to profit or loss						
Movement on foreign exchange reserve	(2,812)	-	(2,812)	89	-	89
Total comprehensive (expense)/income for the year	(4,852)	(9,715)	(14,567)	4,260	(5,492)	(1,232)
Total comprehensive (expense)/income for the year attributable to:						
– Owners of the parent	(5,071)	(9,715)	(14,786)	4,266	(5,492)	(1,226)
– Non-controlling interest	219	-	219	(6)	-	(6)
	(4,852)	(9,715)	(14,567)	4,260	(5,492)	(1,232)

[1] Before items described in footnote 2 below.

[2] Includes exceptional items (outlined in note 11), research and development expenditure, pre-operational expenses for new ventures and costs of acquiring new businesses as set out in note 28.

Consolidated Balance Sheet

as at 30 September 2015

	Note	2015 £000	2014 £000
Assets			
Non-current assets			
Property, plant and equipment	14	**25,141**	7,242
Intangible assets	15	**65,872**	7,821
Investments		**147**	-
Trade and other receivables	20	**293**	523
Biological assets	19	**3,392**	-
Deferred tax assets	25	**-**	339
Total non-current assets		**94,845**	15,925
Current assets			
Inventories	18	**5,359**	4,470
Biological assets	19	**4,948**	539
Trade and other receivables	20	**15,353**	11,058
Cash and cash equivalents (excluding bank overdrafts)	37	**13,564**	16,511
Total current assets		**39,224**	32,578
Total assets		**134,069**	48,503
Liabilities			
Current liabilities			
Trade and other payables	21	**(24,368)**	(8,281)
Loans and borrowings	22	**(63)**	(115)
Corporation tax liability		**(860)**	(48)
Provisions	23	**(1,033)**	(1,080)
Total current liabilities		**(26,324)**	(9,524)
Non-current liabilities			
Loans and borrowings	22	**(93)**	(96)
Other payables	21	**(7,330)**	(1,631)
Deferred tax	25	**(8,224)**	-
Total non-current liabilities		**(15,647)**	(1,727)
Total liabilities		**(41,971)**	(11,251)
Net assets		**92,098**	37,252
Issued capital and reserves attributable to owners of the parent			
Share capital	26	**219**	137
Share premium reserve	26	**94,672**	26,903
Capital redemption reserve	27	**5**	5
Retained earnings	27	**(1,021)**	10,123
Foreign exchange reserve	27	**(2,724)**	74
Equity attributable to owners of the parent		**91,151**	37,242
Non-controlling interest		**947**	10
Total equity and reserves		**92,098**	37,252

The financial statements on pages 112 to 162 were approved and authorised for issue by the Board of Directors on 1 February 2016 and were signed on its behalf by:

M J Plampin
Chief Financial Officer

Company Balance Sheet

as at 30 September 2015

	Note	2015 £000	2014 £000
Assets			
Non-current assets			
Property, plant and equipment	14	**154**	65
Investments	17	**29,502**	5,610
Deferred tax assets	25	**170**	47
Total non-current assets		**29,826**	5,722
Current assets			
Trade and other receivables	20	**70,280**	19,703
Cash and cash equivalents	37	**5,542**	14,078
Total current assets		**75,822**	33,781
Total assets		**105,648**	39,503
Liabilities			
Current liabilities			
Trade and other payables	21	**(8,542)**	(3,544)
Total current liabilities		**(8,542)**	(3,544)
Non-current liabilities			
Loans and borrowings	22	**(60)**	(60)
Other payables		**(351)**	-
Total non-current liabilities		**(411)**	(60)
Total liabilities		**(8,953)**	(3,604)
Net assets		**96,695**	35,899
Issued capital and reserves attributable to owners of the parent			
Share capital	26	**219**	137
Share premium reserve	26	**94,672**	26,903
Capital redemption reserve	27	**5**	5
Retained earnings	27	**1,799**	8,854
Total equity and reserves		**96,695**	35,899

The financial statements on pages 112 to 162 were approved and authorised for issue by the Board of Directors on 1 February 2016 and were signed on its behalf by:

MJ Plampin
Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended 30 September 2015

	Share capital £000	Share premium reserve £000	Other reserves* £000	Retained earnings* £000	Total attributable to equity holders of parent £000	Non-controlling interest £000	Total equity £000
At 1 October 2013	90	693	(10)	11,123	11,896	16	11,912
Comprehensive income for the year							
Loss for the year	-	-	-	(1,315)	(1,315)	(6)	(1,321)
Other comprehensive income	-	-	89	-	89	-	89
Total comprehensive income for the year	**-**	**-**	**89**	**(1,315)**	**(1,226)**	**(6)**	**(1,232)**
Contributions by and distributions to owners							
Dividends	-	-	-	(165)	(165)	-	(165)
IPO costs recognised through equity	-	(1,538)	-	-	(1,538)	-	(1,538)
Acquisition part paid in shares	-	100	-	-	100	-	100
Share based payment	3	-	-	438	441	-	441
Deferred tax on share options	-	-	-	42	42	-	42
IPO share issue	43	27,457	-	-	27,500	-	27,500
Employee shares issued	1	191	-	-	192	-	192
Total contributions by and distributions to owners	**47**	**26,210**	**-**	**315**	**26,572**	**-**	**26,572**
At 30 September 2014	**137**	**26,903**	**79**	**10,123**	**37,242**	**10**	**37,252**
Comprehensive income for the year							
Loss for the year	-	-	-	(11,988)	(11,988)	233	(11,755)
Other comprehensive expense	-	-	(2,798)	-	(2,798)	(14)	(2,812)
Total comprehensive income for the year	**-**	**-**	**(2,798)**	**(11,988)**	**(14,786)**	**219**	**(14,567)**
Contributions by and distributions to owners							
Share issue	82	69,918	-	-	70,000	-	70,000
Share issue costs recognised through equity	-	(2,149)	-	-	(2,149)	-	(2,149)
Share based payment	-	-	-	748	748	-	748
Deferred tax on share options	-	-	-	96	96	-	96
Acquisition of non-controlling interest	-	-	-	-	-	718	718
Total contributions by and distributions to owners	**82**	**67,769**	**-**	**844**	**68,695**	**718**	**69,413**
At 30 September 2015	**219**	**94,672**	**(2,719)**	**(1,021)**	**91,151**	**947**	**92,098**

* The share based payment reserve, which was included within other reserves in the prior year, has been included within retained earnings in the current year and the comparatives adjusted accordingly. At 30 September 2014, the share based payment reserve for the Group was £1,106,000.

Company Statement of Changes in Equity

for the year ended 30 September 2015

	Share capital £000	Share premium reserve £000	Capital redemption reserve £000	Retained earnings* £000	Total attributable to equity holders £000
At 1 October 2013	90	693	5	8,910	9,698
Comprehensive income for the year					
Loss for the year	-	-	-	(337)	(337)
Total comprehensive income for the year	-	-	-	**(337)**	**(337)**
Contributions by and distributions to owners					
Dividends	-	-	-	(165)	(165)
IPO costs recognised through equity	-	(1,538)	-	-	(1,538)
Acquisition part paid in shares	-	100	-	-	100
Share based payment	3	-	-	436	439
Deferred tax on share options	-	-	-	10	10
IPO share issue	43	27,457	-	-	27,500
Employee shares issued	1	191	-	-	192
Total contributions by and distributions to owners	**47**	**26,210**	**-**	**281**	**26,538**
At 30 September 2014	**137**	**26,903**	**5**	**8,854**	**35,899**
Comprehensive income for the year					
Loss for the year	-	-	-	(7,807)	(7,807)
Total comprehensive income for the year	**-**	**-**	**-**	**(7,807)**	**(7,807)**
Contributions by and distributions to owners					
Share based payment	-	-	-	748	748
Deferred tax on share options	-	-	-	4	4
Share issue	82	69,918	-	-	70,000
Share issue costs recognised through equity	-	(2,149)	-	-	(2,149)
Total contributions by and distributions to owners	**82**	**67,769**	**-**	**752**	**68,603**
At 30 September 2015	**219**	**94,672**	**5**	**1,799**	**96,695**

* The share based payment reserve, which was shown separately in the prior year, has been included within retained earnings in the current year and the comparatives adjusted accordingly. At 30 September 2014, the share based payment reserve for the Company was £943,000.

Consolidated Statement of Cash Flows

for the year ended 30 September 2015

	Note	2015 £000	2014 £000
Cash flows from operating activities			
Loss before tax on ordinary activities		(11,359)	(1,375)
Adjustments for:			
Depreciation of property, plant and equipment	14	1,304	533
Amortisation of intangible fixed assets	15	3,064	871
Loss on sale of property, plant and equipment		21	41
Finance income	10	(274)	(60)
Finance expense	10	34	248
Foreign exchange gain on acquisition		(1,445)	-
Share based payment expense	32	458	438
		(8,197)	696
Increase/(decrease) in trade and other receivables		2,503	(4,272)
(Increase)/decrease in inventories and biological assets		(468)	3
(Decrease)/increase in trade and other payables		(2,645)	2,903
(Decrease)/increase in provisions		(47)	945
		(8,854)	275
Income taxes paid		(105)	(812)
Net cash flows used in operating activities		(8,959)	(537)
Investing activities			
Acquisition of subsidiaries and businesses, net of cash		(47,568)	(2,942)
Purchase of investments		(52)	-
Purchases of property, plant and equipment		(14,038)	(3,864)
Purchase of intangibles		(182)	(727)
Proceeds from the sale of fixed assets		148	-
Interest received		274	60
Net cash flows used in investing activities		(61,418)	(7,473)
Financing activities			
Proceeds of share issue		70,000	27,500
Share-issue costs recognised through equity		(2,149)	(1,538)
Employee share issues		-	195
Repayment of bank borrowings		(332)	(2,864)
Interest paid		(34)	(248)
Payments to finance lease creditors		(55)	(105)
Dividends paid to the holders of the parent		-	(165)
Net cash flows from financing activities		67,430	22,775
Net (decrease)/increase in cash and cash equivalents		(2,947)	14,765
Cash and cash equivalents at beginning of year		16,511	1,746
Cash and cash equivalents at end of year	37	13,564	16,511

Company Statement of Cash Flows

for the year ended 30 September 2015

	Note	2015 £000	2014 £000
Cash flows from operating activities			
Loss before tax on ordinary activities		(7,926)	(296)
Adjustments for:			
Depreciation of property, plant and equipment	14	22	26
Provision for impairment of investments	17	850	-
Loss on sale of property, plant and equipment		5	2
Finance income		(117)	(386)
Dividends received		-	(3,500)
Share based payment expense	32	128	243
		(7,038)	(3,911)
Increase in trade and other receivables		(42,680)	(16,052)
Increase in trade and other payables		1,998	2,207
Net cash flows from operating activities		(47,720)	(17,756)
Investing activities			
Loans to subsidiary undertakings		(8,902)	2,292
Investment in subsidiary undertakings		(19,767)	(400)
Purchases of property, plant and equipment		(115)	(27)
Dividends received		-	3,500
Interest received		117	59
Net cash flows from investing activities		(28,667)	5,424
Financing activities			
Proceeds of share issue		70,000	27,500
Share issue costs recognised through equity		(2,149)	(1,538)
Employee share issues		-	195
Dividends paid to the holders of the parent		-	(165)
Net cash flows from financing activities		67,851	25,992
Net (decrease)/increase in cash and cash equivalents		(8,536)	13,660
Cash and cash equivalents at beginning of year		14,078	418
Cash and cash equivalents at end of year	37	5,542	14,078

Notes forming part of the financial statements

for the year ended 30 September 2015

1 Accounting policies

Corporate information

Benchmark Holdings plc (the Company) is a public limited company, which is listed on the Alternative Investment Market (AIM), a sub-market of the London Stock Exchange. The Company is 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.

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 judgement in applying the Group's accounting policies. The areas where significant judgements 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 2015. 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 power, either directly or indirectly, over another entity or business and the ability to use this power to affect the amount of returns, as well as exposure or rights to variable returns from its involvement with the investee, 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 acquisition method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

Non-controlling interests, presented as part of equity, represent a proportion of a subsidiary's profit or loss and net assets that is not held by the Group. The total comprehensive income or loss of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their respective ownership interests.

A separate income statement for the Company is not presented, in accordance with Section 408 of the Companies Act 2006. The loss for the year for the Company was £7,807,000 (2014: loss £337,000).

Standards issued but not effective

A number of new standards, amendments to standards and interpretations are not yet effective, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The adoption of these standards is not expected to have a material effect on the financial statements unless otherwise indicated:

IFRS 9 Financial Instruments: Classification and Measurement has been issued but is not yet effective. The standard has been developed in several phases and replaces IAS 39 Financial Instruments: Recognition and Measurement in its entirety. The effective date of the fully completed version of IFRS 9 is for periods beginning on or after 1 January 2018 with retrospective application. The Group has not yet quantified the full impact of all phases of the final standard.

IFRS 15 Revenue from Contracts with Customers, which has been issued but has an effective date of 1 January 2018. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The Group has not yet quantified the potential impact of this standard.

IAS 16 and 38 (Amendments) The amendment to these standards state that a revenue based method to calculate charges for depreciation and amortisation of property, plant and equipment and intangible assets is not appropriate.

IAS 27 (Amendments) The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

1 Accounting policies (continued)

New standards and interpretations applied for the first time

The following standards with an effective date of 1 January 2014 have been adopted without any significant impact on the amounts reported in these financial statements:

IFRS 10 Consolidated Financial Statements
IFRS 12 Disclosure of Interests in Other Entities
IAS 27 Separate Financial Statements – Amendments to IAS 27
IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32
IAS 36 Impairment of Assets

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 sale 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 despatch. Where the buyer has a right of return, revenue and cost of sales are adjusted for the value of the expected returns based on historical results, taking into consideration the specifics of each arrangement.

Within Benchmark Sustainability Science, revenue from the sale 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, revenue and cost of sales are adjusted for the value of the expected returns based on historical results, taking into consideration the specifics of each arrangement.

Within Benchmark Technical Publishing, revenue from the sales of books and publications is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer, usually on despatch.

Within Benchmark Breeding and Genetics, revenue from the sale of eggs is recognised upon despatch, which is when the risks and rewards of ownership are considered to have passed to the customer. Revenue arising from consultancy work is recognised across the period during which this consultancy is undertaken.

Rendering of services

Services including sustainable food production consultancy, technical consultancy and assurance services are provided by Benchmark Sustainability Science and Benchmark Animal Health. Online news, marketing and technical publications, book publishing, online shops, online distance learning programs and other training courses 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

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Transaction costs, other than share and debt issue costs, are expensed as incurred. In accordance with IFRS 3 – Business Combinations, the Group has a twelve month period in which to finalise the fair values allocated to assets and liabilities determined provisionally on acquisition.

Deferred or contingent consideration is measured at fair value based on an estimate of the expected future payments.

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.

Foreign currency

The Group's consolidated financial statements are presented in UK pounds sterling, which is also the parent Company's functional currency. The Group determines the functional currency of each of its subsidiaries and items included in the financial statements of each of those entities 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.

1 Accounting policies (continued)

Foreign currency (continued)

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.

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 of the 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 operating costs 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 statements 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.

Financial liabilities fair value through profit and loss

Deferred and contingent consideration is recognised at fair value with movements recognised in the consolidated income statement.

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.

1 Accounting policies (continued)

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.

Goodwill

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 income statement. 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.

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised over their useful economic lives as outlined below, on a straight-line basis from the time they are available for use.

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 it does not meet the criteria specified in the policy for development costs below.

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	5 years	Assessment of estimated revenues and profits
Patents	2-5 years	Cost to acquire
Trademarks	2-5 years	Cost to acquire
Contracts	3-5 years	Assessment of estimated revenues and profits
Licences	6-15 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits
Intellectual property	Up to 20 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits
Customer lists	Up to 5 years	Assessment of estimated revenues and profits
Genetic material and breeding nuclei	10-40 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits

Impairment of non-financial assets (excluding inventories)

The carrying values of all non-current assets are reviewed for impairment, either on a stand-alone basis or as part of a larger cash generating unit, when there is an indication that the assets might be impaired. Additionally, goodwill, intangible assets with indefinite useful lives and intangible assets which are not yet available for use are tested for impairment annually. 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.

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.

1 Accounting policies (continued)

Internally generated intangible assets (development costs) (continued)

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 carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The 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. Assets in the course of construction which have not yet been brought into use are not depreciated until fully commissioned and available for use. 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 leasehold property improvements	–	2% – 10% per annum straight line
Plant and machinery	–	15% per annum reducing balance
Motor vehicles	–	25% per annum reducing balance
E commerce infrastructure	–	10% per annum straight line
Other fixed assets	–	15% – 33% per annum straight line

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.

Biological assets

Biological assets comprise two asset types: livestock, and fish and fish eggs

Livestock is measured at fair value less costs to sell. The fair value of livestock is based on quoted prices of livestock and adjusted for age, breed, and genetic merit in the principal (or most advantageous) market for the livestock, and therefore is categorised within level 2 of the fair value hierarchy set out in IFRS 13.

Fish and fish eggs are, in accordance with IAS 41 'Agriculture', measured at fair value, unless the fair value cannot be measured reliably. The principal components of fish and fish eggs within the business are:

- Salmon Broodstock
- Salmon fingerlings
- Salmon eggs
- Lumpfish eggs and fingerlings

Further details of the valuation of fish and fish eggs are given in note 19.

1 Accounting policies (continued)

Government grants

Government grants received on capital expenditure are included in the balance sheet as deferred income and released to the income statement 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 leasehold dilapidations, sale or return obligations 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 statements 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) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)
Level 2: Observable direct or indirect inputs other than Level 1 inputs
Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur

The Group measures a number of items at fair value.

Financial instruments (note 3)
Biological assets (note 19)
Business combinations (note 33)

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

(b) 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 16.

(c) 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.

2 Critical accounting estimates and judgements (continued)

Estimates and assumptions (continued)

(d) Valuation of intangible assets

Where the cost of intangible assets acquired as part of business combinations is not separately identifiable or does not represent the fair value, the valuation is 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. 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.

(e) 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.

(f) 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 32.

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
- Contingent consideration

The contingent consideration held within other payables is classified as financial liabilities at fair value through profit and loss. In accordance with IFRS 13 'Fair Value Measurement', the measurement of the fair value of contingent consideration is categorised into Level 3 in the fair value hierarchy, as the inputs are primarily unobservable. The amounts payable for all of the outstanding amounts, with the exception of that relating to the acquisition of the Improve International Group, depend on sales volumes or sales revenues targets. For Improve International, the amount payable is determined by performance at profit level. Management uses the actual performance against these targets together with relevant budgets and forecasts to derive the fair value of the contingent consideration. The amount recorded in these financial statements for contingent consideration for all acquisitions with the exception of Akvaforsk Genetic Center Inc, represents the maximum amounts payable. An increased level of performance for Akvaforsk Genetic Center Inc would increase the amount payable. A reduction in the level of performance would significantly reduce the amounts payable.

3 Financial instruments – Risk Management (continued)

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

Group

Financial assets

	2015 £000	2014 £000
Cash and cash equivalents (note 37)	13,564	16,511
Trade and other receivables (note 20)	10,281	9,161
Total financial assets	23,845	25,672

Financial liabilities

	2015 £000	2014 £000
Financial liabilities measured at amortised cost		
Trade and other payables (note 21)	11,066	8,914
Loans and borrowings (note 22)	156	211
	11,222	9,125
Financial liabilities at fair value through profit and loss		
Other payables - contingent consideration (note 21)	16,296	327
Total financial liabilities	27,518	9,452

Company

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

Financial assets

	2015 £000	2014 £000
Cash and cash equivalents (note 37)	5,542	14,078
Trade and other receivables (note 20)	69,977	19,432
Total financial assets	75,519	33,510

Financial liabilities

	2015 £000	2014 £000
Financial liabilities measured at amortised cost		
Trade and other payables (note 21)	5,510	3,499
Loans and borrowings (note 22)	60	60
	5,570	3,559
Financial liabilities at fair value through profit and loss		
Other payables - contingent consideration (note 21)	3,351	-
Total financial liabilities	8,921	3,559

There were no financial instruments classified as 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 Chief Financial Officer 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.

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 are provided in note 20.

Fair value and cash flow interest rate risk

The Group has not been exposed to cash flow interest rate risk from borrowings during the year as there have been no variable rate borrowings outstanding during the year. Consequently, 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 ended 30 September 2015 would not change (2014: £11,000 lower/higher). 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.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency (principally Sterling, Norwegian Krone, Icelandic Krona, Euro, US dollars and Danish Krone). The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency 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 table below shows the impact of a 10 per cent. increase and reduction in Sterling against the relevant foreign currencies, with all other variables held constant, on the Group's profit before tax and equity. A greater or smaller change would have a pro-rata effect. The movements in profit arise from retranslation of foreign currency denominated monetary items held at the year end, including foreign currency bank accounts, trade receivables, trade and other payables. The movements in equity arise from the retranslation of the net assets of overseas subsidiaries and the intangible assets arising on consolidation in accordance with IFRS 3 Business Combinations.

	£/$		£/€		£/NOK		£/ISK		£/DKK	
	Profit £'000	Equity £'000	Profit £'000	Equity £'000	Profit £'000	Equity £'000	Profit £'000	Equity £'000	Profit £'000	Equity £'000
2015 10% increase in rate	**(98)**	**(212)**	**63**	**(75)**	**218**	**(2,276)**	**833**	**(1,913)**	**(132)**	**(132)**
2015 10% reduction in rate	**120**	**259**	**(77)**	**92**	**(266)**	**2,781**	**(1,018)**	**2,338**	**161**	**161**
2014 10% increase in rate	22	18	(11)	(11)	-	(27)	-	-	-	-
2014 10% reduction in rate	(26)	(22)	13	13	-	33	-	-	-	-

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, the Group seeks to maintain cash balances (or agreed facilities) sufficient to meet expected requirements detailed in rolling three month cashflow forecasts, and in longer term cashflow forecasts.

3 Financial instruments – Risk Management (continued)

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

Group

As at September 2015	**Up to 3 months £000**	**Between 3 and 12 months £000**	**Between 1 and 2 years £000**	**Between 2 and 5 years £000**	**Over 5 years £000**
Trade and other payables	**9,522**	**10,510**	**3,946**	**2,608**	**776**
Loans and borrowings	**16**	**50**	**37**	**-**	**60**
Total	**9,538**	**10,560**	**3,983**	**2,608**	**836**

As at September 2014	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	7,610	-	982	649	-
Loans and borrowings	31	93	99	-	-
Total	7,641	93	1,081	649	-

Company

As at September 2015	**Up to 3 months £000**	**Between 3 and 12 months £000**	**Between 1 and 2 years £000**	**Between 2 and 5 years £000**	**Over 5 years £000**
Trade and other payables	**5,510**	**3,000**	**70**	**281**	**-**
Loans and borrowings	**-**	**-**	**-**	**-**	**60**
Total	**5,510**	**3,000**	**70**	**281**	**60**

As at September 2014	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	3,499	-	-	-	-
Loans and borrowings	-	-	60	-	-
Total	3,499	-	60	-	-

Capital Management

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. Following the IPO in December 2013, bank debt was repaid in full, although the Group continued to operate with a £4m overdraft facility until the acquisition of INVE in December 2015. Further information on the bank facilities entered into at this date is provided in note 22.

4 Revenue

Revenue arises from:

	2015 £000	2014 £000
Sale of goods	34,578	30,635
Provision of services	9,621	4,719
	44,199	35,354

5 Other income

	2015 £000	2014 £000
Grants receivable	-	101

Grants receivable in 2014 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 presented this income separately from revenue.

6 Expenses by nature

	2015 £000	2014 £000
Changes in inventories of finished goods and work in progress	978	358
Changes in biological assets	452	(32)
Write-down of inventory to net realisable value	767	107
Course fees	1,578	-
Raw materials and consumables used	14,734	14,690
Staff costs (see note 8)	15,099	9,766
Depreciation of property, plant and equipment	1,304	533
Amortisation of intangible assets	3,064	871
Foreign exchange (gains) and/or losses	(1,874)	93
Operating lease expense: Property	839	690
Loss on disposal of property, plant and equipment	21	41
Transportation expenses	841	550
Advertising expenses	1,314	499
Exceptional expenses (see note 11)	160	1,691
Travel and entertainment	1,512	733
Professional fees	2,350	1,086
Research and development costs not included above	5,389	2,690
Investing activities not included above	4,326	2,025
Other costs	2,944	251
Total cost of sales, operating costs, depreciation and amortisation	55,798	36,642

7 Auditor's remuneration

	2015 £000	2014 £000
Audit of these financial statements	4	4
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	140	72
Audit related assurance services	16	10
Services relating to taxation	62	12
Fees as reporting accountants for IPO	-	256
Due diligence	82	-
All other services	27	6
	331	360

Accrued non-audit fees in relation to the post year-end acquisition of INVE Aquaculture amounted to £30,000. Refer note 35 for further details of this acquisition.

8 Staff costs

	2015 £000	2014 £000
Staff costs (including Directors) comprise:		
Wages and salaries	12,994	8,239
Social security contributions and similar taxes	1,168	770
Defined contribution pension cost	479	334
Share-based payment expense (note 32)	458	423
	15,099	9,766

	2015 No.	2014 No.
The average monthly number of employees, including Directors, during the year was as follows:		
Production	247	128
Administration	53	29
Management	91	25
	391	182

Directors' remuneration

	2015 £000	2014 £000
Emoluments	705	918
Total pension and other post-employment benefit costs	33	33
	738	951

During the year retirement benefits were accruing to 3 Directors (2014: 9) in respect of defined contribution pension schemes. The cost of employer National Insurance contributions in relation to the Directors was £105,000 (2014: £76,000).

8 Staff costs (continued)

Directors' remuneration (continued)

The highest paid Director received remuneration of £203,000 (2014: £277,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £13,000 (2014: £7,000).

In addition to the above, there was an accounting charge for share based payments in respect of the Directors for £59,000 (2014: £26,000). The aggregate gain on the exercise of options by the Directors during the year was £nil (2014: £192,000).

Further details of Directors' remuneration are provided in the Remuneration Report on pages 94 to 102.

The key management of the Group is deemed to be the Board of Directors who have authority and responsibility for planning and controlling all significant activities of the Group.

9 Segment information

Operating segments are reported in a manner consistent with the reports made to the chief operating decision maker. It is considered that the role of chief operating decision maker is performed by the Board of Directors.

The Group operates globally and for management purposes is organised into reportable segments as follows:

- *Animal Health Division* – provides veterinary services, environmental services, diagnostics and animal health products to global aquaculture and agriculture, 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 and through delivery of training courses to the industries.
- *Breeding and Genetics Division* – Harnesses industry leading salmon breeding technologies combined with state-of-the-art production facilities to provide a year-round range of high genetic merit ova.
- *Corporate* – The corporate segment represents profits earned by each segment without allocation of certain central costs. The corporate segment assets and liabilities comprise investments in subsidiaries, cash, other receivables and payables, and financial liabilities fair value through profit and loss.

Measurement of operating segment profit or loss

The Group separates its operations into Trading Activities and Investing Activities to report segmental performance. These measures are used by management for planning and reporting purposes. These measures are not defined in International Financial Reporting Standards and may not be comparable with similarly described measures used by other companies. Trading and Investing Activities are described further in note 28.

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 loans and borrowings unless directly related to individual segment.

9 Segment information (continued)

Year ended 30 September 2015

	Notes	Animal Health £000	Sustainability Science £000	Breeding and Genetics £000	Technical Publishing £000	Corporate £000	Intersegment sales £000	Total £000
Revenue		21,098	3,134	15,871	6,967	2,271	(5,142)	44,199
Cost of sales		(14,524)	(2,229)	(9,912)	(4,677)	(1,463)	4,703	(28,102)
Gross profit/(loss)		6,574	905	5,959	2,290	808	(439)	16,097
Operating costs relating to Trading Activities		(4,445)	(1,399)	(1,339)	(2,006)	(4,924)	439	(13,674)
EBITDA from Trading Activities		2,129	(494)	4,620	284	(4,116)	-	2,423
Investing Activities:								
R&D expenditure		(5,199)	-	(1,396)	-	-	-	(6,595)
Pre-operational expenses		(887)	(649)	-	-	(29)	-	(1,565)
Acquisition related expenses		(65)	-	1,163	(18)	(2,414)	-	(1,334)
Exceptional items	11	-	509	(1)	-	(668)	-	(160)
EBITDA		(4,022)	(634)	4,386	266	(7,227)	-	(7,231)
Depreciation		(653)	(160)	(406)	(32)	(53)	-	(1,304)
Amortisation		(1,251)	(345)	(928)	(540)	-	-	(3,064)
Operating profit/(loss)		(5,926)	(1,139)	3,052	(306)	(7,280)	-	(11,599)
Finance cost								(34)
Finance income								274
Group loss before tax								(11,359)

Year ended 30 September 2014

	Notes	Animal Health £000	Sustainability Science £000	Breeding and Genetics £000	Technical Publishing £000	Corporate £000	Intersegment sales £000	Total £000
Revenue		32,981	3,073	-	2,873	833	(4,406)	35,354
Cost of sales		(18,548)	(2,339)	-	(2,438)	(1,210)	3,953	(20,582)
Gross profit		14,433	734	-	435	(377)	(453)	14,772
Other income		-	101	-	-	-	-	101
Operating costs relating to Trading Activities		(3,971)	(1,863)	-	(707)	(2,162)	453	(8,250)
EBITDA from Trading Activities		10,462	(1,028)	-	(272)	(2,539)	-	6,623
Investing Activities:								
R&D expenditure		(2,690)	-	-	-	-	-	(2,690)
Pre-operational expenses		(1,585)	-	-	-	-	-	(1,585)
Acquisition related expenses		(222)	(108)	-	(12)	(98)	-	(440)
Exceptional items	11	(125)	(32)	-	(40)	(1,494)	-	(1,691)
EBITDA		5,840	(1,168)	-	(324)	(4,131)	-	217
Depreciation		(309)	(182)	-	(16)	(26)	-	(533)
Amortisation		(607)	(89)	-	(175)	-	-	(871)
Operating profit/(loss)		4,924	(1,439)	-	(515)	(4,157)	-	(1,187)
Finance expense								(248)
Finance income								60
Group profit before tax								(1,375)

9 Segment information (continued)

30 September 2015

	Animal Health £000	Sustainability Science £000	Breeding and Genetics £000	Technical Publishing £000	Corporate £000	Total £000
Additions to non-current assets	10,965	2,016	62,897	7,826	116	83,820
Reportable segment assets	30,916	6,164	65,855	6,700	24,434	134,069
Total Group assets						134,069
Reportable segment liabilities	7,812	1,372	13,429	5,254	41,971	
Total Group liabilities						41,971

30 September 2014

	Animal Health £000	Sustainability Science £000	Breeding and Genetics £000	Technical Publishing £000	Corporate £000	Total £000
Additions to non-current assets	5,655	1,974	-	191	(3)	7,817
Reportable segment assets	16,921	3,917	-	2,320	25,006	48,164
Deferred tax asset						339
Total Group assets						48,503
Reportable segment liabilities	8,039	1,732	-	666	814	11,251
Total Group liabilities						11,251

	External revenue by location of customers		Non-current assets by location of assets	
	2015 £000	2014 £000	2015 £000	2014 £000
United Kingdom	13,740	14,148	28,978	13,607
Rest of Europe	21,421	5,926	61,505	1,363
Chile	6,411	13,612	95	-
Other	2,627	1,668	4,267	955
	44,199	35,354	94,845	15,925

9 Segment information (continued)

Customers with turnover in excess of 10% of total turnover

	2015 £000	2014 £000
Customer A	3,977	4,607
Customer B	3,158	4,469
Customer C	2,535	13,612
Customer D	2,647	3,105
	12,317	25,793

All of the above customers purchase goods from the Animal Health and Breeding and Genetics operating segments.

10 Finance income and expense

	2015 £000	2014 £000
Finance income		
Interest received on bank deposits	(274)	(60)
Finance cost		
Finance leases (interest portion)	3	13
Interest expense on financial liabilities measured at amortised cost	31	235
Total finance expense	34	248
Net finance (income)/expense recognised in profit or loss	(240)	188

11 Exceptional items

Items that are material because of their size or nature, non-recurring and whose significance is sufficient to warrant separate disclosure and identification within the consolidated financial statements are referred to as exceptional items. The separate reporting of exceptional items helps to provide an understanding of the Group's underlying performance.

	2015 £000	2014 £000
Exceptional IPO costs	24	1,298
Exceptional restructuring costs	136	-
Exceptional share based payment expense arising from IPO	-	292
Lease termination costs	-	101
Total exceptional costs	160	1,691

On 18 December 2013 Benchmark Holdings plc was admitted to trading on AIM, with significant non-recurring costs being incurred as a result. £24,000 of these costs fell due in 2015.

Restructuring costs of £136,000 (2014: £nil) were incurred on the re-organisation of the FAI Farms business during the year.

12 Tax expense

Current tax expense	2015 £000	2014 £000
Current tax on profits for the year	877	-
Adjustment for under provision in prior periods at amortised cost	(23)	2
Total current tax	854	2
Deferred tax expense		
Origination and reversal of temporary differences (Note 25)	(284)	(56)
Deferred tax movements in respect of prior periods	(174)	-
Total deferred tax credit (Note 25)	(458)	(56)
Total tax charge/(credit)	396	(54)

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:

	2015 £000	2014 £000
Accounting loss before income tax	(11,359)	(1,375)
Expected tax charge based on the standard rate of United Kingdom corporation tax at the domestic rate of 20% (2014: 22%)	(2,272)	(302)
Expenses not deductible for tax purposes, other than goodwill amortisation	532	55
Research and development relief	(230)	(325)
Deferred tax not recognised	2,289	516
Adjustments to tax charge in respect of prior periods	(23)	2
Different tax rates in overseas jurisdictions	100	-
Total tax (credit)/expense	396	(54)

Changes in tax rates and factors affecting the future tax charge

Deferred tax has been calculated at 20% being the rate applying from April 2015.

A reduction in the Corporation Tax rate to 19% was announced in the Summer Budget on 8 July 2015 and introduced in the Finance (No2) Bill, which was substantially enacted on 26 October 2015. The impact of the rate reduction does not have a significant effect on deferred tax as a substantial portion of the deferred tax balance relates to overseas subsidiaries.

There was no deferred tax recognised in other comprehensive income.

13 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	2015	2014
Loss attributable to equity holders of the parent (£000)	(11,988)	(1,315)
Weighted average number of shares in issue (thousands)	201,280	126,959
Basic loss per share (pence)	(5.96)	(1.04)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. This is done by calculating the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares since admission to AIM) based on the monetary value of the subscription rights attached to outstanding share options and warrants.

Therefore the Company is required to adjust the earnings per share calculation in relation to the share options that are in issue under the Company's share based incentive schemes as follows:

	2015	2014
Loss attributable to equity holders of the parent (£000)	(11,988)	(1,315)
Weighted average number of shares in issue (thousands)	201,280	126,959
Diluted basic loss per share (pence)	(5.96)	(1.04)

A total of 2,401,186 potential ordinary shares have not been included within the calculation of statutory diluted earnings per share for the year (2014: 2,250,000) as they are anti-dilutive. However, these potential ordinary shares could dilute earnings per share in the future.

Earnings per share from Trading Activities

Net profit attributable to equity shareholders has been adjusted to exclude exceptional items and other operating costs relating to Investing Activities as disclosed in note 28.

	2015	2014
(Loss)/profit from Trading Activities attributable to equity holders of the parent (£000)	(2,273)	4,177
Weighted average number of shares in issue (thousands)	201,280	126,959
(Loss)/earnings per share from Trading Activities (pence)	(1.13)	3.29

Diluted earnings per share from Trading Activities were as follows:

	2015	2014
(Loss)/profit from Trading Activities attributable to equity holders of the parent (£000)	(2,273)	4,177
Weighted average number of shares in issue (thousands)	201,280	129,209
Diluted (loss)/earnings per share from Trading Activities (pence)	(1.13)	3.23

14 Property, plant and equipment

Group

	Freehold Land and Buildings £000	Assets in the Course of Construction £000	Long Term Leasehold Property Improvements £000	Plant and Machinery £000	E commerce Infra-structure £000	Office Equipment and Fixtures £000	Total £000
Cost							
Balance at 1 October 2013	700	-	1,321	2,139	375	535	5,070
Additions	28	142	1,264	2,340	8	248	4,030
On acquisition	-	-	30	198	-	-	228
Reclassification	-	-	-	-	(179)	179	-
Exchange differences	-	-	-	(3)	-	(13)	(16)
Disposals	-	-	-	(134)	-	(44)	(178)
Balance at 1 October 2014	728	142	2,615	4,540	204	905	9,134
Additions	264	10,950	14	1,628	-	178	13,034
On acquisition	4,638	-	77	1,530	-	71	6,316
Reclassification	-	-	114	39	-	(153)	-
Exchange differences	-	-	(39)	31	-	(10)	(18)
Disposals	-	-	(60)	(211)	-	(1)	(272)
Balance at 30 September 2015	**5,630**	**11,092**	**2,721**	**7,557**	**204**	**990**	**28,194**
Accumulated depreciation							
Balance at 1 October 2013	-	-	100	993	150	255	1,498
Depreciation charge for the year	-	-	134	253	37	109	533
Reclassification	-	-	-	-	(42)	42	-
Exchange differences	-	-	-	(2)	-	-	(2)
Disposals	-	-	-	(93)	-	(44)	(137)
Balance at 1 October 2014	-	-	234	1,151	145	362	1,892
Depreciation charge for the year	175	-	253	736	33	107	1,304
Reclassification	-	-	-	-	-	-	-
Exchange differences	-	-	-	(40)	-	-	(40)
Disposals	-	-	(36)	(67)	-	-	(103)
Balance at 30 September 2015	**175**	**-**	**451**	**1,780**	**178**	**469**	**3,053**
Net book value							
At 30 September 2015	**5,455**	**11,092**	**2,270**	**5,777**	**26**	**521**	**25,141**
At 30 September 2014	728	142	2,381	3,389	59	543	7,242
At 1 October 2013	700	-	1,221	1,146	225	280	3,572

Security over the assets is disclosed within note 22.

The above includes the following in respect of plant and machinery held under finance leases (note 29):

	2015 £000	2014 £000
Cost	**259**	339
Accumulated depreciation	**(63)**	(109)
Net book value	**196**	230

14 Property, plant and equipment (continued)

Company

	Office equipment and fixtures £000
Cost	
Balance at 1 October 2013	122
Additions	27
Disposals	(2)
Balance at 1 October 2014	147
Additions	115
Disposals	(44)
Balance at 30 September 2015	**218**
Accumulated depreciation	
Balance at 1 October 2013	56
Depreciation charge for the year	26
Balance at 1 October 2014	82
Depreciation charge for the year	22
Disposals	(40)
Balance at 30 September 2015	**64**
Net book value	
At 30 September 2015	**154**
At 30 September 2014	65
At 1 October 2013	66

15 Intangible assets

	Websites £000	Goodwill £000	Patents and Trade-marks £000	Intellectual Property £000	Contracts £000	Licences £000	Customer Lists £000	Genetic Material and Breeding Nuclei £000	Total £000
Cost									
Balance at 1 October 2013	515	1,689	530	-	1,565	1,194	-	-	5,493
Additions – externally acquired	2	1,012	60	1,678	270	1,996	-	-	5,018
Balance at 1 October 2014	517	2,701	590	1,678	1,835	3,190	-	-	10,511
Additions – externally acquired	-	27,931	119	3,074	7,223	2,675	1,327	22,121	64,470
Foreign exchange movement	-	(930)	-	(15)	(534)	(41)	-	(1,865)	(3,385)
Balance at 30 September 2015	**517**	**29,702**	**709**	**4,737**	**8,524**	**5,824**	**1,327**	**20,256**	**71,596**
Accumulated amortisation and impairment									
Balance at 1 October 2013	391	273	374	-	565	216	-	-	1,819
Amortisation charge for the year	68	-	14	-	522	267	-	-	871
Balance at 1 October 2014	459	273	388	-	1,087	483	-	-	2,690
Impairment	-	345	-	-	-	-	-	-	345
Amortisation charge for the year	56	-	61	261	1,369	454	133	385	2,719
Foreign exchange movement	-	-	-	-	(25)	-	-	(5)	(30)
Balance at 30 September 2015	**515**	**618**	**449**	**261**	**2,431**	**937**	**133**	**380**	**5,724**
Net book value									
At 30 September 2015	**2**	**29,084**	**260**	**4,476**	**6,093**	**4,887**	**1,194**	**19,876**	**65,872**
At 30 September 2014	58	2,428	202	1,678	748	2,707	-	-	7,821
At 1 October 2013	124	1,416	156	-	1,000	978	-	-	3,674

Additions to goodwill, intellectual property and contracts are detailed in note 33.

16 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 2015 £000	Sustainability Science 2015 £000	Breeding and Genetics 2015 £000	Technical Publishing 2015 £000	Total 2015 £000
FVG Limited	**288**	**-**	**-**	**-**	**288**
Benchmark Vaccines Limited	**439**	**-**	**-**	**-**	**439**
Atlantic Veterinary Services Limited	**167**	**-**	**-**	**-**	**167**
FAI do Brasil Criacao Animal Ltda	**-**	**96**	**-**	**-**	**96**
FAI Aquaculture Limited	**-**	**446**	**-**	**-**	**446**
5M Enterprises Limited	**-**	**-**	**-**	**774**	**774**
Salmobreed AS	**-**	**-**	**6,125**	**-**	**6,125**
Stofnfiskur HF	**-**	**-**	**10,405**	**-**	**10,405**
Akvaforsk Genetic Center*	**-**	**-**	**7,349**	**-**	**7,349**
Improve International Limited	**-**	**-**	**-**	**2,995**	**2995**
	894	**542**	**23,879**	**3,769**	**29,084**

* Includes goodwill arising from the joint acquisition of Akvaforsk Genetics Center AS and Akvaforsk Genetics Center Inc.

	Animal Health 2014 £000	Sustainability Science 2014 £000	Breeding and Genetics 2014 £000	Technical Publishing 2014 £000	Total 2014 £000
FVG Limited	288	-	-	-	288
Benchmark Vaccines Limited	439	-	-	-	439
Atlantic Veterinary Services Limited	167	-	-	-	167
FAI do Brasil Criacao Animal Ltda	-	96	-	-	96
Dust Collective Limited	-	120	-	-	120
Allan Environmental Limited	-	225	-	-	225
FAI Aquaculture Limited	-	446	-	-	446
5M Enterprises Limited	-	-	-	647	647
	894	887	-	647	2,428

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. These budgets cover a five year period to 30 September 2020 and were then extrapolated into perpetuity taking account of specific growth rates for future cash flows, using individual business operating margins based on past experience and future expectations in light of anticipated economic and market conditions.

The pre-tax cashflows that these projections produced were discounted at pre-tax discount rates based on the Group's beta adjusted cost of capital reflecting management's assessment of specific risks related to the cash generating unit. Discount rates of between 13% and 16% have been used in the impairment calculations which the Directors believe fairly reflect the risks inherent in each of the CGUs, and a 2% growth rate was used in extrapolating the budgets into perpetuity.

The value in use assessment is sensitive to changes in the key assumptions used, most notably the discount rate and the growth rates. Sensitivity analysis has been performed on the individual CGUs, and based on this analysis, no reasonably possible changes to these assumptions resulted in an additional impairment charge being required.

17 Subsidiary undertakings

The direct and indirect subsidiary undertakings 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 as at 30 September 2015	2014
Animal Health Division			
Benchmark Animal Health Group Limited	United Kingdom	100%	100%
Benchmark Animal Health Limited	United Kingdom	100%	100%
Benchmark Vaccines Limited	United Kingdom	100%	100%
FVG Limited	United Kingdom	100%	100%
Fish Vet Group Limited (dormant)	United Kingdom	100%	100%
Fish Vet Group Asia Limited	Thailand	100%	100%
Fish Vet Group Norge AS	Norway	100%	100%
FVG Inc	USA	100%	100%
Atlantic Veterinary Services Limited	Ireland	100%	100%
Vet Aqua International Limited*	Ireland	0%	0%
Tomalgae C.V.B.A	Belgium	100%	-
Fish Vet Group SPA	Chile	100%	-
Sustainability Science Division			
FAI Farms Limited	United Kingdom	100%	100%
FAI do Brasil Criacao Animal Ltda	Brazil	99.25%	99.25%
FAI Aquaculture Limited	United Kingdom	100%	100%
RL Consulting Limited	United Kingdom	100%	100%
Trie Benchmark Limited	United Kingdom	100%	100%
Allan Environmental Limited	United Kingdom	100%	100%
Dust Collective Limited	United Kingdom	100%	100%
Dust Collective LLC	USA	100%	-
Viking Fish Farms Limited (dormant)	United Kingdom	100%	100%
Woodland Limited (dormant)	United Kingdom	100%	100%
Technical Publishing Division			
5M Enterprises Limited	United Kingdom	98.5%	98.5%
5M Enterprises Inc	USA	98.5%	98.5%
Curriculo Limited (dormant)	United Kingdom	98.5%	98.5%
OOO 5M Enterprises**	Russia	0%	-
Improve International Limited	United Kingdom	100%	-
Continuous Medical Training LDA	Portugal	100%	-
Improve International GmbH	Germany	100%	-
Improve International Australia Pty	Australia	70%	-
Improve Formacion Veterinaria	Spain	100%	-
Improve France SARL	France	100%	-
Improve Mediterranean Limited	United Kingdom	100%	-
Ascomber Limited	United Kingdom	100%	-
Aquaculture UK Limited	United Kingdom	100%	-
European School of Veterinary Post-Graduate Studies Ltd (ESVPS)**	United Kingdom	0%	-
Breeding and Genetics Division			
Benchmark Genetics Limited	United Kingdom	100%	-
Salmobreed AS	Norway	100%	-
Stofnfiskur HF	Iceland	89.45%	-
Akvaforsk Genetic Center AS	Norway	100%	-
Akvaforsk Genetics Center Inc*	USA	80%	-
Akvaforsk Genetic Center Spring Mexico, SA de CV*	Mexico	80%	-
Akvaforsk Do Brasil Cultivo De Especies Aquaticas LTDA*	Brazil	80%	-
Genetilapia, SA de CV*	Mexico	41%	-
Stofnfiskur Chile Limitada	Chile	89.45%	-
Stofngen EHF	Iceland	62.62%	-
Sudourlax EHF (dormant)	Iceland	89.45%	-
IceCod á Íslandi	Iceland	27.15%	-
Salmobreed Salten AS	Norway	50%	-

* Vet Aqua International Limited is consolidated into the Group by virtue of the Group's control over the business via a put and call option agreement for the business to be acquired at a future date. A similar put and call option agreement is in place to acquire the remaining 20% of Akvaforsk Genetic Center Inc, so the Group also controls 100% of that company and its wholly owned subsidiaries despite having an 80% equity holding.

** ESVPS is a company limited by guarantee and although the Group has no equity holding in the company, its results are consolidated into this annual report by virtue of control exercised under the provisions of IFRS 3 – Business Combinations. The same is true of 0005M Enterprises, a limited company incorporated in Russia.

17 Subsidiary undertakings (continued)

Company	Loans to subsidiary companies £000	Investments in subsidiary companies £000	Total £000
Cost or valuation			
Balance at 1 October 2013	1,965	4,071	6,036
Additions	-	693	693
Capitalisation of intercompany balances	-	846	846
Amounts repaid	(1,965)	-	(1,965)
Balance at 30 September 2014	-	5,610	5,610
Additions	-	23,727	23,727
Capitalisation of intercompany balances	-	1,015	1,015
Balance at 30 September 2015	**-**	**30,352**	**30,352**
Provisions			
Balance at 1 October 2013 and 30 September 2014	-	-	-
Provision against investment in subsidiary companies	-	(850)	(850)
Balance at 30 September 2015	**-**	**(850)**	**(850)**
Net book value			
At 30 September 2015	**-**	**29,502**	**29,502**
At 30 September 2014	-	5,610	5,610
At 1 October 2013	1,965	4,071	4,071

In 2015 the Company acquired 100% of the share capital of Tomalgae C.V.BA for total consideration of £642,000 and 100% of the share capital of Improve International Limited and its subsidiaries for a maximum consideration of £6,531,000, full details of which have been outlined in note 33. Subsequent to the acquisition of TomAlgae C.V.BA, the Group invested a further £1,224,000 to provide long term funding to the business, and this was converted to share capital.

The Company made a £15,000,000 investment in Benchmark Genetics Limited in order to fund the purchase of Stofnfiskur HF and Salmobreed AS. As part of this purchase, a loan of £8,902,000 was made to Stofnfiskur HF to enable it to repay an existing external loan, and is included in receivables in note 20.

As part of the restructuring of the Sustainability Science Division, a review of the carrying value of its investments in subsidiaries was conducted and the Company made a provision of £850,000.

During the year, intercompany balances totalling £1,015,000 were converted into share capital (2014: £846,000). Additionally £330,000 (2014: £193,000) of the charge associated with share options relates to employees of subsidiary companies, and so this amount has been treated as an investment in the books of the Company.

In 2014 the Company acquired 100% of the ordinary share capital of Viking Fish Farms Limited for £400,000 and subscribed for an additional £100,000 of shares in Trie Benchmark Ltd. Furthermore, through FVG Ltd, the Group acquired 100% of the ordinary share capital of Atlantic Veterinary Services Limited for €200,000.

18 Inventories

Group	2015 £000	2014 £000
Raw materials	**1,772**	1,560
Work in progress	**1,655**	1,679
Finished goods and goods for resale	**1,932**	1,231
Total inventories at the lower of cost and net realisable value	**5,359**	4,470

18 Inventories (continued)

During 2015 £15,501,000 (2014: £14,797,000) 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 £767,000 (2014: £107,000) in respect of write-downs of inventory to net realisable value, and has been reduced / increased by £nil (2014: increased by £449,000) 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.

The Company did not have any inventories at the year end (2014: £nil).

19 Biological assets

Group	2015 £000	2014 £000
Organic sheep	223	237
Organic beef	202	298
Organic pigs	2	4
Broodstock	7,913	-
Total biological assets	8,340	539
Less: non current broodstock	(3,392)	-
Total current biological assets	4,948	539

Livestock

The Group operates a commercial and research farming and technology transfer business, and at 30 September 2015 held 2,992 (2014: 2,856) head of sheep, 246 (2014: 253) head of cattle and 27 (2014: 66) pigs. The Group had farming sales of £310,000 in the year ended 30 September 2015 (2014: £309,000).

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.

Broodstock, eggs and fingerlings

	Salmon Broodstock £000	Salmon eggs £000	Salmon fingerlings £000	Lumpfish eggs and fingerlings £000	Tilapia £000	Total £000
Biological assets 1 October 2014	-	-	-	-	-	-
Increase arising from acquisitions	6,058	1,716	326	91	62	8,253
Increase due to production / purchase	1,768	319	135	781	11	3,014
Due to physical changes	(3,005)	6,032	912	-	-	3,939
Foreign exchange movements	169	48	9	3	-	229
Reduction due to sales	-	(6,567)	(924)	(585)	-	(8,076)
Fair value adjustments	646	(63)	(108)	79	-	554
Biological assets 30 September 2015	**5,636**	**1,485**	**350**	**369**	**73**	**7,913**
Broodstock, eggs and fingerlings - non current	3,364	-	28	-	-	3,392
Broodstock, eggs and fingerlings - current	2,272	1,485	322	369	73	4,521
	5,636	1,485	350	369	73	7,913

19 Biological assets (continued)

Broodstock, eggs and fingerlings (continued)

Assumptions used for determining fair value of broodstock, eggs and fingerlings

IAS41 requires that biological assets are accounted for at the estimated fair value net of selling and harvesting costs. Fair value is measured in accordance with IFRS13 and is categorised into level 3 in the fair value hierarchy as the inputs include unobservable inputs in the valuation of broodstock, eggs and fingerlings for which there are no published market data available.

The calculation of the estimated fair value of salmon broodstock is primarily based upon its main harvest output being salmon eggs, which are priced upon our current seasonally adjusted selling prices for salmon eggs. These prices are reduced for harvesting costs, freight costs, incubation costs and market capacity to arrive at the net value of broodstock. The valuation also reflects the internally generated data to arrive at the biomass. This includes the weight of the broodstock, the yield that each kilogram of fish will produce and mortality rates. The fish take four years to reach maturity, and so the fair value of the age and biomass of the fish is reflected in a discount to the gross biomass to reflect the progress to maturity.

The calculation of the fair value of the salmon eggs is based upon the current seasonally adjusted selling prices for salmon eggs less transport and incubation costs, and taking account of the market capacity. The valuation also takes account of the mortality rates of the eggs and expected life as sourced from internally generated data.

The calculation of the fair value of the salmon and lumpfish fingerlings is valued on current selling prices less transport costs. Internally generated data is used to incorporate mortality rates and the weight of the fish.

The lumpfish eggs are valued at cost. Internally generated data is used to calculate mortality rates.

The valuation models by their nature are based upon uncertain assumptions on sales prices, market capacity, weight, mortality rates, yields and assessment of the discounts to reflect the stages of maturity. The Group has a degree of expertise in these assumptions but these assumptions are subject to change. Relatively small changes in assumptions would have a significant impact on the valuation. A 1% increase/decrease in assumed selling price would increase/decrease the fair value of biological assets by £80,000.

Total quantities held at 30 September were:

	2015	2014
Salmon broodstock and fingerlings	452 tonnes	-
Lumpfish fingerlings	1.4m units	-
Salmon eggs	16.5m units	-

The Company did not hold any biological assets at the year end (2014: £nil).

20 Trade and other receivables

Group	2015 £000	2014 £000
Trade receivables	10,560	9,224
Less: provision for impairment of trade receivables	(279)	(63)
Trade receivables – net	10,281	9,161
Loans to related parties	-	-
Total financial assets other than cash and cash equivalents classified as loans and receivables	10,281	9,161
Prepayments	2,873	1,774
Other receivables	2,492	646
Total trade and other receivables	15,646	11,581
Less: non-current portion: prepayments	(293)	(523)
Current portion	15,353	11,058

All non-current receivables are due within five years from the end of the reporting period.

20 Trade and other receivables (continued)

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 2015 trade receivables of £3,340,000 (2014: £1,002,000) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	2015 £000	2014 £000
Up to 3 months overdue	**1,827**	903
3 to 6 months overdue	**606**	59
6 to 12 months overdue	**907**	40
	3,340	1,002

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

	2015 £000	2014 £000
At 1 October	**63**	37
Provided during the year	**247**	26
Receivable written off during the year as uncollectable	**(31)**	-
At 30 September	**279**	63

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

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

Company	2015 £000	2014 £000
Receivables from related parties	**61,075**	19,432
Loan provided to subsidiary company	**8,902**	-
Total financial assets other than cash and cash equivalents classified as loans and receivables	**69,977**	19,432
Prepayments	**142**	182
Other receivables	**161**	89
Total trade and other receivables	**70,280**	19,703
Less: non-current portion	**-**	-
Current portion	**70,280**	19,703

21 Trade and other payables

Group	2015 £000	2014 £000
Trade payables	**4,319**	3,575
Other payables	**2,910**	2,064
Accruals	**3,837**	3,275
Financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**11,066**	8,914
Other payables – contingent consideration	**16,296**	327
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through profit or loss	**16,296**	327
Other payables – tax and social security payments	**477**	164
Deferred income	**3,859**	507
Total trade and other payables	**31,698**	9,912
Less: non-current portion of other payables – contingent consideration	**(7,330)**	(1,631)
Current portion	**24,368**	8,281

Book values approximate to fair value at 30 September 2015 and 2014.

The financial liability at fair value through profit and loss relates to contingent consideration outstanding from business combinations. The majority of this relates to deferred cash consideration dependent on the performance of the acquired businesses and the fair value is derived from the likely liabilities based on current performance against the targets at each reporting date. Also included in contingent consideration is a put/call agreement exercisable and payable in 2022 to acquire the remaining 20% stake in Akvaforsk Genetics Center Inc for a sum determined by future performance. The minimum consideration is NOK 1 (one Krone) payable in the event the business under performs the minimum target set and the maximum consideration is capped at NOK 60m. If Akvaforsk Genetics Center Inc achieves the projections provided by the vendors, payment will be NOK 10m and this assumption has been used in calculating the fair value of the liability.

Company	2015 £000	2014 £000
Trade payables	**164**	203
Payables to related parties	**4,355**	2,663
Accruals	**991**	633
Financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**5,510**	3,499
Other payables – contingent consideration	**3,351**	-
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through profit or loss	**3,351**	-
Other payables – tax and social security payments	**32**	45
Total trade and other payables	**8,893**	3,544
Less: non-current portion of other payables – contingent consideration	**(351)**	-
Current portion	**8,542**	3,544

Book values approximate to fair value at 30 September 2015 and 2014.

22 Loans and borrowings

Group	2015 £000	2014 £000
Non-Current		
Other loans	60	60
Finance lease creditor (note 29)	33	36
	93	96
Current		
Finance lease creditor (note 29)	63	115
	63	115
Total loans and borrowings	156	211

The fair value of loans and borrowings is not materially different to the carrying value and has not been separately disclosed.

There were no bank loans outstanding either during or after the end of the year, other than a loan of £332,000 acquired with Tom Algae C.V.B.A which was immediately settled.

During the year, the group operated with an overdraft facility of £4,000,000, which was secured on the assets of the parent company and UK subsidiary companies. On 30 December, the group completed the acquisition of the Inve Aquaculture Group and on the same day entered into new borrowing facilities consisting of a five year revolving credit facility of up to $70,000,000 secured on the assets of the parent company, UK subsidiary company and certain overseas subsidiary companies. The interest rate on the facility is between 1.9% and 2.5% above LIBOR depending on leverage.

The finance lease liabilities are secured on the assets to which they relate.

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

	2015 £000	2014 £000
Sterling	156	211

Company

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

	2015 £000	2014 £000
Non-Current		
Other loans	60	60
Total loans and borrowings	60	60

The fair value of loans and borrowings is not materially different to the carrying value and has not been separately disclosed.

All of the company's borrowings are in Sterling.

23 Provisions

	Legal fees provision £000	Repairs provision £000	Other provisions £000	Total £000
At 1 October 2013	80	55	-	135
Charged to profit or loss	220	-	750	970
Utilised in year	-	(25)	-	(25)
At 1 October 2014	300	30	750	1,080
Charged to profit or loss	201	-	52	253
Utilised in year	(300)	-	-	(300)
At 30 September 2015	**201**	**30**	**802**	**1,033**
Current	201	30	802	1,033
Non-current	-	-	-	-
At 30 September 2015	**201**	**30**	**802**	**1,033**
Current	300	30	750	1,080
Non-current	-	-	-	-
At 30 September 2014	300	30	750	1,080

Legal fees provision

Legal provisions are held by the Group to defend a claim brought against it in respect of an alleged patent infringement. Management believe the provision held to be adequate to defend this claims and expect conclusion to the matter in the next 12 months.

Repairs provision

Under property operating lease agreements, FAI Farms Limited, a subsidiary company, has a rolling 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 (2014: £15,000). Additionally, Benchmark Vaccines Limited has a repairs provision of £15,000 (2014: £15,000) in respect of its Braintree premises.

Other provisions

Provisions of a further £52,000 to total £802,000 (2014: £750,000) were made during the year in relation to potential rebates to customers/distributors based on targeted volumes, price fluctuations and potential stock returns under right of return clauses. The Directors expect these to be settled in the financial year ended 30 September 2016.

No provisions were held by the Company at the year end (2014: £nil).

24 Dividends paid and proposed

	2015 £000	2014 £000
Declared and paid during the year		
Interim dividend for 2015: nil per share (2014: 0.18 pence per share rebased)	-	165
Final dividend for 2015: £nil per share (2014:£nil)	-	-
	-	165

25 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (2014: 20%) being the rate applying from April 2015. A reduction in the Corporation Tax rate to 19% was announced in the Summer Budget on 8 July 2015 and introduced in the Finance (No2) Bill, which was substantially enacted on 26 October 2015. The impact of the rate reduction does not have a significant effect on deferred tax as a substantial portion of the deferred tax balance relates to overseas subsidiaries.

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

Group	2015 £000	2014 £000
At 1 October	339	241
Acquired during the year	(9,748)	-
Recognised in income statement		
Tax credit (note 12)	458	56
Exchange differences	631	-
Recognised in equity	96	42
At 30 September	(8,224)	339

Company	2015 £000	2014 £000
At 1 October	47	79
Recognised in income statement		
Tax expense	119	(42)
Recognised in equity	4	10
At 30 September	170	47

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. The Directors believe there is sufficient evidence that the amounts recognised will be recovered against future taxable profits. The Group did not recognise deferred tax assets of £2,930,000 (2014: £469,000) in respect of losses amounting to £14,652,000 (2014: £2,217,000) and temporary differences of £nil (2014: £128,000). The losses primarily relate to losses made in overseas jurisdictions.

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.

25 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 2015 £000	Liability 2015 £000	Net 2015 £000	(Charged)/ credited to profit or loss 2015 £000	(Charged)/ credited to equity 2015 £000
Accelerated capital allowances	-	(8,932)	(8,932)	243	-
Other temporary and deductible differences	349	-	349	289	-
Available losses	62	-	62	(74)	-
Fair value of share options	297	-	297	-	96
Net tax assets/(liabilities)	708	(8,932)	(8,224)	458	96

	Asset 2014 £000	Liability 2014 £000	Net 2014 £000	(Charged)/ credited to profit or loss 2014 £000	(Charged)/ credited to equity 2014 £000
Accelerated capital allowances	-	(58)	(58)	-	-
Other temporary and deductible differences	60	-	60	(36)	-
Available losses	136	-	136	92	-
Fair value of share options	201	-	201	-	42
Net tax assets/(liabilities)	397	(58)	339	56	42

Company	Asset 2015 £000	Liability 2015 £000	Net 2015 £000	(Charged)/ credited to profit or loss 2015 £000	(Charged)/ credited to equity 2015 £000
Accelerated capital allowances	-	(3)	(3)	1	-
Other temporary and deductible differences	130	-	130	118	-
Available losses	-	-	-	-	-
Fair value of share options	43	-	43	-	4
Net tax assets/(liabilities)	173	(3)	170	119	4

	Asset 2014 £000	Liability 2014 £000	Net 2014 £000	(Charged)/ credited to profit or loss 2014 £000	(Charged)/ credited to equity 2014 £000
Accelerated capital allowances	-	(4)	(4)	4	-
Other temporary and deductible differences	12	-	12	(43)	-
Available losses	-	-	-	(3)	-
Fair value of share options	39	-	39	-	10
Net tax assets/(liabilities)	51	(4)	47	(42)	10

26 Share capital and share premium

Allotted, called up and fully paid	Number	Share Capital £000	Share premium £000
Ordinary shares of £1 each			
Balance at 1 October 2013	90,307	90	693
Shares issued as part consideration for acquisition of Viking Fish Farms Ltd	184	-	100
Exercise of share options	1,500	2	-
Balance immediately prior to Admission 18 December 2013	91,991	92	793
Ordinary shares of 0.1 penny each			
Conversion of one old Ordinary Share of £1 each into 1,000 new Ordinary Shares of 0.1p each	91,991,000	92	793
Exercise of share options	1,457,000	1	-
Placing shares: 42,968,750 of 0.1p each at 64p per share	42,968,750	43	27,457
Less IPO costs recognised through equity	-	-	(1,538)
Benchmark Share Incentive Plan	560,345	1	191
Balance at 30 September 2014	136,977,095	137	26,903
Shares issued to fund the acquisition of Salmobreed and Stofnfiskur	82,353,000	82	69,918
Share issue costs recognised through equity	-	-	(2,149)
Exercise of share options	19,430	-	-
Balance at 30 September 2015	219,349,525	219	94,672

On 14 October 2013 the Company issued 184 ordinary shares of £1 each at a price of £543.48 per share as consideration for the acquisition of 100 ordinary shares of £1 each in the capital of Viking Fish Farms Limited.

On 21 November 2013, the Company allotted and issued a total of 1,500 ordinary shares of £1 each to 10 employees of the Group relating to share options granted in August 2010.

Immediately prior to Admission to trading on AIM on 18 December 2013, each of the Ordinary Shares of £1 was subdivided into 1,000 shares of 0.1p each.

On 18 December 2013, the Company placed 42,968,750 new shares of 0.1p each at a price of 64p per share. On the same date the Company allotted and issued a total of 1,457,000 Ordinary Shares of 0.1p each to 27 employees of the Group relating to share options granted in June 2012 and August 2013.

On 23 January 2014 the Company issued 560,345 shares of 0.1 pence each in respect of the Benchmark Share Incentive Plan (“SIP”). The SIP shares consist of shares purchased at 64p per share up to a maximum amount of £1,500 each by eligible employees (“Partnership Shares”) as well as free matching shares granted subject to certain conditions of the SIP (“Matching Shares”).

On 19 December 2014, the Company issued 82,353,000 shares of 0.1p each at a price of 85p per share to fund the acquisition of the entire share capital of Salmobreed AS and 89.45 per cent of the issued share capital of Stofnfiskur HF.

Employee share option scheme

The Company introduced an employee share option scheme in 2010. The options existing immediately before admission to trading on AIM on 18 December 2013 were subdivided into equivalent options over the new 0.1p ordinary shares. At the year end, options exist over 1,282,000 0.1p ordinary shares in the Company and the exercise price is the nominal value of 0.1p per share. Movements in the share options are disclosed in note 32.

Members of the scheme can exercise the options at any point from the third anniversary of joining the scheme 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.

27 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.
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. To simplify presentation, the share-based payment reserve has been combined with the retained earnings reserve in the current period. The share-based payment reserve recognised the value of equity-settled share-based payment transactions provided to employees, including management personnel, as part of their remuneration. Refer to note 32 for further details of these plans.

28 Trading and Investing Activities

The Group separates its operations into Trading Activities and Investing Activities in order to report the performance of its business. Trading Activities are those operations which generate earnings in the current period. Investing Activities are those activities which have no associated income stream in the current period, but which are intended to provide the Group with income generating operations in future periods. These measures are used by management for planning and reporting purposes and in discussions with and presentations to investment analysts and are defined below. These measures are not defined in International Financial Reporting Standards and may not be comparable with similarly described measures used by other companies.

In arriving at Trading Activities, the following Investing Activities are excluded from reported results:

- exceptional costs of a non-recurring nature
- costs of acquiring new businesses outlined in note 33
- pre-operational expenses for new ventures
- expenditure on research and development

28 Trading and Investing Activities (continued)

A reconciliation of reported earnings to earnings from Trading Activities is shown below.

Reconciliation of Reported Earnings to Earnings from Trading Activities – year ended 30 September 2015

		Investing Activities				
	Year ended 30 September 2015 £000	Exceptional items £000	Acquisition related costs £000	Pre-operational expenses for new ventures £000	R&D expenditure £000	Trading Activities £000
Revenue	44,199	-	-	-	-	44,199
Cost of sales	(28,102)	-	-	-	-	(28,102)
Gross profit	16,097	-	-	-	-	16,097
Operating costs	(23,168)	-	1,334	1,565	6,595	(13,674)
Operating costs – Exceptional	(160)	160	-	-	-	-
EBITDA	(7,231)	160	1,334	1,565	6,595	2,423
Depreciation	(1,304)	-	-	118	73	(1,113)
Amortisation	(3,064)	-	-	-	239	(2,825)
Operating (loss)/profit	(11,599)	160	1,334	1,683	6,907	(1,515)
Finance cost	(34)	-	-	-	-	(34)
Finance income	274	-	-	(2)	(12)	260
(Loss)/profit on ordinary activities before taxation	(11,359)	160	1,334	1,681	6,895	(1,289)
Tax on profit on ordinary activities	(396)	-	-	(4)	(351)	(751)
(Loss)/profit for the period	(11,755)	160	1,334	1,677	6,544	(2,040)
(Loss)/profit for the period attributable to:						
– Owners of the parent	(11,988)	160	1,334	1,677	6,544	(2,273)
– Non-controlling interest	233	-	-	-	-	233
	(11,755)	160	1,334	1,677	6,544	(2,040)
(Loss)/earnings per share (pence)	(5.96)	0.08	0.66	0.83	3.26	(1.13)
Weighted average number of shares (millions)	201,280	201,280	201,280	201,280	201,280	201,280

28 Trading and Investing Activities (continued)

Reconciliation of Reported Earnings to Earnings from Trading Activities – year ended 30 September 2014

		Investing Activities				
	Year ended 30 September 2014 £000	Exceptional non-acquisition related items £000	Exceptional acquisition related costs £000	Pre-operational expenses for new ventures £000	R&D expenditure £000	Trading Activities £000
Revenue	35,354	-	-	-	-	35,354
Cost of sales	(20,582)	-	-	-	-	(20,582)
Gross profit	14,772	-	-	-	-	14,772
Other income	101	-	-	-	-	101
Operating costs	(12,965)	-	440	1,585	2,690	(8,250)
Operating costs – Exceptional	(1,691)	1,691	-	-	-	-
EBITDA	217	1,691	440	1,585	2,690	6,623
Depreciation	(533)	-	-	-	-	(533)
Amortisation	(871)	-	-	-	-	(871)
Operating profit	(1,187)	1,691	440	1,585	2,690	5,219
Finance cost	(248)	-	-	-	-	(248)
Finance income	60	-	-	-	-	60
Profit on ordinary activities before taxation	(1,375)	1,691	440	1,585	2,690	5,031
Tax on profit on ordinary activities	54	(50)	(30)	-	(834)	(860)
(Loss)/profit for the period	(1,321)	1,641	410	1,585	1,856	4,171
(Loss)/profit for the period attributable to:						
– Owners of the parent	(1,315)	1,641	410	1,585	1,856	4,177
– Non-controlling interest	(6)	-	-	-	-	(6)
	(1,321)	1,641	410	1,585	1,856	4,171
Earnings per share (pence)	(1.04)	1.30	0.32	1.25	1.46	3.29
Weighted average number of shares (millions)	126,959	126,959	126,959	126,959	126,959	126,959

29 Leases

Finance leases

The Group leases plant and machinery with a carrying value of £196,000 (2014: £230,000). 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 2015 £000	**Interest 2015 £000**	**Present value 2015 £000**
Not later than one year	**66**	**3**	**63**
Later than one year and not later than five years	**37**	**4**	**33**
Later than five years	**-**	**-**	**-**
	103	**7**	**96**

	Minimum lease payments 2014 £000	Interest 2014 £000	Present value 2014 £000
Not later than one year	124	9	115
Later than one year and not later than five years	39	3	36
Later than five years	-	-	-
	163	12	151

The present values of future lease payments are analysed as:

	2015 £000	2014 £000
Current liabilities	**63**	115
Non-current liabilities	**33**	36
	96	151

Operating leases – lessee

The Group has entered into commercial leases on certain items of land and buildings. These leases have an average life of greater than 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:

	2015 £000	2014 £000
Not later than one year	**683**	604
Later than one year and not later than five years	**1,526**	1,449
Later than five years	**2,471**	2,458
	4,680	4,511

30 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 and amounted to £479,000 (2014: £334,000). Contributions totalling £100,200 (2014: £37,500) were payable to the fund at the balance sheet date and are included in other payables.

31 Capital commitments

At 30 September 2015 the Group and Company had capital commitments as follows:

	Group 2015 £000	Group 2014 £000	**Company 2015 £000**	Company 2014 £000
Contracted for but not provided within these financial statements	**6,672**	329	**-**	-

32 Share-based payment

Share options

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 options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

The share options under the scheme are as follows:

Year ended 30 September 2015:			**No. of options**				
Year	**As at 1 October 2014**	**Granted in 2015**	**Exercised in 2015**	**Forfeited in 2015**	**As at 30 September 2015**	**Option Price***	**Exercise Period**
2013	89,000	-	-	-	89,000	0.10p	August 2016 to July 2023
2013	1,193,000	-	(10,000)	-	1,183,000	0.10p	August 2016 to July 2023
2015	-	1,026,501	(9,430)	(28,318)	988,753	0.10p	March 2018 to February 2025
2015	-	140,433	-	-	140,433	0.10p	July 2018 to June 2025

* The option price is the nominal value of the parent Company's shares.

Of the total number of options outstanding at 30 September 2015, nil (2014: nil) were exercisable.

Options exercised in 2015 resulted in 19,430,000 shares being issued at a weighted average price of 0.1p. The related weighted average share price at the time of exercise was 98p per share.

Year ended 30 September 2014:			**No. of options**				
Year	**As at 1 October 2013**	**Exercised prior to admission date**	**Conversion of options on admission**	**Exercised post admission date**	**As at 30 September 2014**	**Option Price****	**Exercise Period**
2010	1,500	(1,500)	-	-	-	100.00p	September 2013 to September 2020
2012	1,420	-	1,418,580	(1,420,000)	-	0.10p	June 2014 to June 2022
2013	126	-	125,874	(37,000)	89,000	0.10p	August 2016 to July 2023
2013	1,193	-	1,191,807	-	1,193,000	0.10p	August 2016 to July 2023

** The option price is the nominal value of the parent Company's shares. Immediately prior to trading on AIM on 18 December 2013, each of the Ordinary Shares of £1 was subdivided into 1,000 shares of 0.1p each. Each existing unexercised share option was accordingly converted to 1,000 new share options.

Options exercised in 2014 resulted in 2,957,000 shares being issued at a weighted average price of 0.1p. The related weighted average share price at the time of exercise was 59p per share.

32 Share-based payment (continued)

Share options issued in August 2010

All of the share options in this tranche were exercised during the prior year.

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 £nil (2014: £nil).

Share options issued in June 2012

All of the share options in this tranche were exercised during the prior year.

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 £nil (2014: £101,000 comprising £78,000 in Operating Costs – Exceptional and £23,000 in Operating Costs – Trading Activities)

Share options issued in August 2013

Share options outstanding at the year-end had a weighted average exercise price of 0.1p and a weighted average remaining contractual life of 8 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 £8,000 (2014: £18,000). This has been reflected in the income statement and included within Operating Costs, with £nil (2014: £9,000) in Operating Costs – Exceptional and £8,000 (2014: £9,000) in Operating Costs – Trading Activities.

Of the options issued in August 2013, 10,000 were exercised early in respect of a good leaver.

Additional share options issued in August 2013

Share options outstanding at the year-end had a weighted average exercise price of 0.1p and a weighted average remaining contractual life of 8 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 £113,000 (2014: £114,000). This has been reflected in the income statement and included within Operating Costs – Trading Activities.

Share options issued in March 2015 and July 2015

Share options outstanding at the year-end had a weighted average exercise price of 0.1p and a weighted average remaining contractual life of 8 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 £337,000 (2014: £nil). This has been reflected in the income statement and included within Operating Costs – Trading Activities.

Of the options issued in March 2015, 9,430 were exercised early in respect of a good leaver.

Employee bonus share award

As disclosed in note 26, the Company issued 560,345 shares of 0.1 pence each in respect of the Benchmark Share Incentive Plan ("SIP") in January 2014 as an award to employees upon admission to AIM. These shares consisted of shares purchased by employees at 64p per share up to a maximum amount of £1,500 each by eligible employees ("Partnership Shares") as well as free matching shares granted subject to certain conditions of the SIP ("Matching Shares"). The expense recognised for the matching shares was £190,000 and was reflected in the income statement and included in Operating Costs – Exceptional in the prior year. No such similar shares have been issued in the current year.

Share warrants

During the prior period, the Company issued warrants to a supplier to acquire 375,146 ordinary shares at the placing price of 64p per share, exercisable at any time between the first anniversary of Admission and the fifth anniversary of Admission. The fair value of the services for which the warrants were granted was £15,000, and this value has been charged to Operating Costs – Exceptional in the prior year with a corresponding credit to reserves.

In January 2015, the Company issued warrants to acquire 259,312 ordinary shares at 112p per share as part consideration for the acquisition of the Improve International Limited business and its subsidiaries. The exercise of these warrants is subject to the extension of certain contracts and the warrants are exercisable at any point between the extension of these contracts and six months thereafter.

The Group did not enter into any other share-based payment transactions with parties other than employees during the current or previous period.

32 Share-based payment (continued)

The total charge reflected in the consolidated income statement in relation to all of the above share based transactions, and included within Operating Costs was £458,000 (2014: £438,000), all charged to Operating Costs – Trading Activities. The share-based payment expense comprises:

	2015 £000	2014 £000
Equity-settled schemes	458	233
Bonus award to employees on admission to AIM	-	190
Total charge in relation to employees (note 8)	458	423
Share warrants	-	15
Total share based payment charge	458	438

The total charge reflected in the Company's income statement was £128,000 (2014: £243,000), all charged to Operating Costs – Trading Activities (2014: £27,000 charged to Operating Costs – Exceptional and £216,000 charged to Operating Costs – Trading Activities).

33 Business Combinations

Details of the fair value of the consideration paid and assets acquired during the year are shown below:

	Improve Internat-ional Ltd £000	Salmobreed AS £000	Stofnfiskur HF £000	Tomalgae C.V.B.A £000	Ascomber Ltd £000	Akvaforsk Genetic Center* £000	Total £000
Consideration							
Cash	3,241	17,108	22,071	290	230	10,644	53,584
Exchange gain/(loss)	-	1,692	(238)	-	-	(9)	1,445
Deferred/contingent consideration	3,000	2,751	9,049	352	58	1,182	16,392
Equity	290	-	-	-	-	-	290
Total consideration	**6,531**	**21,551**	**30,882**	**642**	**288**	**11,817**	**71,711**
Fair value of assets acquired							
Customer list	1,000	-	-	-	327	-	1,327
Licences	-	-	-	-	-	2,675	2,675
Contracts	2,000	3,273	-	-	-	1,950	7,223
Intellectual property	1,100	-	-	1,855	-	-	2,955
Genetics	-	13,641	8,205	-	-	275	22,121
Deferred tax on intangibles	(820)	(4,566)	(1,641)	(635)	-	(1,304)	(8,966)
Fixed assets	174	14	5,440	112	-	576	6,316
Intangible assets	54	-	-	-	-	-	54
Investments -	24	71	-	-	-	-	95
Biological assets and inventories	25	-	8,242	10	-	73	8,350
Trade and other receivables	2,025	2,038	915	67	32	486	5,563
Cash and cash equivalents	1,495	2,259	2,179	(1)	6	78	6,016
Trade and other payables	(786)	(2,271)	(1,197)	(428)	(33)	(181)	(4,896)
Tax and social security	(170)	(102)	-	(6)	-	(10)	(288)
Deferred income	(2,532)	-	-	-	(44)	(231)	(2,807)
Loans	-	-	-	(332)	-	-	(332)
Deferred tax	(29)	1	(835)	-	-	82	(781)
Minority interest	-	-	(619)	-	-	(99)	(718)
Total identifiable net assets	**3,536**	**14,311**	**20,760**	**642**	**288**	**4,370**	**43,907**
Goodwill	**2,995**	**7,240**	**10,122**	**-**	**-**	**7,447**	**27,804**

* This includes the joint acquisition of Akvaforsk Genetic Center AS and Akvaforsk Genetic Center Inc.

33 Business Combinations (continued)

During the year the following business combinations occurred:

In December 2014, the Group acquired 100% of the issued share capital of Salmobreed AS and 89.45% of the issued share capital of Stofnfiskur HF for total consideration of £21,551,000 and £30,882,000 respectively. SalmoBreed is a leading salmon genetics company founded in 1999 based in Norway and specialises in developing genetic material for salmon breeders which improves areas such as growth, disease resistance and product quality. Stofnfiskur is a salmon breeding company which was founded in Iceland in 1991 and which is able to supply eggs outside the natural salmon breeding season through its land-based environmentally controlled facility. These companies have long-established salmon breeding programmes and represent an opportunity for the Group to enter the animal breeding and genetics industry, with potential synergies between the two acquired businesses. The intangibles arising upon acquisition represent the genetic breeding and nuclei acquired, and in the Salmobreed acquisition, the value of the customer contracts in place on acquisition. The goodwill on the acquisitions represents the synergies available from combining the two businesses. Contingent consideration of NOK 30 million (c. £2.6m at 30 September 2015) is due to the vendors of the business if the number of eggs sold by SalmoBreed over the period 1 January 2015 to 31 December 2017 exceeds a specified quantity. The directors believe that the business will sell in excess of this amount, and so full provision has been made for this payment in these financial statements, disclosed as due in greater than one year. Maximum contingent consideration of ISK 1,791m (c. £9.2m at 30 September) is payable to vendors of the business if egg sales exceed certain thresholds in each of the three calendar years ending 31 December 2015, 2016 and 2017. The directors believe that approximately £6.0m will be paid in the next financial year, with the balance of £3.2m payable in the following two financial years. Full provision for these amounts has been made in the financial statements.

On 30 January 2015, the Group acquired the business and assets of Improve International Ltd for cash and equity up to a maximum consideration of £6,531,000. The business designs and delivers technical training to veterinary practitioners. The intangible assets arising on acquisition represent the value of a contract in place on acquisition, the customer list, and the technical content of the training courses. The goodwill arising on acquisition represents the synergy available through combining the acquisition with Benchmark's existing publishing and online delivery functions. Contingent consideration up to a maximum of £3,000,000 is payable in 2016 dependent on Improve Internationals Group's adjusted profit exceeding a set level for the year to 31 December 2015. Details of the share warrants issued as part of this acquisition are disclosed in note 32.

On 17 February 2015, the Group purchased Tomalgae C.V.B.A, a Belgian-registered business specialising in freeze-dried algae feed product, for a maximum consideration of £642,000, such consideration being dependent upon a certain volume of sales being achieved during the next five years. The acquisition sees the Group expand its product pipeline and the resulting intangible represents the 'know how' gained from existing research undertaken by the Tomalgae team to date.

On 27 July 2015 the Group acquired the entire issued share capital of Norwegian aquaculture genetics and research business Akvaforsk Genetics Center AS ("AFGC") and 80% of the issued share capital of Akvaforsk Genetics Center Inc. ("Spring Genetics"), a US based tilapia genetics and breeding business, for a combined initial consideration of NOK 140m (c. £11.0m), satisfied from existing cash balances.

The remaining 20% of the issued share capital of Spring Genetics is subject to a put/call option which is automatically exercised in 2022, the value of which will be determined by an earn-out formula linked to the cumulative sales performance of the Spring Genetics business in the period 2016 to 2021. The minimum consideration for these shares is NOK 1 and the maximum consideration is NOK 60m (c. £4.7m), payable in 2022. The directors of the Company have made provision for contingent consideration of NOK 10m (c. £0.8m) in these accounts.

Details of the fair value of consideration paid and assets acquired have been combined for the two businesses as they were acquired under unified contracts and applicable consideration.

The intangibles arising upon acquisition represent the value of customer contracts and licences in place on the acquisition of AFGC, together with the genetic material and breeding nucleus in respect of Spring Genetics. The goodwill on the acquisitions represents the synergies arising from combining the businesses with Benchmark together with the world class team of geneticists acquired with the business and fits with the Group's strategic objective of offering its expertise across a range of species within the aquaculture arena.

Entities acquired during the year contributed £20,000,000 to the Group's revenue and increased EBITDA by £5,000,000 for the period. The table below shows the Group's pro-forma revenue and EBITDA if the acquisitions had taken place at the start of the period.

	2015 £000	Improve International Ltd £000	Salmobreed AS £000	Stofnfiskur HF £000	Tomalgae C.V.B.A £000	Ascomber Ltd £000	Akvaforsk Genetic Center £000	Total £000
Revenue	44,199	1,698	2,092	2,109	-	-	1,404	51,502
EBITDA	(7,231)	458	341	(356)	(183)	-	(98)	(7,069)

34 Related party transactions

Transactions between the Company and its subsidiary undertakings, which are related parties, amounted to £643,000 in the year (2014: £832,000). Refer note 17. These transactions related to inter-company recharges. Balances with subsidiary undertakings are shown in notes 20 and 21. Details of transactions between the Group and other related parties are disclosed in the following note.

Included within trade and other payables due after more than one year are the following loans from related parties:

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Director	(60)	(60)	(60)	(60)
Total	(60)	(60)	(60)	(60)

The loan from Malcolm Pye, Chief Executive Officer, has no fixed repayment date.

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

	Purchases 2015 £000	2014 £000
Benchmark Holdings Limited Executive Pension scheme	72	166

Included above in 2014 is the arms-length purchase of a property in Braintree, Essex by Benchmark Vaccines Limited for £130,000. The property was previously rented to Benchmark Vaccines Limited at arms-length.

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

	2015 £000	2014 £000
Benchmark Holdings Limited Executive Pension scheme	11	11

Purchase of own shares

There have been no purchases of own shares in the year ended 30 September 2015 (2014: nil).

Dividends paid to Directors

Dividends declared in the year amounted to £nil (2014: £165,000). Of the £165,000 dividend in the prior year, £160,000 was paid to the Directors of the Company on 6 December 2013. The amounts paid are analysed below:

	2015 £000	2014 £000
R J Bonney	-	39
P A Cook	-	13
D I Cox	-	8
R Layton	-	39
J M Muirhead	-	14
M D F Pye	-	39
P J Southgate	-	8
	-	160

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

35 Events after the reporting date

On 30 December 2015, Benchmark Holdings plc completed the acquisition of 100% of INVE Aquaculture Holding B.V. (“INVE”), a leading specialist manufacturer of primary stage technically advanced nutrition and health products for aquaculture, for a total consideration of $342 million (approximately £227 million). Of the headline consideration, $300 million (approximately £199 million) was paid in cash and $42 million (approximately £28 million) was satisfied through the issue of Consideration Shares.

The cash consideration was financed by a placing of new shares to new and existing institutional investors which raised £185.7 million through the placing of 215,922,141 new Benchmark shares at 86p per share. The balance was satisfied with debt funding drawn under new debt facilities.

The fair value of the assets and liabilities acquired in the acquisition has not yet been finalised.

In view of the size of the acquisition relative to the company, the transaction was classified as a reverse takeover under the AIM Rules and therefore required the approval of shareholders and the readmission of the enlarged share capital to trading on AIM. This approval was received at a General Meeting on 29 December 2015 and the admission to AIM and completion of the acquisition took place on 30 December 2015.

The Directors identified a strong strategic rationale for the acquisition. INVE’s leadership in speciality aquaculture nutrition market is complementary to Benchmark’s position in genetics and health. The acquired business complements Benchmark’s existing expertise and operations within aquaculture and the enlarged group will become a leading global provider of technology for sustainable food production, with a strong focus on the aquaculture sector, benefiting from immediate scale in advanced aquaculture nutrition and health products, an enhanced sales, marketing and distribution network and the opportunity for cross selling and new product development. The acquisition created the Advanced Animal Nutrition Division, a fifth and final division of the Benchmark Group.

The enlarged group will serve customers in more than 70 countries across six continents, and the acquisition is expected to be immediately earnings enhancing in the first full financial year post-completion. As disclosed in the admission document, INVE revenues and EBITDA, as converted into IFRS format for the purposes of the admission document, for year ended 31 December 2014 were £54 million and £15 million respectively.

On 6 November, the Company announced that Iceland’s national Marine Research Institute (the “Institute”) detected a strain of viral haemorrhagic septicaemia virus (“VHS”) in its lumpfish stock which led to the Chilean National Fisheries and Aquaculture Service (Sernapesca) temporarily suspending imports of all aquatic biological products from Iceland. Stofnfiskur hf, which is based in Iceland and forms part of Benchmark’s Breeding and Genetics division, exports salmon eggs from its production facilities to customers worldwide, including in Chile. The Breeding & Genetics division has seen a subdued start to 2016 due to the closure of the Chilean border remaining in place for longer than anticipated. Sernapesca has now announced that its risk assessment has been completed, and that it expects to reopen the Chilean border to imports of salmon eggs from Stofnfiskur by 25 February 2016. In response, Stofnfiskur has stepped up its marketing efforts in Chile.

36 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 2015 were £408,000 (2014: £443,000).

37 Notes supporting statement of cash flows

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

Group	**2015 £000**	2014 £000
Cash at bank and in hand	**13,564**	16,511
Cash and cash equivalents	**13,564**	16,511
Company		
Cash at bank and in hand	**5,542**	14,078
Cash and cash equivalents	**5,542**	14,078

FAI Oxford

GLOSSARY

3Es	Environment, Ethics & Economics — Benchmark's framework for sustainability
AGM	Annual General Meeting
AIM	Alternative Investment Market
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash Generating Unit
COO	Chief Operating Officer
CPD	Continuing Professional Development
Defra	Department for Environment, Food and Rural Affairs
EBITDA	Earnings before interest, tax, depreciation and amortisation
EMI scheme	Enterprise Management Incentive scheme
EU GMP	EU Good Manufacturing Practice
FAO	Food and Agriculture Organisation
FAWC	Farm Animal Welfare Committee
FY	Financial Year
Histopathology	Diagnosis and study of disease
HypoCat™	A breakthrough vaccine for cats which neutralises the primary cause of human allergic reaction to cats
HypoPet	HypoPet AG, a Swiss research company based at the University of Zurich
IFRS	International Financial Reporting Standards
Investing Activities	Activities which have no associated income stream in the current period, but which are intended to provide the Group with income generating operations in future periods
IP	Intellectual Property
IPO	Initial Public Offering
LTIP	Long-term Incentive Plan
M&A	Mergers & Acquisitions
Mydiavac®	Benchmark's vaccine used against Chlamydia in sheep
PD	Pancreas Disease
PondDtox®	Benchmark's water treatment used in finfish aquaculture
QCA Code	Quoted Companies Alliance Code — outlining best practice for quoted companies
qPCR	Quantitative polymerase chain reaction — a diagnostic tool
QTL	Qualititative trait loci — DNA containing / linked to genes that underlie a quantitative trait
R&D	Research & Development
Salmosan®	Benchmark's market-leading sea lice treatment
SIP	Share Incentive Plan
STM	Science, technical and medical — referring to the publishing market
Trading Activities	Operations which generate earnings in the current period
Trading EBITDA	EBITDA from Trading Activities
VLP	Virus Like Particle

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Information regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, its business, results of operations, financial position, prospects, growth, product pipeline, strategies and the industry in which it operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and are not guarantees of future performance. The actual results may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. Any forward-looking statements in this document reflect only the Directors’ and the Company’s current intentions or beliefs. Subject to the requirements of the AIM Rules, the Disclosure and Transparency Rules and any other applicable law or regulation, Benchmark explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in Benchmark’s expectations or to reflect events or circumstances after the date of this document.

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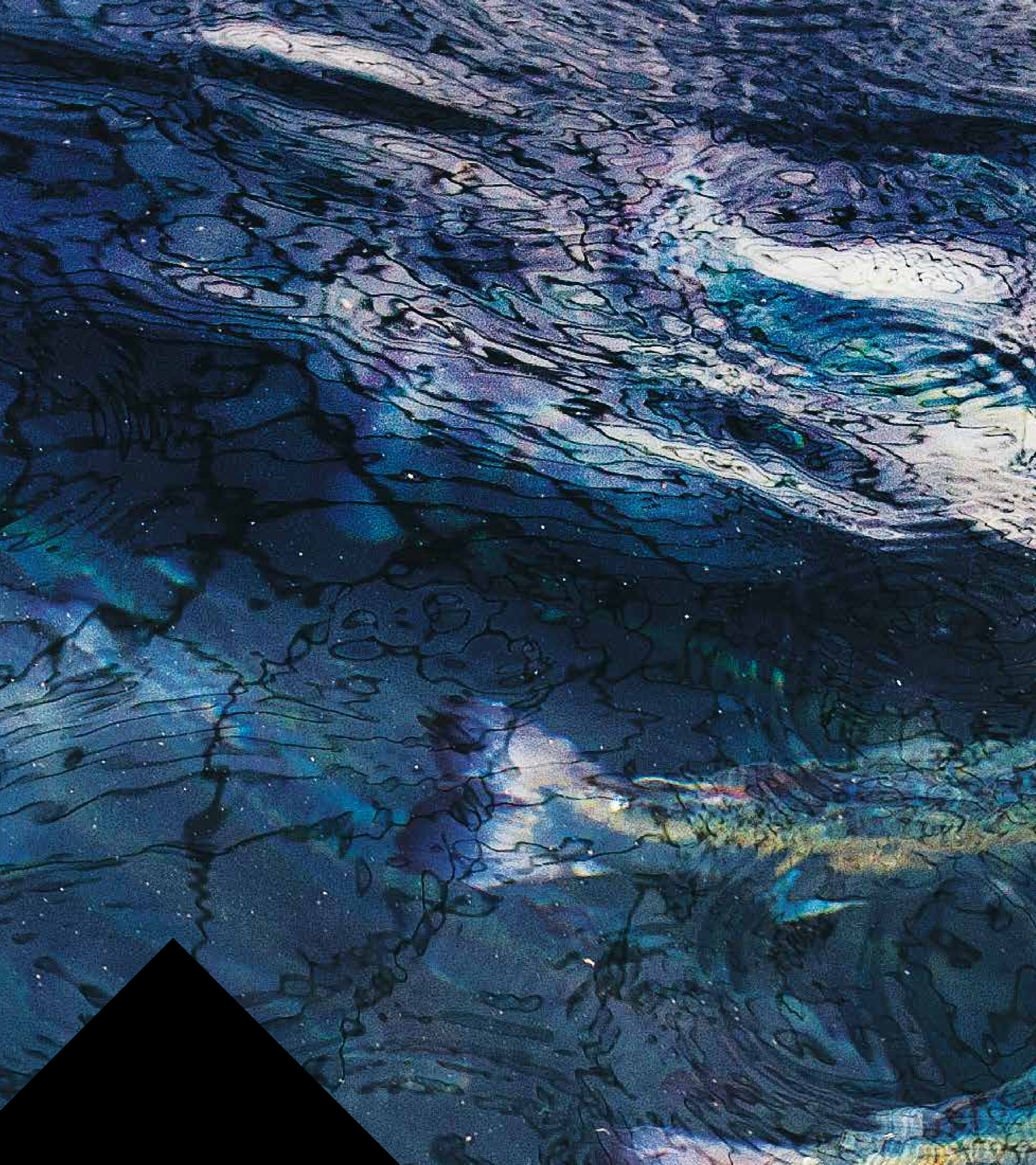

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