THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor or other independent adviser who specialises in advising on the acquisition of shares and other securities and is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the UK, or, if you are not resident in the UK, from another authorised independent adviser. The whole of this document should be read. Your attention is drawn in particular to the section entitled "Risk Factors" in Part II of this document that describes certain risks associated with an investment in the Company.

The Directors of Benchmark Holdings plc whose names, business addresses and functions appear on pages 123 to 126 of this document, and the Company accept responsibility, individually and collectively, in accordance with the AIM Rules for Companies for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document, which comprises an admission document drawn up in accordance with the AIM Rules, has been issued in connection with the proposed admission of the issued and to be issued Ordinary Shares to trading on AIM, a market operated by the London Stock Exchange plc. This document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to the Financial Conduct Authority ("FCA") in accordance with the Prospectus Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

A copy of this document will be available, free of charge, during normal business hours on any weekday (except Saturdays, Sundays and public holidays), at the offices of Cenkos Securities plc ("Cenkos"), for a period of one month from the date of Admission.

Application will be made for the issued and to be issued Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will take place and that dealings in the issued and to be issued Ordinary Shares will commence on 18 December 2013. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority (the "Official List"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.** In particular, it should be remembered that the price of securities and the income from them can go down as well as up. The AIM Rules are less demanding than those of the Official List. **Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.** It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognised investment exchange. **Further, neither the London Stock Exchange nor the FCA has examined or approved the contents of this document.**

BENCHMARK HOLDINGS PLC

(Incorporated and registered in England with registered number 4115910)

Placing of 70,487,750 Ordinary Shares at 64p per Ordinary Share

Admission to trading on AIM

Nominated Adviser and Broker

CENKOS

The Placing is conditional, *inter alia*, on Admission taking place on or before 18 December 2013 (or such later date as the Company and Cenkos may agree). The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, paid or made after Admission.

Cenkos is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Placing and Admission (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser and broker for the purpose of the AIM Rules. Cenkos will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Placing and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Placing and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Cenkos as to the contents of this document. No liability whatsoever is accepted by Cenkos for the accuracy of any information or opinions contained in this document, for which the Directors and the Company are solely responsible, or for the omission of any information from this document for which it is not responsible.

This document does not constitute an offer to sell, or a solicitation of an offer to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan except that the document may be provided in certain limited circumstances to persons in the United States in connection with a placing of Ordinary Shares in private placements exempt from the registration requirements of the US Securities Act of 1933, as amended ("**Securities Act**"). The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, any state securities laws in the United States or any securities laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or in any country, territory or possession where to offer them without doing do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain limited exceptions, be offered or sold, directly or indirectly, in the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or to, or for the account limited or benefit of, any person in, or any national, citizen or resident of the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Placing, the Ordinary Shares or the distribution of this document.

FORWARD-LOOKING STATEMENTS

This document contains forward looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part II of this document. The Directors believe that the expectations reflected in these statements are reasonable, but may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	12 December 2013
Admission and dealings in the Ordinary Shares to commence on AIM	18 December 2013
CREST accounts credited for Placing Shares in uncertificated form	18 December 2013
Despatch of definitive share certificates, where applicable	3 January 2014

References to time are to London time unless otherwise stated. Each of the dates in the above timetable is subject to change without further notice.

PLACING STATISTICS

Placing Price	64 pence
Number of Existing Ordinary Shares in issue prior to the Placing	93,448,000
Number of New Placing Shares being issued pursuant to the Placing	42,968,750
Number of Existing Ordinary Shares being sold pursuant to the Placing[(1)]	27,519,000
Number of Ordinary Shares on Admission	136,416,750
Percentage of the Enlarged Issued Share Capital represented by the New Placing Shares	31.5 per cent.
Total gross proceeds of the Placing	£45.1 million
Gross proceeds of the Placing receivable by the Company in respect of the New Placing Shares	£27.5 million
Estimated net proceeds of the Placing receivable by the Company in respect of the New Placing Shares	£25.5 million
Market capitalisation immediately following completion of the Placing at the Placing Price	£87.3 million
Gross proceeds of the Placing receivable by the Selling Shareholders in respect of the Sale Shares	£17.6 million
AIM 'ticker'	BMK
SEDOL	BGHPT80
ISIN number	GB00BGHPT808

Notes:

(1) The number of Ordinary Shares:

(i) includes Existing Ordinary Shares to be allotted and issued on Admission pursuant to the conditional exercise of the Vested Options; and

(ii) reflects the subdivision of each of the Company's ordinary shares of £1 each into 1,000 Ordinary Shares on Admission.

DEFINITIONS

In this document, where the context permits, the expressions set out below shall bear the following meaning:

"5M"	5M Enterprises and 5M Inc
"5M Distance Learning"	the distance learning operations of 5M
"5M Enterprises"	5M Enterprises Limited, a private limited company registered in England and Wales with company number 3332321
"5M Inc"	5M Enterprises Inc., a private limited company registered in Delaware and Oklahoma, US, with registered numbers 4817708 (Delaware) and 1912090335 (Oklahoma)
"5M Publishing"	the technical publishing operations of 5M
"Admission"	the admission of the Shares comprising the Enlarged Issued Share Capital to trading on AIM and such admission becoming effective in accordance with the AIM Rules
"Admission Document"	this document
"AIM"	the market of that name operated by London Stock Exchange plc
"Allan Environmental"	Allan Environmental Solutions & Management Limited, a private limited company registered in England and Wales with company number 8554405
"Animal Health"	the animal health operations of the Group, comprising the operations of BAHL, Benchmark Vaccines, FVG Ltd, FVG Asia, FVG Norge, FVG Inc and Viking Fish Farms
"the AIM Rules"	the AIM Rules for Companies setting out the rules and responsibilities in relation to AIM companies published by the London Stock Exchange as amended from time to time
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange as amended from time to time
"Articles"	the articles of association of the Company to be adopted conditional upon Admission as described in paragraph 3 of Part IV of this document
"AVS"	Atlantic Veterinary Services Limited, a company registered in Ireland with company number 344392
"BAHL"	Benchmark Animal Health Limited, a private limited company registered in England and Wales with company number 7330728
"Benchmark CSOP"	the Benchmark Company Share Option Plan adopted by the Company conditional upon Admission
"Benchmark SIP"	the Benchmark Share Incentive Plan adopted by the Company conditional upon Admission
"Benchmark JSOP"	the Benchmark Joint Share Ownership Plan adopted by the Company conditional upon on Admission

"Business Day"	a day other than a Saturday or Sunday on which banks are open for commercial business in the City of London
"Benchmark Vaccines"	Benchmark Vaccines Limited, a private limited company registered in England and Wales with company number 8058891
"Cenkos"	Cenkos Securities plc
"certificated" or "certificated form"	a share or other security which is not in uncertificated form (that is, not in CREST)
"Clinimax"	Animax Limited and Clinimax Limited
"Companies Act"	the Companies Act 2006 (as amended from time to time)
"Company" or "Benchmark"	Benchmark Holdings plc
"CREST"	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
"CREST Manual"	the Compendium of documents entitled CREST Manual issued by CRESTCo from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, CCSS Operations Manual, and the CREST Glossary of Terms
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"CREST Rules"	the rules from time to time issued by CRESTCo governing the admission of securities to and the operation of the CREST UK System
"CREST UK System"	the facilities and procedures of the relevant systems of which CRESTCo is the Approved Operator pursuant to the CREST Regulations
"CRESTCo"	Euroclear UK and Ireland Limited, the operator of the CREST UK System or such other person as may for the time being be approved by HM Treasury as operator under the CREST Regulations
"CSOP Award"	an interest in Shares granted under the Benchmark CSOP
"Curriculo" or "Curriculo.com"	Curriculo Ltd, a private limited company registered in England and Wales with company number 8263217
"DEFRA"	the Department for Environment, Food and Rural Affairs
"Directors" or "Board"	the directors of the Company and Proposed Directors whose names appear on page 10 of this document
"Disclosure Rules" or "DTR"	the Disclosure and Transparency Rules made by the UKLA in accordance with section 73(A)(3) of FSMA relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market
"dust" or "Dust Collective"	Dust Collective Limited, a private limited company registered in England and Wales with company number 5378171

“EBT”	the Benchmark Employee Benefit Trust which will be constituted by a trust entered into between the trustee and the Company following Admission
“EMI Scheme”	the employees’ share scheme pursuant to which the Company entered into a series of option contracts with employees of the Company dated between August 2010 and August 2013
“Employee Share Offer”	the offer to employees of the Group to acquire up to approximately £1,500 of Shares (funded by deduction from each participant’s earnings) and up to approximately £1,500 of Shares for no payment subject to the terms of the Benchmark SIP
“Enlarged Issued Share Capital”	the entire issued share capital of the Company immediately following Admission, comprising: (i) the Existing Ordinary Shares; and (ii) the New Placing Shares
“Equity Development”	Equity Development Limited, a private limited company registered in England and Wales with company number 2599020
“Equity Strategies”	Equity Strategies Limited, a private limited company registered in England and Wales with registered number 8112571
“Euroclear UK & Ireland”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Ordinary Shares”	the 93,448,000 Ordinary Shares in issue immediately prior to the Placing (including the 1,457,000 Ordinary Shares to be issued pursuant to the exercise of Vested Options conditional upon Admission)
“FAI”	the business comprising FAI Brazil and FAI Farms
“FAI Brazil”	FAI Do Brasil Criacao Animal Ltd, a private limited company registered in Brazil with company number 35222251939
“FAI Farms”	FAI Farms Limited, a private limited company registered in England and Wales with company number 4131435
“FCA”	the UK Financial Conduct Authority
“Financial Services and Markets Act” or “FSMA”	the Financial Services and Markets Act 2000 (as amended)
“FVG Asia”	Fish Get Group Asia Limited, a private limited company registered in Thailand with company number 105556118611
“FVG Inc”	FVG Inc., a private limited company registered in Maine US, with registered number 20111007D
“FVG Ltd”	FVG Ltd, a private limited company registered as a Scottish company with company number SC267850
“FVG Norge”	Fish Vet Group Norge AS, a private limited company registered in Norway with registered number 912044408
“Group”	the Company and its subsidiaries from time to time
“HMRC”	HM Revenue & Customs

"IFRS"	International Financial Reporting Standards, as adopted for use in the European Union
"JSOP Award"	an interest in Shares granted under the Benchmark JSOP
"Lock-in Agreements"	the agreements by which certain persons have agreed, with Cenkos and the Company, certain undertakings with respect to their holdings of Ordinary Shares (other than the Sale Shares) following Admission, as more particularly described in paragraph 12(f) of Part IV of this document
"London Stock Exchange"	London Stock Exchange plc
"Merck"	Intervet International BV, also known as Merck or MSD
"Model Code"	The Model Code set out in the Listing Rules issued by the FCA in its capacity as competent authority under Part VI of the Financial Services and Markets Act 2000
"New Placing Shares"	the new Ordinary Shares to be allotted and issued, and placed pursuant to the Placing conditional upon Admission
"Nominated Adviser", "Nomad" or "Cenkos"	Cenkos Securities plc, a company incorporated in England and Wales with registered number 05210733 and having its registered office at 6.7.8. Tokenhouse Yard, London EC2R 7AS
"Novartis"	Novartis Animal Vaccines Ltd and/or Novartis Animal Health UK Limited
"Ordinary Shares" or "Shares"	ordinary shares of 0.1 penny each in the capital of the Company
"Placees"	purchasers for the Placing Shares, as procured by Cenkos on behalf of the Company pursuant to the Placing Agreement
"Placing"	(i) the conditional placing by Cenkos of the Placing Shares pursuant to, and on the terms of, the Placing Agreement; and (ii) the conditional subscription for the Subscription Shares pursuant to and on the terms of the Subscription Letter
"Placing Agreement"	the conditional agreement dated 12 December 2013 between (i) Cenkos; (ii) the Company; (iii) the Directors; and (iv) Ruth Layton relating to the Placing, further details of which are set out in paragraph 10 of Part IV of this document
"Placing Price"	64 pence per Placing Share
"Placing Shares"	the 70,487,750 Ordinary Shares to be placed by Cenkos pursuant to the Placing Agreement (including the 375,000 shares subscribed for pursuant to the Subscription Letter), and comprising the New Placing Shares and the Sale Shares to be allotted and sold (respectively) pursuant to the Placing
"Proposed Directors"	Susan Searle, Alex Hambro and Basil Brookes
"Prospectus Rules"	the prospectus rules of the Financial Conduct Authority made under Part VI of the FSMA
"Registrar"	Equiniti Limited
"Remuneration Committee"	the remuneration committee of the Board
"RL Consulting"	RL Consulting Limited, a private limited company registered in England and Wales with company number 4133345

"Sale Shares"	the 27,519,000 Existing Ordinary Shares to be sold to Placees by the Selling Shareholders pursuant to the Placing Agreement
"Selling Shareholders"	the persons details of whom are set out in paragraph 10 of Part IV of this document
"Shareholders"	holders of Ordinary Shares
"Share Schemes"	the unapproved and approved share option schemes of the Company, further details of which are set out in paragraph 4 of Part IV of this document
"Subscription Letter"	the letter dated 11 December 2013 between the Company and a placee in relation to the subscription by the placee for the Subscription Schemes, further details of which are set out in Part IV of this Document
"Subscription Shares"	the 375,000 Ordinary Shares in the Company subscribed for pursuant to the Subscription Letter
"subsidiary"	as defined in sections 1158 and Schedule 6 of the Companies Act
"Sustainability Science"	the sustainability operations of the Group, comprising the operations of trie^{SM}, dust, Allan Environmental, RL Consulting, FAI, Woodland, FAI Brazil and Viking Fish Farms
"Takeover Code"	the City Code on Takeovers and Mergers published by the Takeover Panel
"Takeover Panel"	the Panel on Takeovers and Mergers
"Technical Publishing"	the publishing operations of the Group, comprising 5M Enterprises, 5M Inc and Curriculo
"trie^{SM}"	Trie Benchmark Limited, a private limited company registered in England and Wales with company number 7966600
"UK Corporate Governance Code"	the UK Corporate Governance Code published by the Financial Reporting Council
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA and in the exercise of its functions in respect of admission to the Official List
"Vested Options"	the options over (in aggregate) 1,457 shares (to be subdivided on Admission, in aggregate, into 1,457,000 Ordinary Shares) granted under a series of option agreements between the Company and 27 employees of the Group dated between 29 June 2012 and 1 August 2013
"Viking Fish Farms"	Viking Fish Farms Limited, a private limited company registered in England and Wales with company number 4450207
"Warrants"	the warrants over Ordinary Shares to be granted pursuant to the Warrant Instrument
"Warrant Instrument"	the warrant instrument to be executed by the Company in respect of the grant of the Warrants, details of which are set out in paragraph 12(e) of Part IV of this Document
"Woodland"	Woodland Limited, a private limited company registered in England and Wales with company number 4387014

DIRECTORS, SECRETARY AND ADVISERS

Directors	Malcolm David Foster Pye Roland James Bonney Mark James Plampin Alexander Robert Hambro Susan Jane Searle Richard Basil Brookes
Company Secretary	Prism Cosec Limited 10 Margaret Street London W1W 8RL
Registered Office of the Company	Benchmark House 8 Smithy Wood Drive Sheffield S35 1QN
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Financial Adviser to the Company	Equity Strategies 84 Brook Street Mayfair London W1K 5EH
Auditors to the Company	BDO LLP Regent House Clinton Avenue Nottingham NG5 1AZ
Reporting Accountants to the Company	BDO LLP Regent House Clinton Avenue Nottingham NG5 1AZ
Solicitors to the Company	Travers Smith 10 Snow Hill London EC1A 2AL
Solicitors to the Nominated Adviser and Broker	K&L Gates LLP One New Change London EC4M 9AF
Registrar	Equiniti Limited Aspect House Spencer Road Lancing Business Park Lancing West Sussex BN99 6DA
Financial Public Relations	Tavistock Communications 131 Finsbury Pavement London EC2A 1NT

PART I

INFORMATION ON THE GROUP

Introduction

Benchmark Holdings plc is an established international animal health, technical publishing and sustainability business. Its activities include the development, manufacture and commercialisation of animal health vaccines, medicines, biocides and diagnostics with a key focus on aquaculture. Alongside these activities the Group provides consulting services, scientific and technical information to industry participants across the food chain. The Directors believe that the Group has a strong position in each of its key markets and that this combined with the synergies between its operations have made it a pioneer in its offering to each in its core business sectors.

For the year ended 30 September 2013, Benchmark reported revenue of £27.5 million and profit after tax of £4.3 million. Over the last four years, the Group has achieved compound annual growth rate in revenue of 34 per cent. and in profit after tax of 29 per cent., and over the past four years the Company has paid regular dividends to shareholders. Benchmark has a strong client base of internationally recognised companies and extensive product pipeline to support the future growth of the Group.

History of the Group

Benchmark was founded in 2000 by Malcolm Pye, Roland Bonney and Ruth Layton who remain senior executives of the Group. Their objective was to establish and grow a business that connected the emerging sciences in biotechnology and sustainability science with commercial scale food production systems to support and inform the development of sustainable livestock and aquaculture.

The business began with the incorporation of RL Consulting, the Group's supply chain advisory business and with the launch of FAI, the Group's sustainable farming research business in partnership with Oxford University. The Group has been progressively built over the following years through a combination of new business launches, organic growth and strategic acquisitions to enhance the Group's capabilities and to exploit synergies to drive continued growth in revenue and margin.

Each of these strategic steps has brought into Benchmark new expert management teams some of whom became shareholders and members of the Benchmark operating board, representing their individual disciplines alongside the original founders.

The Board has also recruited experienced professional management to support the development of the business, including a Finance Director, a Marketing Director and new Managing Directors to lead the research farming and publishing businesses.

The key developments in the Group's history include:

- September 2001 – FAI Farms takes over the 1050 acre Oxford University Wytham farming estate and begins a long-term collaboration and communication programme with the Oxford University life sciences research teams on animal health, farmland ecology, animal welfare, food quality and food safety.
- March 2003 – 5M Enterprises (trading as 5M Publishing) is acquired – beginning the development of a leading international technical information business in the livestock farming sector and extending the Group's communication ability and global presence.
- June 2004 – Benchmark purchases FVG Ltd (trading as Fish Vet Group) establishing the Group's presence in the aquaculture sector with one of the first clinical and diagnostic veterinary businesses in the market dedicated to global aquaculture.
- September 2005 – 5M office opens in Beijing, China and first publications in Mandarin are launched.
- August 2006 – FAI research farm in Sao Paulo State Brazil is established – collaborating with Sao Paulo State University to extend the FAI programme to South America. FAI launches its Model Farm Project in China.

- May 2008 – FVG launches its animal products business and purchases Salmosan sea lice treatment from Novartis, followed by the purchase of the Virasure range of biocides from Clinimax.
- July 2010 – 5M launches its US subsidiary 5M Inc based in Chicago.
- April 2011 – FVG launches its US subsidiary FVG Inc, with laboratories and operations based in Portland, Maine.
- February 2012 – Benchmark incorporates Trie^{SM} to support sustainable business re-engineering programmes in the food industry.
- August 2012 – Benchmark Vaccines is established with the purchase of the Novartis GMP veterinary vaccines production plant at Braintree, UK.
- November 2012 – Trie^{SM} launches in the US and opens New York offices.
- May 2013 – FVG launches its Scandinavian subsidiary FVG Norge with laboratories in Oslo.
- June 2013 – Allan Environmental is acquired adding strength to Benchmark's position in environmental consultancy.
- October 2013 – Fish Vet Group Asia is established with plans to establish laboratories and offices in Bangkok.
- October 2013 – Viking Fish Farms is acquired, adding the Ardtoe Marine Research Facility to FAI.

Business Overview

Benchmark was established in 2000 to develop solutions in the food, agriculture, aquaculture and sustainability business sectors. Benchmark is an ethical company with an explicit policy based on the "3E's" definition of sustainability – ethics, environment and economics – which guides its strategy and operations. Benchmark combines expert knowledge and practical experience with science and technical innovation to deliver products and solutions to help build a sustainable food chain.

The Group has three divisions: Animal Health; Technical Publishing; and Sustainability Science which the Directors believe:

- are complementary, creating powerful synergies and the ability to identify and deliver growth opportunities; and
- position Benchmark to become a world leader in aquaculture health, sustainable agri-food business development and the communication of agri-sector-based technical information.

Benchmark benefits from having its own research and development embedded within the Group and from its established partnership way of working, both with its client base and with other leading players in the sector on the development and delivery of its products and services. Benchmark's work extends across the food chain and this, together with the Group's experience of the challenges and opportunities faced by the sectors within which it works, provides the Group with clear insight to guide and direct its strategy.

Benchmark's key business areas are as follows:

Animal Health

Within Animal Health, the Group's focus is on the use of applied biotechnology and the healthcare sciences in aquaculture. The Group has become an international player in aquaculture by providing a comprehensive offering extending from veterinary health management and diagnostic services through to vaccine and medicine development, manufacture and distribution. Product areas include:

- Clinical veterinary services to the international aquaculture sector.
- Fish health diagnostic services, technologies and laboratory network.
- Supply of parasiticides & biocides to the aquaculture sector.
- Aquatic environment assessment and analysis.
- Fish vaccine research & discovery.
- EU GMP (Good Manufacturing Practice) animal vaccine manufacture to terrestrial & aquaculture markets.

Sustainability Science

The Group is an international provider of research, advice and training to a growing number of widely recognised international food brands, agri-businesses and primary producers. Product areas include:

- Whole business sustainable re-engineering and leadership programmes.
- Sustainable farming research and development.
- Sustainable aquaculture research and development.
- Supply chain consultancy assurance and data analysis systems.
- Environmental planning and technical services.
- Communication, design and brand development.

Technical Publishing

The Group has built an estimated global readership of 6 million across its publications and is starting to leverage this user base to grow its sales of specialist products and services into the agri-food sector. Product areas include:

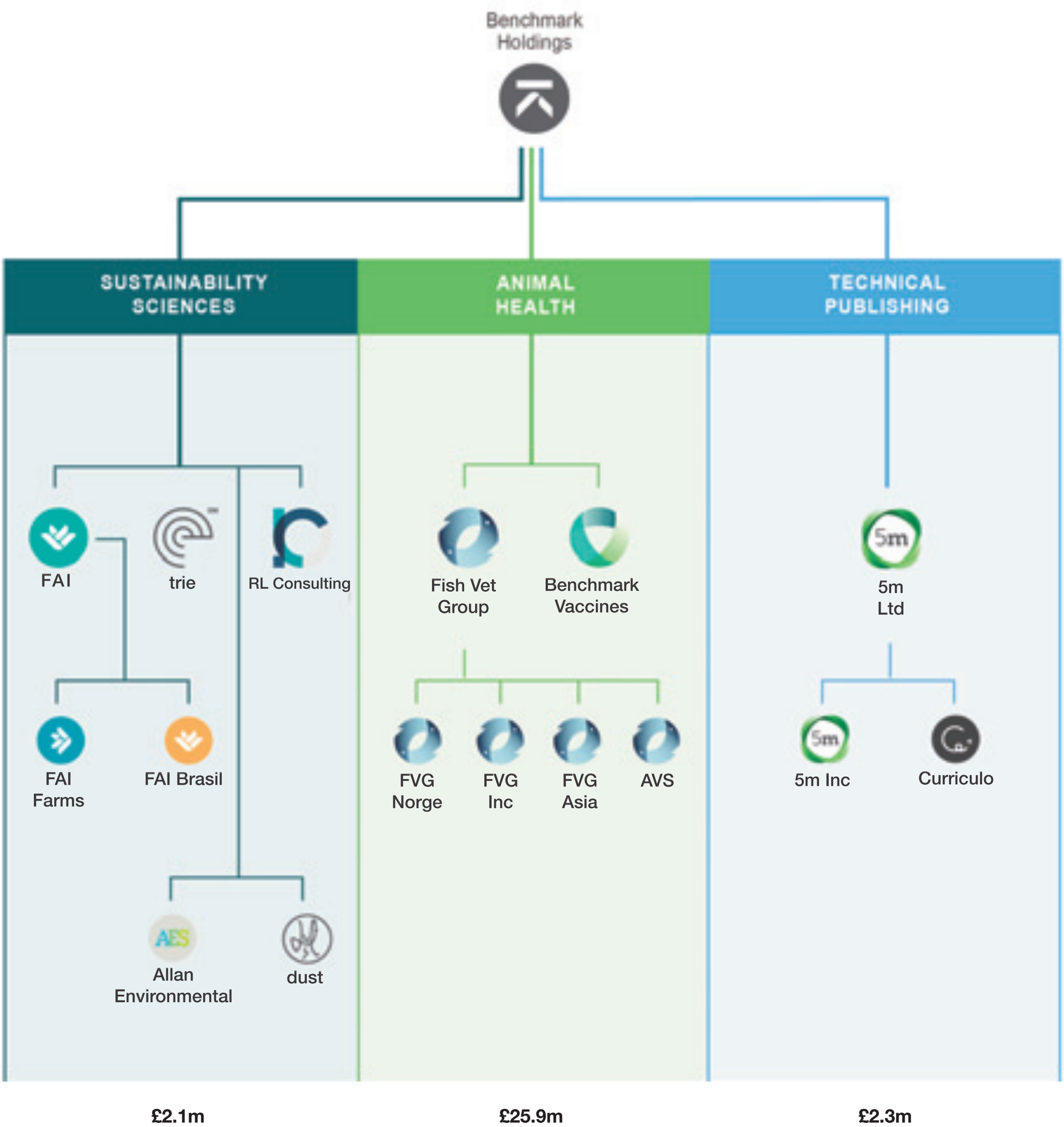
- Online news & technical information to the global agri-food sectors.
- Technical book publishing for producers, practitioners and scientists.
- Online recruitment and careers for agri-food sectors.
- Distance learning for industry professionals from CPD (Continuing Professional Development) to MSc.
- Industry data analysis & editorial coverage of the latest peer reviewed scientific papers.
- Online retail sales of specialist products and technical equipment.

The Group operates internationally with offices in the UK, Norway, USA, Brazil, China and Thailand and, as at 30 September 2013, employed 157 people, approximately half of whom are educated to degree, professional specialist or PhD level.

The Group has now reached a stage in its development where there is an opportunity to grow at an accelerated rate by investing new capital to leverage its market position in rapidly growing sectors where the demand for the Group's services is increasing. The Directors consider that Admission and the Placing can provide the Company with access to capital in order to deliver the next phase of growth.

Group Structure

The Group has three operational divisions: Sustainability Science, Animal Health and Technical Publishing.



Turnover (year ended 30 September 2013)

Animal Health

Animal Health is the Group's largest division with revenues of £25.9 million in the year ended 30 September 2013. For the year ended 30 September 2013 excluding consolidation adjustments, Animal Health represented 83 per cent. of the Group's turnover (2012: 80 per cent.) and 95 per cent. of the Group's gross profit (2012: 91 per cent.). The main product of the Animal Health Division Salmosan, accounted for 63 per cent. of the division's turnover for the year ended 30 September 2013 (source: unaudited management sales data).

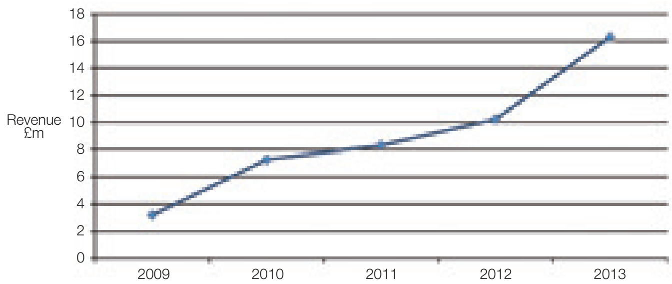
The Animal Health business began with an investment in aquaculture health through the acquisition of FVG Ltd, and has since extended its activity into the development of new biotechnology discovery products, vaccines, biocides and parasiticides. The Group has developed a model of collaboration with major players in the field of animal health, an example of which is its global collaboration with Bayer on pharmaceuticals. The Group combines this collaboration model with its own external and internal research to determine the key products and technologies to be deployed. This strategy has led to successful products in aquaculture, including Salmosan and Virasure, and a pipeline of innovative new products in various stages of development which the Directors expect will come to market over the next 2 – 5 years. The Animal Health division employs more than 25 aquaculture specialists in four locations worldwide – Inverness, Oslo, Portland, USA and Thailand. The two main divisions within Animal Health are:

Fish Vet Group

FVG supplies aquaculture health products and provides advanced diagnostics, laboratory services, clinical veterinary health management services and environmental science to customers around the world. In addition FVG has a dedicated product innovation and development unit.

FVG's product offering comprises two proprietary products, Salmosan and Virasure. Salmosan was the first aquaculture treatment offered by the Group. Salmosan is a drug designed to protect salmon from the infestation of sealice. Salmosan was acquired by FVG from Novartis in 2008 and under the Group's ownership its sales have grown fivefold driven by a combination of organic growth and expansion into new markets. The Group initially launched Salmosan in the UK and Norway in 2009. This was followed by Canada in 2010 and Chile in 2013. Salmosan is a mature product which is off patent and the Directors expect sales of Salmosan to decrease over time as a result of the potential development of sealice resistance to Salmosan and the potential introduction to generics in the market. The Directors are aware of the intention of at least one generic competitor to Salmoson to enter the market in the near term, once it has received the relevant regulatory authorisations. However, the Company's pipeline includes a number of additional products that address sealice infestation which are expected to come to market in the medium term.

Historical Group sales of Salmosan



Source: Unaudited management sales data.

Pipeline

Alongside its core products, FVG is in collaboration with leading industry players and research centres, developing a pipeline of 30 products, some of which are at a late stage of development or near market phase. The Group's pipeline includes vaccines, biocides, parasiticides and toll vaccines, with a total addressable market estimated by the Directors to be circa £350 million per annum.

Range of the Group's products and pipeline products

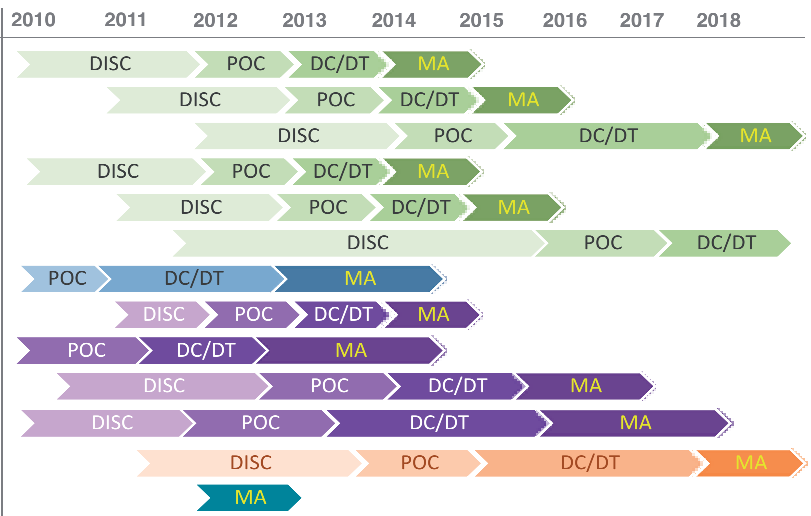
Parasiticides	Biocides & Environmental Conditioners	Delivery Platforms	Vaccines
Sealice treatments	Pond conditioners	Slow release	Viral diseases
Fungicidal treatments	Biosecurity	Encapsulation	Bacterial diseases
Protozoan treatments	Hatchery disinfectants		Parasite vaccines
Warm water parasite treatments			Toll manufacture

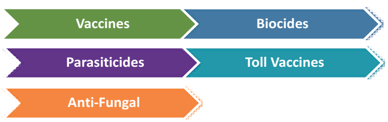
The Group's development strategy is supported by a team of professionals with an average of more than 25 years of diagnostic experience in fish diseases, by technically advanced facilities and cell culture suites at the Moredun Research Institute in Edinburgh and by a process development suite and team at the Braintree vaccine site. As part of its development strategy the Group collaborates with leading industry players (such as Bayer) and research centres including the University of Maine, Auburn University, Mississippi University and the School of Veterinary Sciences in Norway. These collaborations range in structure and may include proposals for funded research, joint development programmes, and/or an exclusive licence and indicative terms on which the Group may commercialise the products.

The table below presents a selection of the Group's pipeline, their current development stage, source of intellectual property and development plan. As with any development plan, there can be no certainty that each product will progress and/or generate income as anticipated from each stage, or at all. The table below, however, reflects the Directors expectations based on both the current progress of development of each of the products below and the Group's wider experience in developing pipeline products previously.

Selected Pipeline Products

Product	IP	Estimated Annual Revenue (£m)
Vac 01	BMK	17.0
Vac 02	D-MRI	10.0
Vac 03	D-UME	3.0
Vac 04	D-PH1	7.0
Vac 05	D-PH1	17.0
Vac 06	D-UME	50.0
Bio 01	BMK	35.0
Para 01	D-PH2	35.0
Para 02	D-PH2	12.0
Para 03	L-PH2	85.0
Para 05	D-UME	14.0
AF 02	D-NVS	12.0
Toll 01	MSD	1.5





DISC: Discovery Phase
POC: Proof of Concept
DC/DT: Dossier Compilation / Development Trials
MA: Marketing Authorisation

BMK: Benchmark owned
D-MRI: Under development with Moredun Research Institute
D-PH1: Under development with Pharma Partner 1
D-UME: Under development with University of Maine
D-PH2: Under development with Pharma Partner 2
L-PH2: Licensed in from Pharma Partner 2
D-NVS: Under development with Norwegian School of Veterinary Science
MSD: Toll manufactured for Merck

Source: Management's estimated projections of market size.

The Directors believe that the Group's breadth of technical services and products and its international footprint have enabled FVG to become a world leader in aquaculture health management and increasingly a leader in the development and marketing of aquaculture health products.

Benchmark Vaccines

Benchmark Vaccines was set up as the vehicle for the acquisition from Novartis of the Novartis animal vaccines manufacturing site in Braintree UK in August 2012. This is one of the few EU, GMP (Good Manufacturing Practice) approved toll manufacturing sites for animal health vaccines. The acquisition enabled the Group to establish a position in the manufacture of animal vaccines alongside its research programmes. This was followed, in March 2013, by the purchase of the BioCampus site in Edinburgh, a bespoke biotechnology manufacturing site which the Group plans to develop to accommodate the growth of the biotechnology manufacturing business. The Group is in discussions with a number of pharmaceutical groups regarding potentially significant long term contracts. The Directors believe that the expansion of Braintree, together with the BioCampus development, will establish the necessary infrastructure to increase manufacturing capacity by more than five times.

BVL currently manufactures vaccines for cattle and fish, with past experience of manufacturing vaccines for sheep, companion animals and poultry and its clients currently include Merck and Novartis, and Virbac through a distribution agreement with Novartis.

In addition, Benchmark Vaccines has well equipped process research and development laboratories on site at Braintree together with a team experienced in this work. This means that new products and technologies can be taken directly from the research bench and be efficiently and rapidly developed for manufacture on site.

The Directors believe that the animal vaccine and biological sector is strongly positioned for growth because:

- Vaccines provide a sustainable long term disease solution.
- Vaccines provide a core response to the withdrawal of antibiotics and environmental pressure on parasiticides use.
- Lower overall cost of treatment (prevention v cure).

In addition, the Group's vaccine business benefits from large pharmaceutical companies seeking outsourcing options for the manufacture of their vaccine products under long term contracts, the limited competition from GMP licensed toll vaccine suppliers in Europe and the high cost of entry driven by the high degree of specialisation involved.

Sustainability Science

Benchmark's Sustainability Science division is made up of companies working in collaboration with its customers on the research and development of sustainable food and farming business management and technologies. These businesses grew from a base in sustainable farming consultancy and the customer base includes food companies, retailers, governments, and NGO's including internationally recognised brands such as McDonalds, Marks & Spencer, KFC and Coca Cola. The companies in this division are:

FAI

FAI is a commercial and research farming and technology transfer business working in collaboration with Oxford University Life Sciences Departments on the now 1,850 acre University/College farming estates at Wytham, Oxford. FAI was set up by the Group in 2001 in response to an emerging body of science and new technology that the Group believed would drive demand for transparency and improvements in food supply chains. FAI realised that those organisations and companies wishing to take leadership in implementing these improvements would need on-going research, development and international support expertise.

FAI has a skilled science team made up of veterinarians, research scientists and geneticists who work alongside commercial agriculturists to support food chain partners on leadership programmes, delivery of innovation and people development.

From 2006 FAI has worked with a network of farmer producers in China; in 2008 it took on and developed a successful 420 acre research, development and training farm in Brazil and is actively seeking a suitable opportunity to establish a commercial research farming base in the USA.

RL Consulting

RL Consulting is a dedicated independent food chain consultancy, audit and technical training business to international food chain clients which works to deliver progressive improvements through expert input and rigorous auditing.

The RL Consulting team helps clients to establish a process of continuous improvement within their supply chain.

trie℠

trie℠ works with international brands, organisations, co-operatives and private businesses to tackle their sustainability challenges and to help them re-engineer sustainability into the core of their activities. trie℠ currently works with companies in the marine, food, agriculture and associated sectors in Europe, North America and Latin America and has offices in Oxford, Sao Paulo State, Brazil and New York.

trie℠ applies the 3E framework and a strategic programme to facilitate the uptake of emerging scientific understanding whilst recognising changing stakeholder interests. The trie℠ team aim to put an organisation's sustainability aims and achievements in a context that allows progress to be measured, reported and communicated in a clear and comprehensive way. The trie℠ design process has been built on the knowledge and experience it has acquired with its partners across the Group.

Allan Environmental

Allan Environmental is the most recent addition to the Sustainability Science division, bringing enhanced resource and expertise to provide the Group's clients with environmental management programmes, consultancy and training.

Technical Publishing

5M is Benchmark's food and livestock technical publishing and communication business. 5M allowed Benchmark to progressively access a global business audience in the agri food sector through the Company's leading online and offline technical publications. 5M clients, which include Zoetis, Cobb, Bayer, MSD and Boehringer Ingelheim, sponsor 5M's websites, paying a sponsorship fee in exchange for which they benefit from an integrated online marketing platform. The 5M business units are:

5M Publishing

With thirteen online publications in three languages (Chinese, English and Spanish) and an estimated global user base of over 6 million readers, 5M Publishing is a significant player in the field of online news and technical communication for agriculture and aquaculture. Its publications include ThePigSite.com and ThePoultrySite.com which are some of the most widely read farmers' publications in the world. In addition to its websites 5M has developed mobile apps and publishes digital magazines. 5M Publishing is also a leading publisher of technical books for agriculture, aquaculture, and biological sciences, and following the acquisition of assets from Nottingham University Press from Nottingham University in September 2012, 5M Publishing is actively targeting technical book publishing as a key driver of future growth. 5M Publishing has published over 110 technical books and e-books. 5M Publishing also has a retail platform (5M Retail), which began as an online technical bookshop for agriculture and is now being expanded and developed to sell a range of technical products direct to the food and farming industries.

5M Publishing has operations in Sheffield, Beijing and Chicago.

5M Distance Learning

The Company currently offers 15 distance learning courses. The first online courses were developed as an additional way of leveraging 5M's readership in the food/agriculture/aquaculture sectors, and the initial certificate in Sustainable Aquaculture was launched in 2008 by technical experts from FVG in partnership with the University of St Andrews. This has been growing steadily and 5M is becoming an emerging player in distance learning with the addition of a Diploma and MSc in sustainable aquaculture in 2010 and 2012 and in 2013 with the first in a series of courses in essential skills for production operatives under the Fundamentals brand. The Directors believe that this is an area of significant potential growth for the Group. In addition new courses in sustainable agriculture are now under development with Reading University and the first post graduate certificate is planned to launch in early 2014.

Curriculo

Curriculo.com is an online recruitment platform for agriculture, which is under development and is due to launch in early 2014. The Directors intend that this business will follow the successful online recruitment models already developed in many sectors and bring this to global agriculture, again leveraging 5M's existing platform and global readership. Once this recruitment platform is launched and established for the agriculture sector, the Directors believe it can be readily extended to related industries (e.g. aquaculture).

Intellectual Property

The Group currently manufactures and distributes products which are unpatented and expects, in due course, to manufacture and distribute patented products, as well as unpatented or off patent products. Currently the majority of the Group's revenue is derived from products that are off patent or unpatented. In respect of pipeline products, which the Company intends that either the Group or its relevant development partner will apply for patent protection where possible. In addition to patents, the Group exploits intellectual property and knowhow in the form of manufacturing technology, brands and other intellectual property.

The Group seeks to protect its intellectual property and knowhow in a number of ways including filing patents, trademarks and entering into confidentiality agreements with employees, suppliers and partners. The Company's collaborations and joint development agreements are covered by non disclosure agreements and/or research and marketing contracts as appropriate.

The Group also seeks to take licences of products, the underlying molecules or technologies of which are protected by patents held by the third parties granting the relevant licences.

In addition, where vaccines are manufactured using living cells systems, these enjoy a level of protection through the lack of a clear regulatory path for vaccine-based generics to introduce products which are dependent on complex manufacturing processes. These products are also protected by a high degree of knowledge based around the manufacturing process.

Key Business Strengths

The Directors believe that the Group has the following key strengths:

- Established market leadership positions.
- Strong and experienced management.
- Substantial pipeline of new products and technologies in development.
- Strong synergies across Group companies and business sectors.
- Ability to align investment with real in-market need.
- Long term partnership relationships with global brands.
- Cash generative.

Established market leadership positions

Each of the Benchmark divisions has an established position in markets which the Directors believe have shown long-term growth trajectories:

FVG is one of a handful of international companies in the fast emerging aquaculture sector actively engaged in the management of aquaculture health. The division has an attractive opportunity to leverage its position with new products and services.

Benchmark Vaccines is, within the Directors' knowledge, one of a small group of GMP accredited specialist veterinary vaccine manufacturers in the world – with multi species, multi antigen (viral, bacterial, and fungal) capability. This foundation provides Benchmark Vaccines with an opportunity to become a leading toll vaccine manufacturer in the animal health sector.

With an estimated 6 million online readers worldwide, the Directors believe that 5M Publishing is the largest player in the provision of industry news and technical information to the global farming community. It is now leveraging its readership to build a solid commercial position through the provision of services and products that are bespoke to the farming community.

trie^{SM} has spent three years developing a detailed platform for facilitating the change to sustainable business practices with companies of all sizes across the food sector. With clients in Europe and South America the Directors believe that trie^{SM} is emerging as a unique player capable of developing the sustainable business re-engineering sector.

FAI works with some of the world's leading universities to develop and communicate sustainable farming and production techniques to the food chain. The division was established in 2001 and has developed long-term partnerships with some of the world's leading food brands and is leveraging this position as it continues to respond to the increasing demand for its services.

Strong and experienced management team

Benchmark has an experienced team which has led and developed the business over the last decade. Over time the management team has been strengthened through a combination of the recruitment of highly qualified senior technical managers and by the founders of the acquired businesses who have stayed within the Group. In recent years preparation for the next phase of growth has included the recruitment of a group of professional business managers to both secure succession and enhance the Group's capabilities and corporate governance systems. The key members of the management team have an average of over 20 years' experience in their relevant business sectors with wide ranging and long held relationships at a senior level across the Group's industries.

Substantial pipeline of new products and technologies

Benchmark is developing a substantial and diverse pipeline of new products and technologies addressing significant needs in its target markets. Examples of these include:

- *Aquaculture and food animal vaccines* – the over-use of antibiotics as a clinical tool in human and animal medicine has resulted in the rapid emergence of resistant 'super bugs'. These, especially antibiotic resistant gram-negative bacteria, are becoming a material threat to certain fundamental precepts of hospital medicine and to surgical intervention. An approach to addressing this threat is to preserve the remaining effective antibiotics for critical human health care whilst new preventative medicine approaches are developed. The Group is actively engaged in the critical animal health component of this work both through the development of new vaccines and vaccine technologies and also by leading the development of sustainable farming techniques which help manage out these disease problems without requiring antibiotics. The Group is planning to toll manufacture, or develop on its own behalf, more than 25 animal vaccines, of which the Directors expect the Group will bring at least 20 to market in the next 5 years.
- *The development of science-based sustainability* – the Group has been developing the science of sustainable development for over a decade particularly in the food production sector – one of the most significant cause of environmental pollution. In the past five years these techniques have been rolled out across the Group for application throughout the agri-food sector. This also is an area where the Group is well positioned to take advantage of the demand for solutions to these problems through its new products and services in sustainable re-engineering and sustainable development. Within the current pipeline there are some advanced products, including trie^{SM} programmes and Allan Environmental programmes, which the Directors believe will enjoy a significant share of this market as it emerges as a mainstream, core platform of modern business.
- *Communication of practical technical knowledge to a global audience* – the demand and need for rapid communication of new technical information, market insight and industry news has grown to a point where the traditional communication vehicles are increasingly inadequate and they are, as a result, decreasing in the marketplace. Through its publishing division, the Group has been developing new

products which are beginning to take advantage of these developments in its business sectors, and within this work the Group has a growing pipeline of new products in development. These include the development of Curriculo.com, an online recruitment platform for the global food industry (and ultimately beyond), the development of new distance learning products including sustainable livestock production, and the expansion of the technical book publishing activity with a growing number of new authors and titles.

Taken together the Directors believe these technical developments and new products in the Group's pipeline create an opportunity for growth across the Group that can fuel long term growth and profitability.

Strong synergies across the Group

The Group has strong synergies within and across its divisions, which have delivered significant opportunities and provided a major focus for development and consequent growth for the Group. Notable examples include:

- FVG with its position in the global aquaculture health industry and understanding of the real time disease management needs of the industry, FVG is well-placed to foster the development of the vaccines needed to tackle these problems. Benchmark Vaccines has the special knowledge and skills to manufacture and bring these licensed products to market.
- Benchmark Vaccines has a need and regulatory requirement for vaccine efficacy testing in a range of livestock animals as part of its toll vaccine manufacturing quality programmes. Plans are in place for FAI to provide the scientific trials capability and the infrastructure to conduct this work to the professional standard which is required.
- 5M Publishing sells on-line distance learning technical courses into its global readership. The technical input required for the certificate, diploma and MSc in Sustainable Aquaculture (run in partnership with University of St Andrews) is provided in collaboration with technical experts at FVG. The on-line Fundamentals courses for food and agri industry personnel have the technical input delivered by the expert consultancy teams working in food industry supply chain assurance within RL Consulting.
- trie℠ draws on the technical platforms and operational capabilities developed at FAI through its long term leadership programmes with its branded global partners. This gives trie℠ a demonstrable track record and authority with major clients across multiple business sectors.

Ability to align investment with real in-market need

The divisions across the Group are actively engaged at an advanced technical level in each of their industries and with a number of sector leaders and innovators. This can give early insight into the potential of emerging technologies, enabling the Group to align its investments with those solutions which are most likely to have a positive outcome. Many of the Group's technology innovations and applications of new services have sprung directly from this early insight.

Long-term partnership relationships with global sector leaders and global brands

The Directors believe that Benchmark represents a new movement in sustainable business development that can be characterised as the 'dynamic collaboration'. This approach means that the Group seeks to establish long-term mutually beneficial collaborations with a number of other industry participants in each of their sectors. The objective is to create shared opportunity whilst avoiding the inherent waste involved in running multiple competitive development programmes. Benchmark aims to do this by developing trust and sharing intellectual property against defined mutual objectives to achieve more rapid and sustainable progress. The result of this work is that Benchmark has created development programmes and opportunities with multi £billion turnover companies which the Directors believe would be beyond the aspiration of most companies of Benchmark's size and resources. Key collaborations include:

- *Novartis* – more than 5 years of collaborative projects – acquiring of products/vaccines, and biologicals manufacturing.
- *Bayer* – 6 years of collaborative projects – sharing molecule discovery/development & licensing, biologicals technology/platforms, intellectual property, built around a global distribution agreement.
- *McDonalds* – 10 years of collaboration – development of global scale sustainable supply chain management and productions systems.

- *Oxford University* – 12 years of collaboration on sustainable farming and food production systems.
- *St Andrews University* – 5 years of collaboration on sustainable aquaculture distance learning courses.
- *M&S* – approaching two years of collaboration on supply chain development.
- *University of Maine* – in second year of a minimum five-year collaboration on aquaculture vaccine development.
- *Moredun Research Institute* – in first year of a minimum three-year collaboration on livestock/fish vaccine technologies.

Benchmark is currently working on adding more long-term collaborations by expanding its relationship with existing clients. If successful, the Directors believe that this will further strengthen the Group's long-term growth and opportunity.

Cash Generative

The Group has consistently generated significant free cash, which has allowed it to invest substantially in its business, including investments in:

- Acquisitions of complementary businesses to accelerate delivery of core strategies.
- Growing the Group's product pipeline by buying new products and technologies.
- R&D programmes to underpin the Group's thought leadership position.
- Expansion of resource and infrastructure to support future growth.

Summary Financial Information

The Company was incorporated on 28 November 2000 and has been the holding company for the Group since that date.

The following financial information represents consolidated financial information of the Group for each of the three years ended 30 September 2011, 2012 and 2013. The financial information for the year ended 30 September 2011 is prepared under UK GAAP. The financial information for the two years ended 30 September 2012 and 2013 is prepared under International Financial Reporting Standards as adopted by the European Union.

Prospective investors should read the whole of the information set out in this document and not rely solely on the summary information set out below.

The information set out below has been extracted or derived from the Historical Consolidated Financial Information of the Group set out in Section A of Part III in respect of 30 September 2011 and Section B of Part III in respect of 30 September 2012 and 2013 of this document, as amended by the adjustments detailed below.

	Year to 30 September		
	2011	*2012*	*2013*
	£'000	*£'000*	*£'000*
Revenues	12,878	18,546	27,543
EBITDA	2,919*	4,467**	6,142***
Profit Before Tax	2,632*	3,806**	4,760***
Profit After Tax	1,955*	3,001**	4,216***
Dividend/share buy back	(530)	(487)	(673)
Net Cash	1,474	(3,463)	(1,043)

* Adjustment for £50,000 legal fee provision
** Adjustment for £80,000 legal fee provision and £192,000 acquisition costs
*** Adjustment for £356,000 unwind of legal fee provision, £100,000 integration costs and £162,000 pre IPO costs

Tax on the above adjustments has been calculated at the respective effective rates in arriving at adjusted profit after tax.

Since 2008, the Group has achieved considerable sales and profit growth, through both organic growth and acquisition.

The growth resulted in a 44 per cent. increase in sales and a 53 per cent. increase in adjusted EBITDA between 2011 and 2012 followed by a 48 per cent. increase in sales and a 37 per cent. increase in adjusted EBITDA between 2012 and 2013. For illustrative purposes the Directors have adjusted the 2011, 2012 and 2013 EBITDA, profit before tax and profit after tax in the table on page 22 to:

- deduct the unwinding of a legal fee provision of £356,000 in FY13 and consequently to add back £50,000 and £80,000 of provision charges is FY11 and FY12 respectively. The Directors believe these adjustments are appropriate as this provision was related to a challenge to the trademarks for Salmosan which was ultimately not required due to the successful conclusion of the matter;
- add back costs incurred in completing the acquisition of the Braintree vaccine manufacturing business of £192,000 in FY12 and integration costs of £100,000 in FY13. The Directors believe that this adjustment is appropriate as the costs were one off and exceptional in nature; and
- add back costs incurred in preparing for the IPO of £162,000 in FY13. The Directors believe that this adjustment is appropriate as the costs were one off and exceptional in nature.

The Group has paid dividends to shareholders over the past four years and on or around 7 December 2013, the Company will pay a dividend of £1.82 per ordinary share (prior to the subdivision which will take place on Admission) to shareholders on the register of members as at 20 November 2013.

This information refers to past performance. Past performance is not a reliable indicator of future results.

Current Trading and Prospects

The Group is currently trading in line with management expectations for the first two months of the financial year ending 30 September 2014. Early indications of potential sales of animal health products are commensurate with management expectations and progress towards launching new products is also in line with management expectations.

The Group works closely with its strategic partners in order to maximise sales visibility for future periods.

The Directors believe that the trading outlook for the Group across its businesses is positive.

Market Overview

The Group operates in the global agriculture and aquaculture market and within that market it focuses on the aquaculture animal health sector. The Group also participates in the technical publishing and sustainability consulting sectors. Overall, all the markets in which the Group participates are linked to a considerable extent and all have shown resilience across the economic cycle. Information on the size and growth of the markets in which the Group operates is presented below.

Animal Health

Within Animal Health the Group's focus is on aquaculture health. The Group is exposed to the growth trends and drivers in aquaculture and in animal health, which are large markets. Aquaculture accounted for $119 billion in 2010, and it grew at an average annual rate of 8.8 per cent. between 1980 and 2010. Since then the aquaculture market has grown at an average annual rate of 6.3 per cent. (source: FAO – The State of World Fisheries and Aquaculture 2012)

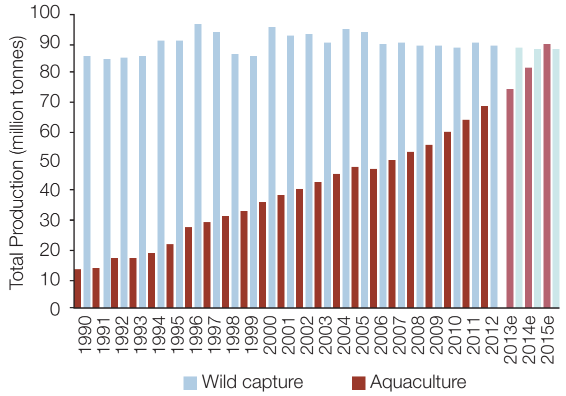
The growth of the aquaculture market is supported by a number of factors including:

- General growth in population – it is estimated that by 2050 global population will rise from 7 to 9 billion.
- Demand for seafood increasing rapidly driven by a growing middle class in developing countries and healthy eating trends in developed countries.
- Increasing exploitation of the efficiency of marine species as convertors of protein and oil.
- Wild catch having reached maximum sustainable catch levels.

According to the FAO's "State of the World Fisheries and Aquaculture Report" published in 2012, by the end of 2013 the majority of fish eaten will be farm raised rather than wild caught.

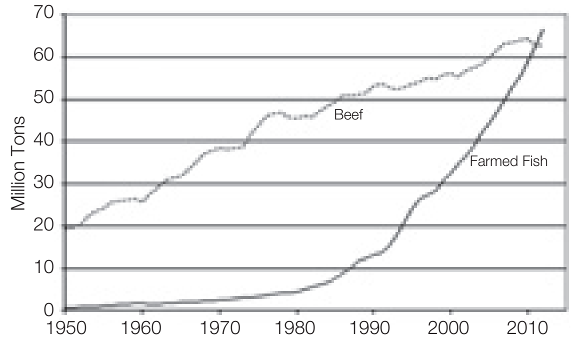
By 2021 it is estimated that wild and farmed fish production together will exceed that of beef, pork or poultry reaching 172 million tons (source: UN FAO). Given that wild catch has reached peak capacity the growth in fish production is expected to come entirely from aquaculture and farmed fish has already exceeded global beef production.

Global Aquaculture and Capture Tonnages



Source: Cenkos & FAO, 2012.

World Farmed Fish and Beef Production 1950-2012



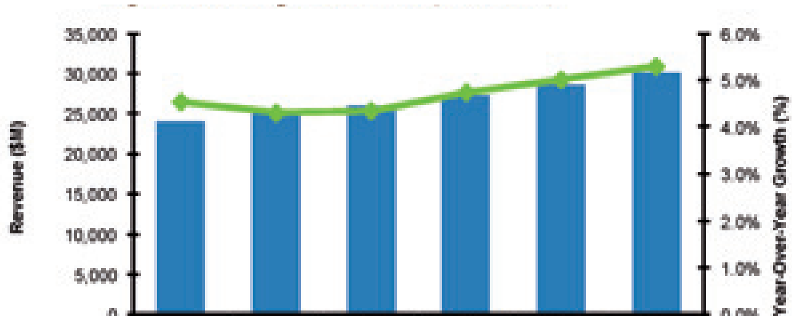
Source: EPI based on FAO, USDA.

The animal health market is estimated to be worth $13.1 billion and is growing at an average annual rate of 7 per cent. (source: FAO). Given that aquaculture is one of the fastest growing areas of the food industry, the Directors believe that aquaculture health will grow at a faster rate than the overall animal health sector. The Directors believe that the growth in aquaculture health products will also be driven by the general development of the aquaculture industry with new species being farmed and small scale farming converting to larger scale, more developed, production.

Technical Publishing

The Group's technical publishing business sits primarily within the agriculture segment of the STM (Science, technical and medical) publishing market. The STM market was estimated in 2011 as a $26 billion market with a projected growth from 2013-2014 estimated at 5.3 per cent., and CAGR from 2009 – 2014 of 5.0 per cent. (source: Outsell 2011).

STM Segment Forecast, 2011-2014



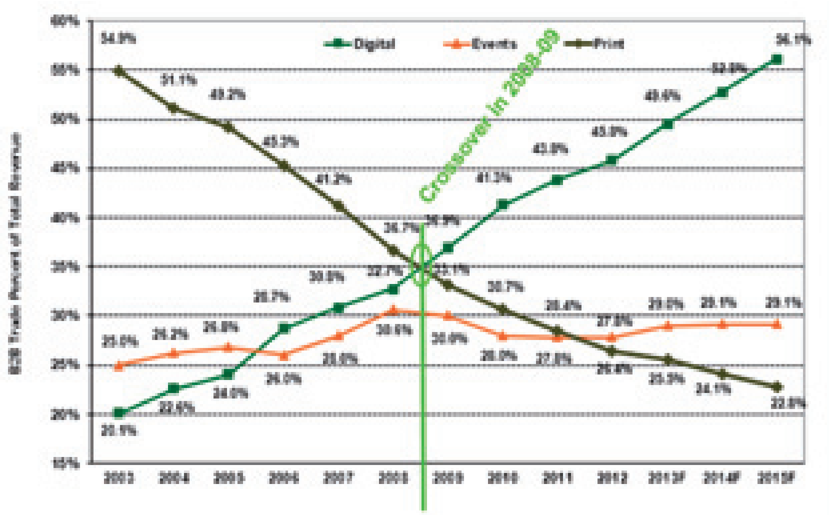
	2009	2010	2011 (P)	2012 (F)	2013 (F)	2014 (F)
STM Revenue ($M)	23,922	24,951	26,035	27,270	28,637	30,154
STM Segment Growth (%)	4.5%	4.3%	4.3%	4.7%	5.0%	5.3%

Source: Outsell's Publishers & Information Provider's Database, reproduced with the permission of Outsell Inc.

The STM market participants include technical information providers, professional bodies and NGOs, media communication companies, workflow and analytic toolmakers, ecommerce and education suppliers. These industry players cover the agriculture and aquaculture segments which are the Group's principal markets across education, digital publishing, ecommerce and agri-data services.

The Directors believe that the Group's growth in this segment will continue to be supported by the general trend away from print media towards digital publishing and e-learning.

Outsell Global B2B Trade Revenue Mix



Source: Outsell's Information Industry Database, reproduced with the permission of Outsell Inc.

Sustainability Division

Verdantix estimates the global sustainability consulting market to be $13.8 billion. Of this $1.2 billion is categorised as strategic and management consulting services and $12.6 billion relates to technical sustainability consulting.

trie[SM] operates in the sustainability, strategic and management consulting sector while FAI and RL Consulting operate in the technical sustainability consulting space.

The overall sustainability consulting market is estimated to be growing at 4 – 5 per cent. per annum, and this growth is projected to continue accelerating as the developed economies emerge from the global recession.

Allan Environmental operates in the environmental consulting (EC) sector, which is estimated to be a US$26.5 billion global market and is forecasted to reach $31.4 billion by 2016 (source: researchandmarkets.com).

Strategy

The Directors believe that Benchmark's success can, to a considerable extent, be attributed to the early decision to become part of the development within the food industry of the rapidly emerging global aquaculture, sustainability and technical knowledge transfer sectors. The Directors believe that, this coupled with a high level of reinvestment and management's ability to move quickly to access opportunities in these fast evolving markets, has allowed Benchmark to position itself as a leader in these markets.

The Company's goal is to become the world leading aquaculture health specialist and a leading global player in each of its markets. The Company's strategy has four main components:

- *Investment in high quality scientific research and development across the Group companies, together with the resources and infrastructure necessary to achieve speed and efficacy in its development programmes in order to deliver innovation and new products and services that establish leadership positions in Benchmark's markets.* – The commitment to continuing to invest in high quality scientific research across the Group is a core strategy in maintaining long-term growth in revenue and margin.

The Group's strategy is to build both internal research and laboratory capability and to continue to develop collaborations with the leading research institutions in the sector.

- *Investment in a strong, well-resourced business development team to maintain a competitive position in opportunity identification, assessment and delivery.* The Company's growth plans were ambitious from the outset and it was recognised that to be consistently successful in opportunity identification and capture through acquisitions, business start-ups, and new product development programmes, the Company needed a strong, well-resourced business development effort. This has been achieved by having two board members working on business development across the Group linking into the individual businesses to provide the resources to act decisively to deliver the key business development opportunities. As the Group has grown, the team has been strengthened with the addition of respected professionals in the Group's target sectors. In this way Benchmark has managed to create an entrepreneurial, responsive approach to new business development which is a significant element of its strategy going forward.

- *Investment in top talent relevant to Benchmark's business sectors and who share Benchmark's ethos and approach.* The strategy of commitment to investing in and retaining highly qualified individuals who share the Group's ambition, drive and ethos is at the heart of Benchmark's strategy. The Group aims to employ graduates or postgraduates in its key roles, and the Group continues to succeed in attracting high calibre individuals to drive future growth.

- *Expansion of core business and entry into new segments that fit synergistically with the existing Benchmark business, through capacity expansion, start-up of new businesses and through acquisitions where appropriate.* Benchmark has a plan in place to expand its vaccine development and manufacturing capacity. In addition, the Benchmark strategy includes growth into neighbouring segments where this allows the Group to increase its strength by exploiting its core services and technologies and/or by creating new synergies. The Company actively assesses acquisition opportunities on an ongoing basis as part of its growth strategy, and has a number of ongoing discussions at various stages with potential targets at this time.

  In particular, the Group very recently acquired AVS, a supplier of agriculture health products in Ireland, and entered into a put and call option in respect of the acquisition of the business of VAI, a provider of agriculture advisory services in Ireland. Further, the Company is in advanced discussions concerning a possible imminent acquisition within the animal health sector, the consideration for which could be up to £4 million (in cash) and which could complete as early as December 2013. The Directors consider that this acquisition would contribute to strengthening the Group's pipeline and research capability. The Company would expect to invest c £1.0 million to develop the acquired assets but would not expect a significant revenue contribution to the Group before full year 2015. There can be no certainty that this acquisition will proceed or, if it does, that it will be on the anticipated terms.

Reasons for the Placing and Use of Proceeds

The Directors consider that Admission will be an important step in the Group's development; it will enhance its standing within its marketplace and will provide long term access to capital to fund its future growth. Admission will also allow the Selling Shareholders to realise part of their investment through the disposal of the Sale Shares as part of the Placing.

The Placing of the New Placing Shares will raise approximately £25.5 million (net of expenses) for the Company. The net proceeds of the Placing will be applied as follow:

- £9.2 million to fund the first phase of the development of the Edinburgh BioCampus manufacturing site, in order to increase vaccine production capacity and take advantage of the growing opportunity in contract vaccine manufacture.
- £2.6 million to expand the vaccine production capacity at the Braintree manufacturing site.
- £10 million to fund and accelerate the Company's product development pipeline including through expansion of partnership research programmes and the acquisition of new technologies and IP.
- with the balance applied to fund selective acquisitions, including the potential acquisition referred to above in the section entitled "Strategy".

The Placing and Admission

Under the Placing, the Company is issuing 42,968,750 New Placing Shares representing 31.5 per cent. of the Enlarged Issued Share Capital of the Company following the Placing. In addition, 27,519 Sale Shares are being sold by the Selling Shareholders. At the Placing Price, the Placing of New Placing Shares will raise approximately £25.5 million (net of expenses) for the Company.

All existing Shareholders and all holders of options under the EMI Scheme which become exercisable on Admission (for details see section 4.5 of Part IV) have been offered the opportunity to sell up to 30 per cent. of their Ordinary Shares in the Placing, subject to demand. Details of the Selling Shareholders and the number of Sale Shares to be sold by each Selling Shareholder are set out in paragraph 10 of Part IV.

Cenkos has agreed, pursuant to the Placing Agreement and conditional, *inter alia*, on Admission, to use its reasonable endeavours as agent of the Company to place the Sale Shares and the New Placing Shares, with institutional and other investors. The Placing, which is not being underwritten, is conditional, *inter alia* upon:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective not later than 18 December 2013, or such later date as Cenkos and the Company may agree, being not later than 28 February 2014.

The New Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares (including the Sale Shares), including the right to receive all dividends and other distributions declared, paid or made after the date of issue. The Selling Shareholders will be responsible for all stamp duty reserve tax on the Placing of the Sale Shares and the Sale Shares will rank *pari passu* in all respects with the other Existing Ordinary Shares and the New Placing Shares, including the right to receive all dividends and other distributions declared, paid or made after the date of the Placing.

None of the Placing Shares has been marketed to or will be made available in whole or in part to the public in conjunction with the application for Admission. The market capitalisation of the Company immediately following the Placing, at the Placing Price, will be approximately £87.3 million. Application has been made to the London Stock Exchange for the Ordinary Shares, issued and to be issued, to be admitted to trading on AIM. Admission is expected to become effective and dealings in the issued Ordinary Shares are expected to commence on 18 December 2013.

In addition, the Company has entered into an agreement with Equity Development pursuant to which it shall pay to Equity Development a commission of 3.1875 per cent. of the value at the Placing Price of Placing Shares placed to Placees introduced by Equity Development.

Further details of the Placing Agreement are set out in paragraph 10 of Part IV of this document. Further details of the arrangements with Equity Development are set out in paragraph 12(d) of Part IV.

Subscription by Proposed Directors

The Proposed Directors (Alex Hambro, Susan Searle and Basil Brookes) have agreed to subscribe for 46,875, 78,125 and 39,062 Placing Shares respectively under the Placing, representing investments of £30,000, £50,000 and £25,000 respectively.

Equity Strategies

The Company has agreed to issue to Equity Strategies warrants to acquire 375,146 Ordinary Shares at the Placing Price, exercisable at any time between the first anniversary of Admission and the fifth anniversary of Admission.

Further details of the engagement letter with Equity Strategies and the Warrant Instrument are set out in paragraphs 12(c) and 12(e) respectively of Part IV of this document.

Lock-in Arrangements

The Directors (excluding the Proposed Directors) and certain other Shareholders together holding, in aggregate, 48.3 per cent. of the Enlarged Issued Share Capital immediately following Admission (for themselves and persons associated with them) have undertaken to the Company and Cenkos not to dispose of their respective interests in Ordinary Shares for a period of 12 months following Admission, subject to certain customary exemptions.

Details of each of the Lock-in Agreements are set out in paragraph 12(f) of Part IV of this document.

Selling Shareholders

A number of the Group's employees hold shares in the Company. All current Shareholders and holders of EMI options which become exercisable on Admission have been offered the opportunity to sell up to 30 per cent. of their Ordinary Shares on Admission (including any Ordinary Shares to be allotted and issued pursuant to the conditional exercise of the Vested Options) subject to demand. All but one of the Selling Shareholders are employees of the Group. The total number of Sale Shares to be sold pursuant to these arrangements is 27,519,000. The Sale Shares will be placed by Cenkos as agent of the Company pursuant to the Placing Agreement.

Further details of the Placing Agreement are set out in paragraph 10 of Part IV of this document. Further details of the Selling Shareholders are set out in paragraph 10 of Part IV of this document.

Directors, Senior Management and Employees

The Board

At Admission, the Board of the Company shall comprise 3 executive Directors and 3 independent, non-executive Directors whose biographical details are as follows:

Malcolm Pye – (56) CEO (since November 2000) is a graduate of the University of Wales (Bangor) in Zoology/Applied Zoology. Malcolm has over 30 years' experience in international agribusiness, including at board director level within the Hillsdown Holdings/HMTF animal breeding, feed milling, veterinary and poultry companies prior to joining Ruth Layton and Roland Bonney to set up the Group. During his time at Hillsdown Malcolm also worked extensively on M&A projects, both leading and advising on acquisitions and disposals. Malcolm works within the Group companies on strategic business development, marketing, acquisitions and commercial matters, and his roles include the development of the important synergies between the Group companies and ensuring that opportunities are resourced and exploited.

Roland Bonney – (49) COO, works across the Group companies leading on strategic business development, marketing, acquisitions and the development of group synergies. His role (which he has held since 2000) also include communications and people development across the 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 – (45) CFO, is responsible for financial controls and management information working with group company boards to develop and deliver the group strategy. 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 the BHL group 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.

Alex Hambro – (50) NED, Chairman and Chair of the Nomination Committee. 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 founder 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 a non-executive director of Bapco Closures Ltd, Izon Science Ltd, Octopus Eclipse VCT PLC and Hazel Renewable Energy VCT 2 plc.

Susan Searle – (50) NED, and Chair of the Remuneration Committee. Susan has held non-executive directorships across a range of healthcare and technology companies including Plaxica (biopolymers), Evo Electric (electric motors), i2india (investing in Indian startups) and Thiakis (developing metabolic disease drugs and sold to Pfizer). Susan was a founder of Imperial Innovations Group leading it as CEO from 2002 to July 2013. During her period as CEO, Innovations invested £121 million in a portfolio of technology and healthcare companies based on intellectual property developed at, or associated with, the UK's four leading research universities: Cambridge, Oxford, UCL and Imperial College London. Susan has over 20 years' experience working with entrepreneurs and academic inventors in the commercialisation of university research. Susan holds an MA in Chemistry from Exeter College, Oxford.

Basil Brookes – (56) NED, and Chair of the Audit Committee. Basil was one of the founders and Finance Director of Wilmington Group plc, a listed media company which floated in1995. 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.

Further details relating to Basil's directorship of Maxwell Communication Corporation plc and certain of its subsidiaries are set out in paragraph 5 of Part IV of this document.

Senior Management and Operational Team

The biographical details of the senior managers of the Group are set out below:

John Marshall – Technical Director, FVG & BVL. John has a degree in Agricultural and Environmental Science (honours in Crop Protection) from Newcastle University and an MBA from Open University with Business Finance and Acquisition Strategy from Harvard University. He has 20 years' experience in the animal health industry working in R&D, sales and marketing, business development, business unit leadership and leads the Group's R&D teams working on the development, sales and marketing of new animal health vaccines, medicines and biocides. John joined FVG from Novartis Animal Health in 2011 where he was their Head of European Business unit Aquaculture and Head of Global Technical Services – Aquaculture, spending the past 12 years growing the Novartis Aquaculture business and taking to market many new vaccines and pharmaceutical products.

Hernan Pizarro – Technical Services Director and Head of FVG USA. Hernan is a graduate of Andres Bello National University in Chile with a degree in Aquacultural Engineering. Hernan has 16 years' experience working in aquaculture vaccines research, fish health diagnostic laboratories, technical servicing, sales and marketing, and business development working across the Americas. Prior to joining Benchmark, Hernan was Manager of Aquaculture Commercial Development at Pfizer (now Zoetis), managing the global aquaculture business development operation supporting the technical and commercial implementation in the different markets.

James Banfield – Managing Director of 5M Publishing. James has an MBA and an MA in history (Magdalene College, Cambridge); James has over twenty years' experience in professional and education publishing first with Longman from 1987 to 1993 as an editor and publisher and then at Pearson Group PLC from 1993 to 2003 working in publishing and business development roles until he became Managing Director at FT Information Europe. Prior to joining Benchmark in 2012 James was Managing Director at KBC, an international education provider.

Pete Southgate – Technical Operations Director and one of the founders of FVG. Pete graduated as a veterinarian from University of London in 1979 and worked in veterinary practice until taking an MSc in Aquatic Pathobiology at Stirling Institute of Aquaculture before joining their Diagnostic Unit. Having become a freelance fish vet in 1990, Pete joined Fish Vet Group in 1995. Pete is responsible for clinical development and service delivery, the development of industry training programmes and food industry auditing. Pete has 29 years' international experience working as a veterinarian in aquaculture and has a special interest in fish welfare.

Paul Cook – Managing Director of RL Consulting. Paul is a graduate of Nottingham University in Agricultural Science and he leads the Benchmark Group's quality management programmes. His career background is of working at Technical Executive level in major food processors including Premier Fresh Foods and Two Sisters Group leading the teams responsible for food safety, QA, R&D and food technology. He also is a trained agriculturalist and has over 20 years' experience working in the food industry, including in the animal breeding and poultry industries.

Dave Cox – Managing Director and one of the founders of FVG. Dave graduated in Biomedical Science from Edinburgh's Napier University and worked in the NHS before joining Marine Harvest where he gained extensive experience in a range of aquaculture disciplines including diagnostic fish pathology, applied fish health research and development, focusing on factors affecting flesh quality. Dave continues to be an active and widely recognised Fish Pathologist specialising in the histopathological diagnosis of Fish Diseases for over 30 years. Dave oversees the Group's global diagnostic, laboratory and technical services businesses and has wide experience in all aspects of the global aquaculture business and has also worked extensively in international markets including Latin America and Scandinavia.

Ruth Layton – Technical Director FAI Farms and one of the founders of Benchmark. Ruth graduated as a veterinarian from The Royal Veterinary College London and has the Royal College of Veterinary Surgeons Diploma in Animal Welfare Science Ethics & Law. After gaining 17 years' experience in veterinary practice Ruth set up RL Consulting and has subsequently built extensive experience of consultancy within the food industry. In addition she leads research programmes in sustainable food animal production across multiple species. Ruth also works with external parties including DEFRA and various research institutes to tackle industry problems. Ruth is a past member of the Farm Animal Welfare Council (FAWC).

Bob Long – Managing Director, BVL. Bob graduated in Virology and Microbiology from the University of London and is a Member of the Biological Society, a Chartered Biologist and a Qualified Person. Bob has over 35 years' experience in animal and human health working for Wellcome Biotech, the Centre for Applied Microbiological Research (Porton Down) and Novartis. Bob joined Benchmark as part of the BVL acquisition from Novartis where he was their Technical Operations Manager heading up the Braintree vaccine production facility.

Employees

The Group's head office is located in Sheffield UK. As of 30 September 2013 the Group had 157 employees of whom 14 are involved in Group administration and IT operations, and 32 are based in Benchmark's operations outside the UK. 53 per cent. of the Group's workforce is female.

The Group has a strong staff retention record with average annual turnover over the last three years being 10 per cent. including routine retirements and unforced early retirements. This is at a time when the Group's annual growth over the last 12 years has averaged over 30 per cent. and as a result the annual growth in employees has averaged 24 per cent. That the turnover is so low in part reflects Benchmark's willingness to reward high calibre employees well and the Group has also repeatedly demonstrated its willingness to pass on to its team significant bonus and share option benefits as a result of overall Group success.

Share Options

The Directors believe that the long-term success of the Group will depend to a high degree on the Group's ability to attract and retain talented employees. The Directors recognise the importance of providing an employment environment where employees are well motivated and identify closely with the success of the Group. The Directors regard equity participation to be an important aspect of the Group's ability to attract, retain and incentivise its employees.

EMI Scheme [1]

In connection with that aim, the Group established an Enterprise Management Incentive share option scheme ("EMI Scheme") under which options were granted between August 2010 and August 2013 in four separate rounds to 68 employees over 4,239,000 Shares. The maximum number of Shares subject to options which remain unexercised at Admission is 2,739,000. These comprise options over 1,457,000 Shares which are exercisable on Admission until the first anniversary of Admission (and as at the date of this Admission Document, the Company has received exercise notices in respect of options over 1,457,000 Shares) and options over 1,282,000 Shares (the "**Unvested Options**") which will become exercisable on the third anniversary of grant until the tenth anniversary of grant. The principle features of the Unvested Options rounds are:

- The Unvested Options vest and become exercisable three years after the date of grant.
- There are no performance conditions attached to the exercise of options other than a requirement to remain in employment with the Group.
- The exercise price of the options is 0.1p per Share.

Further details of the EMI Scheme and the options granted are set out in paragraph 4.5 of Part IV of this document. The EMI Scheme is now closed to further participation because the Group no longer meets the conditions of a qualifying company for the purposes of EMI.

1. The number of Shares and the exercise price per Share referred to in this section are presented on the basis that the subdivision of each existing share in the Company into 1,000 Shares and the corresponding adjustment to the exercise price per Share, conditional upon Admission, has occurred.

CSOP and JSOP

The Directors believe that, taking into account existing shareholdings and historic grants of EMI options, all current key employees of the Group are adequately remunerated and incentivised for the foreseeable future. Nevertheless, in anticipation of continued growth of the Group, including by way of acquisitions, the Directors wish to establish a successor discretionary share scheme to the EMI Scheme. Accordingly, the Directors have established and adopted, conditional on Admission, two further discretionary employee share schemes:

- The Benchmark CSOP, which is in two parts, the first part of which is approved by HMRC (and therefore options are subject to favourable tax treatment) and provides for the grant of options (at the discretion of the Remuneration Committee) over Shares with an aggregate value of £30,000 per employee (measured at the date of grant), the second part of which is unapproved and provides for the grant of options (at the discretion of the Remuneration Committee) over Shares with an aggregate value of 200 per cent. of salary per employee on an annual basis (measured at the date of grant).
- The Benchmark JSOP, under which key employees may be offered the opportunity to acquire an interest in Shares jointly with an employee benefit trust, such interest vesting in the employee on the later of the elapse of three years and the attainment of a hurdle rate of share price appreciation, to be set by the Remuneration Committee. Awards under the Benchmark JSOP are granted (at the discretion of the Remuneration Committee) over Shares with an aggregate value of 300 per cent. of salary per employee (400 per cent. in exceptional circumstances) on an annual basis (measured at the date of grant).

  Options awarded under the Benchmark CSOP and the Benchmark JSOP will be subject to the approval of the Remuneration Committee. Following Admission, the Remuneration Committee will consider a timetable for granting awards and options under the Benchmark JSOP and Benchmark CSOP and the terms of such options and awards, including the setting of the hurdle under the Benchmark JSOP and (if any) appropriate performance conditions. Further details of the Benchmark CSOP and the Benchmark JSOP schemes are set out in paragraphs 4.1 and 4.2 of Part IV of this document.

SIP

In recognition of the contribution of all employees to the success of the Group to date, the Directors wish to offer an opportunity for all employees to acquire shares in the Group on Admission. Accordingly, the Board has adopted, conditional on Admission and subject to any amendments required to obtain the necessary approvals from HMRC, the Benchmark SIP. Under the Benchmark SIP, the Directors have offered each employee the opportunity to acquire partnership Shares from their salary at the Admission price (or a price agreed with HMRC). For every partnership Share acquired by an employee up to a limit of £1,500, or 10 per cent. of salary if lower, the Group will award one free matching Share, which will be subject to forfeiture if the employee leaves the Group's employment other than for "good leaver" reasons within three years of award. Further details of the rules of the Benchmark SIP and the Shares which have been conditionally awarded to employees under the Benchmark SIP are set out in paragraph 4.3 of Part IV of this document.

It is the intention of the Directors that awards under all schemes will be issued over no more than 10 per cent. of the Enlarged Issued Share Capital in any rolling ten year period.

Further details of the share option schemes and the options that have been granted thereunder are set out in paragraph 4 of Part IV of this document.

Corporate Governance

The Company intends following Admission, so far as is practicable and appropriate for a company of its size and nature, to comply with the provisions of the Corporate Governance Code for Small and Mid-sized Companies issued by the Quoted Companies Alliance. The Company has appointed three independent non-executive Directors to bring an independent view to the Board, and to provide a balance to the executive Directors.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Directors intend to hold meetings of the Board ten times in the year following Admission and all other times as and when required. Conditional on Admission, the Group has established audit, remuneration and nomination committees with formally delegated duties and responsibilities.

(a) Audit Committee

The Audit Committee will consist of a committee chaired by Basil Brookes. The Audit Committee will have the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will meet not less than twice in each financial year and will have unrestricted access to the Group's external auditors. At Admission, the Audit Committee shall comprise Basil Brookes and Alex Hambro.

(b) Remuneration Committee

The Remuneration Committee will consist of a committee chaired by Susan Searle. The Remuneration Committee will review the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary. In exercising this role, the Directors shall have regard to the recommendations put forward in the QCA Guidelines and, where appropriate, the Combined Code guidelines. At Admission, the Remuneration Committee shall comprise Susan Searle and Basil Brookes.

(c) Nomination Committee

The Nomination Committee will consist of a committee chaired by Alex Hambo. The Nomination Committee will consider the selection and re-appointment of Directors. It will identify and nominate candidates to fill Board vacancies and review regularly the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes. At Admission, the Nomination Committee shall comprise Alex Hambro and Susan Searle.

(d) Share Dealing Code

The Board intends to comply, and to procure compliance, with Rule 21 of the AIM Rules for Companies relating to dealings in the Company's securities by the Directors and other applicable employees. In addition, the Company has decided to apply its share dealing code to all employees in the interests of best practice. To this end, the Company has adopted a code for share dealings appropriate for a company whose shares are admitted to trading on AIM and will take all reasonable steps to ensure compliance by the Directors and any relevant employees. The form of this code is substantially the same as the Model Code.

Settlement and CREST

Application has been made for all of the Ordinary Shares to be eligible for admission to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place in CREST if the relevant Shareholder so wishes. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a share certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under the CREST system. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Persons acquiring shares as a part of the Placing may elect to receive Ordinary Shares in uncertificated form if, but only if, that person is a "system-member" (as defined in the CREST Regulations) in relation to CREST.

It is expected that, subject to the satisfaction of the conditions of the Placing, the Placing Shares will be registered in the names of the placees subscribing for them and issued either: in certificated form, where the placee so elects, with the relevant share certificate expected to be dispatched by post, at the placees risk, or in CREST, where the placee so elects and only if the placee is a "system member" (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Ordinary Shares subscribed for expected to take place on 18 December 2013.

Notwithstanding the election by placees as to the form of delivery of the Placing Shares, no temporary documents of title will be issued. All documents or remittances sent by or to a placee, or as they may direct, will be sent through the post at their risk. Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the Company's register of members.

Dividend Policy

The Company intends to implement a dividend policy taking into consideration the Company's cashflow generation and capital investment opportunities from time to time.

Taxation

Your attention is drawn to the taxation section contained in paragraph 11 of Part IV of this document. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.

Further information

Your attention is drawn to the additional information set out in Part IV of this document.

PART II

RISK FACTORS

THE FOLLOWING FACTORS DO NOT PURPORT TO BE AN EXHAUSTIVE LIST OR EXPLANATION OF ALL THE RISK FACTORS INVOLVED IN INVESTING IN BENCHMARK. IN PARTICULAR, BENCHMARK'S PERFORMANCE MIGHT BE AFFECTED BY CHANGES IN MARKET AND/OR ECONOMIC CONDITIONS AND IN LEGAL, REGULATORY AND TAX REQUIREMENTS. ADDITIONALLY, THERE MAY BE RISKS OF WHICH THE BOARD IS NOT AWARE OR BELIEVES TO BE IMMATERIAL WHICH MAY, IN THE FUTURE, ADVERSELY AFFECT THE GROUP'S BUSINESS AND THE MARKET PRICE OF THE NEW BENCHMARK'S SHARES. IN SUCH CASES, THE MARKET PRICE OF THE NEW BENCHMARK SHARES MAY DECLINE AND HOLDERS OF NEW BENCHMARK SHARES MAY LOSE ALL OR PART OF THEIR INVESTMENT.

RISK RELATING TO THE GROUP

The Group may be affected by factors outside of its control

The Group operates in young, developing sectors including aquaculture and its prospects depend on the future development of these markets. In addition the Group's business may be affected by external events beyond the control of the Group including environmental and climatic conditions.

The Group's revenue and profitability are currently largely derived from a single product

The Group's revenue and profitability are currently largely based on a single product which is sold to distributors and end customers internationally. For the year ended 30 September 2013 sales from this product accounted for approximately 60 per cent. of Group sales and approximately 79 per cent. of the Group's gross profit. While the Group has developed a pipeline of products and services to expand its business, a change in the competitive environment for its current main product and/or a delay or a failure in the development of its pipeline of products and services may have a material impact on the Group's results and future prospects.

Regulation

The Group's business is subject to substantial regulation and this may affect the Group's ability to derive long term revenues from some of its products or products in development. The Group is not able to market new products until all the necessary regulatory approvals have been obtained in each jurisdiction where it is intending to market each product. Even after a product has reached market it can still be subject to various kinds of re-review and could lose its approval.

In addition it is not always possible to predict the future changes to laws and regulations as they may relate to the Group's products and services and any changes could have a material effect on the Group's operating results.

The Group relies on emergency licenses to distribute its products in certain markets

There are a variety of licences available to launch and distribute animal health products including emergency licenses. Emergency licences are granted on the basis of an extraordinary need for a product in a specific market. These licenses can be withdrawn. At present the Group has emergency licenses to distribute Salmosan in Canada and Norway. Although the Group intends to replace these emergency licences with full marketing authorisations in the short to medium term there can be no certainty that such authorisations will be granted within the time scales envisaged by the Group, or at all.

The Group is reliant on certain third parties to provide it with some raw materials and manufacturing services

Some of Benchmark's products or products in development require specialised raw materials and manufacturing services. These may be subject to certain constraints caused by factors outside the Group's control, and if third party supplies cease or supply of these raw materials and manufacturing services are interrupted, the Group could experience difficulties meeting the demand for some of its products. At present the Group sources the key ingredient for its main product, which as mentioned above represented approximately 60 per cent. of its revenues in the year ended 30 September 2013, from a single supplier and it carries a stock of the ingredient to cover a period of time. There are a number of other potential suppliers of this ingredient and if there were to be a need to change supplier the Group would seek to make such a change. However there could be material disruption to the Group's supply of raw material as a result of such a situation, which could have a material adverse effect on the Group's revenues and profits.

The Group's competitors may take actions that adversely affect revenues, profits or the Group's financial condition

The Group operates within competitive markets, and the animal health industry is highly competitive. A number of participants in its sectors are conducting R&D and product development programmes which may be in areas served by the Group's products/services or in areas where the Group is developing products/services. Some of these companies may have greater access to technical, financial, marketing or other resources and may as a result be able to devote more resources to developing, manufacturing and selling their products, or to initiating and taking advantage of acquisition or other opportunities. In addition new entrants could also reduce market share by competing with the Group's existing products. As a result the Group's business, results, operations and financial condition could be materially adversely affected by the actions of its competitors (including their pricing policies).

Generic products may be viewed as more cost effective than the Group's products

The Group will continue to face competition from products produced by other companies possibly including generic alternatives to the Group's products. As a result, the Group may in the future face competition from lower priced generic alternatives to some of its products. Generic competitors can be more aggressive in terms of pricing and generic products are a part of some of the Group's markets. If animal health customers increase their use of new or existing generic products, the Group's operating results and financial condition could be adversely affected.

The Directors are aware of the intention of at least one generic competitor to the Group's main product to enter the market in the near term.

The majority of the Group's revenues derive from products with no or limited patent protection

The Directors estimate that over 70 per cent. of Group revenues in the financial year ended 30 September 2013 were derived from products which are either unpatented, or are off patent, or are covered by patents that whilst providing some competitive advantage, do not provide market exclusivity. Although the Group intends to bring new patented products to market in the future, there can be no guarantee that patents will be granted. Even if patents are granted, they may face competition from generic products over time.

Patents and other forms of product protection may not provide sufficient protection for the Group's products

Certain of the Group's products depend, and certain of its pipeline products will depend, on patents (whether owned by the Group or licensed from others), manufacturing intellectual property, trademarks and other forms of protection. Protection for these products extend for varying periods of time in accordance with the filing or grant of, and the legal life of, patents in countries in which patents are granted. The protection afforded, which can vary from one country to another, is limited by the terms and the scope of the relevant patents or licensed-in patent, trademark or licensed-in trademark and the availability of legal remedies in the relevant country.

The Group is dependent on successfully securing licensing arrangements in respect of pipeline products

The Group develops and/or plans to develop most of its pipeline products in collaboration with research institutes or other third parties in the relevant sector. Typically, products are (or are expected to be) developed under a collaboration agreement, the terms of which envisage the Group and the relevant research institute or other third parties agreeing licensing arrangements and ownership of intellectual property once a product is nearing commercialisation. These collaboration agreements typically do not, at the outset, allocate intellectual property or regulate the parties' economic rights resulting from the collaboration. There can be no certainty that the Group will be able to secure a licensing arrangement in respect of its pipeline products with the relevant research institute or other third parties, nor that any such arrangement will be on terms which allow the Group successfully to commercialise the product and generate revenues and profits at the levels which are anticipated. In addition, the Group has not yet entered into collaboration agreements with certain of the research institutes or other third parties with which it conducts research and development. Currently, the majority of the Group's pipeline products are at the research phase, and licensing arrangements are yet to be agreed with the relevant research institute or other third parties.

Product liability and warranty claims

In common with many companies in the pharmaceutical sector, the Group is exposed to the risk of product liability claims, should its or relevant third party products not fulfil the terms of the contracts under which they are sold or otherwise cause loss or damage. A defective product could have significant consequences for the customer and the environment. The Group operates quality control and other procedures to mitigate this risk but there can be no guarantee that such procedures will be effective.

Infringement of others' intellectual property rights

Inadvertent actions may expose the Group to the risk of infringing third party intellectual property rights. Potential claims can be submitted many years after a product has been deployed. The Group is therefore exposed to the risk that it has been, or will in future be, subject to claims relating to infringement of third party intellectual property rights, notwithstanding the measures put in place to mitigate this exposure. The Group's policy is to vigorously defend or negotiate all claims where commercially necessary but, in the absence of agreement, unforeseen royalty claims could have a material adverse effect on the Group's business, financial position and operating results.

Demand for vaccine manufacturing facilities

The Group intends to apply approximately £11.8 million of the proceeds of the Placing to extend its vaccine manufacturing facilities. The Group's main toll manufacturing agreements allow its customers to substitute or remove products, subject to transitional arrangements. If demand from current customers for toll manufacturing were to reduce, or the Group were unable to grow its toll manufacturing business through new customers or increased demand from current customers, it may be unable to fully utilise its manufacturing capacity, which may have a material adverse effect on the business and its profitability.

Development of resistance to some animal health products

Some pharmaceutical products have a product life that can be affected by the early onset of resistance to the product in the target organism, and whilst a significant proportion of the Group's product portfolio and pipeline comprises vaccines and biocides to which resistance is not a significant factor in product life, this can be a problem in some ectoparasiticides which are also a part of the Group's portfolio and product pipeline. The development of resistance to parasiticides can be affected by the particular active chemical in the product and/or by the way it is used in treatments, either singly or in rotation with other treatments. Whilst the Group has an active programme of technical servicing in each of its markets to help its customers adopt treatment practices which reduce and manage the risk of resistance, and whilst management are not aware of any early onset of resistance problems with any of the Group's products or products in development, the exact use of these products in the future and therefore the potential for early onset of resistance cannot be fully predicted, and therefore the Group's business, results, operations and financial condition could be materially adversely affected by the onset of early resistance to some of its products or products in development at some point in the future.

Customer relationships

A number of the Group's relationships with its customers are undocumented including, in particular, arrangements for the purchase of Salmosan by certain customers, and many of FAI Farms' and RL Consulting's customer relationships. In the event that any of these customers wished to terminate their relationship with the Group, the fact that the relationship is undocumented may result in increased uncertainty around the termination arrangements (which may be on little or no notice) and may permit the relevant customer to cease trading with the Group more quickly than might otherwise have been the case. The loss of any or all of such customers could have a material adverse effect on the Group's business, results, operations and financial condition. Certain customary protections, such as limitations on the Group's liability are also unlikely to apply to undocumented trading arrangements.

The Group is reliant on certain key customers and distributors

The Group has a broad and varied customer base and some of the Group's contracts are of a long-term nature. However, the loss of any number of the Group's significant customers or distributors could have a material adverse effect on the Group's financial performance, operating results and cash flows. In the financial year ended 30 September 2013, approximately 53.4 per cent. of the Group's sales were achieved through the Group's two main distributors and approximately 77 per cent. of its revenues derived from its top four distributors and customers. The Directors believe that if any of its distribution agreements were terminated it could successfully establish a direct sales channel to its end customers which drive demand; however, a disruption to the Group's main distribution channels may materially and adversely affect the Group's operations and results.

The Group is reliant on the continued success of its research and development programmes for aquaculture and the commercial success of its pipeline products

The sustainability and growth of the Company's revenue is dependent on the success of its development pipeline. The products in the Company's pipeline are at various stages of development and there is no certainty that any or all the products will reach commercial stage or be commercially successful. In addition, the development of the products in the pipeline may be delayed due to circumstances outside of the Group's control. This may significantly and adversely affect the Group's prospects.

Environmental, health and safety and chemicals laws, regulations and standards

The Group is subject to a broad range of laws, regulations and standards, including those relating to pollution, health and safety of employees, protection of the public, protection of the environment and the storage, handling and use of hazardous substances and chemicals and waste management. These regulations and standards are becoming increasingly stringent. Violations of such laws, regulations and standards and/or related claims, could result in restrictions on the operations of the Group's sites and/or placing in the market of Group products, as well as damages, fines or other sanctions and increased costs of compliance with potential reputational damage. It is the Group's policy to require that all of its subsidiaries and products comply with applicable laws, regulations and standards.

Legal matters and possible litigation

The Group could be adversely affected by unfavourable results in future litigation matters which are not fully covered by the Group's insurance.

Litigation tends to be costly and highly diversionary to management time and could materially affect the Group's reputation. It is not always possible to predict with certainty either the instigation of litigation or the outcome, but an adverse outcome could result in significant damages. Any of these negative effects could materially affect Benchmark's operating results.

Reputation

The Group's reputation, in terms of the service it provides, the way in which it conducts its business and the financial results which it achieves, are central to the Group's future success. Failure to meet the expectations of the customers, suppliers, employees and shareholders and other business partners may have a material adverse effect on the Group's reputation.

Levels of insurance carried by the Group

There can be no certainty that the Group's insurance cover is adequate to protect against every eventuality and the occurrence of an event for which the Group did not have adequate insurance cover could have a material adverse effect on the Group.

Political, economic, regulatory and legislative considerations

Adverse developments in the political, economic and regulatory environment may materially and adversely affect the financial position and business prospects of the Group. Political and economic uncertainties include, but are not limited to interest rates, changes in taxation and currency exchange control. Whilst the Group strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political, economic and regulatory factors will not materially and adversely affect the Group.

There may be a change in the regulatory environment which may materially adversely affect the Company's ability to implement successfully the strategy set out in this document.

The market for some of the Group' products and services experiences seasonal fluctuations in demand

The effects of seasonal fluctuations in the demand for the Group's products and services (in particular in the Animal Health division) may lead to lower revenues, low utilisation of people, plant and equipment during periods of low demand; increased working capital requirements and/or volatility in operating results.

The Group is experiencing rapid growth. If the Group is not able to effectively manage its growth, its operations could be damaged and profitability reduced

The Group's business and operations have experienced rapid growth. If the Group fails to effectively manage this growth in the future, its operations could be harmed. This future growth could place significant demands on the Group's operational and financial infrastructure. If the Group is unable to effectively manage its growth and its operations could be harmed and profitability reduced. The growth of the Group's sales and profits in the future will depend, in part, on its ability to expand its operations the launching of its services into new markets and, potentially, new geographies. Furthermore, in order to manage its planned expansion, it will need continually to evaluate the adequacy of its management capability, operational procedures, financial controls and information systems. Accordingly, there can be no assurance that the Group will be able to achieve its expansion goals on a timely or profitable basis.

The Group's expenses include fixed costs

Certain of the Group's costs are fixed and may not be easily reduced in the short-term. Therefore, the Group may not be able to reduce certain expenses promptly in response to any reduction in revenue. Should such a reduction occur and the Group be unable to reduce its fixed expenses accordingly, the Group's business, financial condition and results of operations would be materially adversely affected.

The Group's growth strategy includes acquisitions which pose integration risks

Any future acquisition poses integration and other risks which may significantly affect the Group's results or operations and the businesses that they may acquire may not ultimately be profitable. In addition, the operation and management of additional businesses, assets or customers may require additional resources, such as human or infrastructure resources. There can be no assurance that the Group will be able to procure the additional resources to cope with the growth in the number of assets under the Group's management.

Ability to attract and retain key executives, officers, managers and technical personnel

The Group is headquartered in Sheffield where the executive Directors and other key management are located.

Attracting, training, retaining and motivating technical and managerial personnel, including is a critical component of the future success of the Group's business. Accordingly, the Group may encounter difficulties in attracting or retaining qualified personnel. Continued growth may therefore cause a significant strain on existing managerial, operational, financial and information systems resources. The departure of any of the Group's executive officers or other key employees could have a negative impact on its operations. In the event that future departures of employees occur, the Group's ability to execute its business strategy successfully, or to continue to provide services to its customers and users or attract new customers and users, could be adversely affected. The performance of the Group depends, to a significant extent, upon the abilities and continued efforts of its existing senior management. The loss of the services of any of the key management personnel or the failure to retain key employees could adversely affect the Group's ability to maintain and/or improve its operating and financial performance.

In common with many businesses, the success of the Group after Admission will, to a significant extent, be dependent on the expertise and experience of the Directors and key senior management, the loss of one or more of whom could have a material adverse effect on the Company. Whilst the Executive Directors will remain significant shareholders in the Company and the Directors and senior management referred to in Part I of this document are all shareholders or option holders, and the company has entered into service agreements with the Executive Directors which will become effective on Admission, the retention of their services cannot be guaranteed.

RISKS RELATING TO THE ORDINARY SHARES

Suitability

Investment in the Ordinary Shares may not be suitable for all readers of this document. Readers are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

Investment in AIM-traded securities

Investment in shares traded on AIM involves a higher degree of risk, and such shares may be less liquid, than shares in companies which are listed on the Official List. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment.

Share price volatility and liquidity

The share price of quoted companies can be highly volatile and shareholdings can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and others which may affect quoted companies generally. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares, currency fluctuations, legislative changes and general economic, political, regulatory or social conditions.

Access to further capital

The Group may require additional funds to respond to business challenges or to enhance existing products and services. Accordingly, the Group may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Group in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Group to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Group is unable to obtain adequate financing or financing on terms satisfactory to it, when the Group requires it, the Group's ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

Future sale of Ordinary Shares

The Company is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market following Admission. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares. The Group may require additional capital in the future which may not be available to it. If available, future financings to provide this capital may dilute shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

Forward-looking statements

Some of the statements in this document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Group's business). These statements include forward-looking statements both with respect to the Group and the sectors and industry in which the Group operates. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group's actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in this Part II of this document which should be read in conjunction with the other cautionary statements that are included in this document. Any forward-looking statements in this document reflect the Company's or, as appropriate, the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity.

These forward-looking statements speak only as at the date of this document. Subject to any applicable obligations, the Company undertakes no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise, unless required by the Prospectus Rules, AIM Rules and Disclosure Rules and Transparency Rules, as appropriate. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

No prior trading market for Ordinary Shares

Prior to the admission to trading on AIM, there was no public market for the Ordinary Shares. There can be no assurance that an active market for (and hence strong liquidity in the trading of) the Ordinary Shares will develop upon the Company's admission to trading on AIM, or if developed, that such market will be sustained.

PART III

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

BDO LLP
Regent House
Clinton Avenue
Nottingham
NG5 1AZ

12 December 2013

The Directors
Benchmark Holdings plc
Benchmark House
Smithy Wood Drive
Sheffield
S35 1QN

Cenkos Securities plc
6.7.8 Tokenhouse Yard
London
EC2R 7AS

Dear Sirs

Benchmark Holdings plc (the "Company") and its subsidiary undertakings (together, the "Group")

Introduction

We report on the financial information set out in Section A of Part III. This financial information has been prepared for inclusion in the admission document dated 12 December 2013 of Benchmark Holdings plc (the "Admission Document") on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with applicable UK accounting standards.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 30 September 2011 and 30 September 2012 and of its profits, cash flows, recognised gains and losses for each of the two financial years ended 30 September 2012 in accordance with the applicable UK accounting standards.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

DRAFT

BDO LLP
Chartered Accountants

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

SECTION A – HISTORICAL FINANCIAL INFORMATION ON BENCHMARK HOLDINGS PLC FOR THE TWO YEARS ENDED 30 SEPTEMBER 2012, UK GAAP

The consolidated historical financial information set out below of Benchmark Holdings Plc, for the two years ended 30 September 2012 has been prepared by the directors of the Benchmark Holdings Plc.

Consolidated statement of comprehensive income

	Note	*Year ended 30 September 2011 £000*	*Year ended 30 September 2012 £000*
Turnover	(2)	12,878	18,547
Cost of sales		(5,266)	(8,343)
Gross profit		7,612	10,203
Administrative expenses		(5,295)	(6,658)
Other operating income	(3)	243	177
Operating profit	(4)	2,560	3,723
Interest receivable and similar income		28	12
Interest payable and similar charges	(7)	(6)	(115)
Profit on ordinary activities before taxation		2,582	3,619
Tax on profit on ordinary activities	(8)	(665)	(751)
Profit on ordinary activities after taxation		1,918	2,868
Minority interests	(21)	25	(1)
Profit for the financial year	(18)	1,943	2,867

All amounts relate to continuing operations.

Consolidated statement of total recognised gains and losses

	Year ended 30 September 2011 £000	*Year ended 30 September 2012 £000*
Profit for the financial year	1,943	2,867
Movement on foreign exchange reserve	(43)	(30)
Total recognised gains and losses relating to the year	1,900	2,838

Consolidated statement of financial position

	Note	*Year ended 30 September 2011 £000*	*Year ended 30 September 2012 £000*
FIXED ASSETS			
Intangible assets	(9)	852	3,931
Tangible assets	(10)	1,209	2,359
		2,061	6,290
Current assets			
Stocks	(11)	2,078	4,832
Debtors	(12)	2,590	5,659
Cash at bank and in hand		1,809	1,019
		6,477	11,510
Creditors: amounts falling due within one year	(13)	(2,396)	(6,352)
Net current assets		4,081	5,158
Total assets less current liabilities		6,142	11,448
Creditors: amounts falling due after more than one year	(14)	(98)	(2,873)
Provisions for liabilities			
Other provisions	(16)	(540)	(585)
Net assets		5,504	7,991
Capital and Reserves			
Called up share capital	(17)	93	92
Share premium account	(18)	693	693
Capital redemption reserve	(18)	2	3
Foreign exchange reserve	(18)	20	(10)
Share based payment reserve	(18)	99	234
Profit and loss account	(18)	4,581	6,962
Shareholders' funds	(19)	5,488	7,974
Minority interests	(21)	16	17
		5,504	7,991

Consolidated cash flow statement

	Note	*Year ended 30 September 2011 £000*	*Year ended 30 September 2012 £000*
Net cash flow from operating activities	(23)	2,502	3,125
Returns on investments and servicing of finance	(24)	23	(85)
Taxation	(24)	(958)	(581)
Capital expenditure and financial investment	(24)	(611)	(689)
Acquisitions and disposals	(24)	(206)	(6,193)
Equity dividends paid	(24)	(394)	(194)
Cash (outflow)/inflow before financing		355	(4,617)
Financing	(24)	(253)	3,140
(Decrease)/Increase in cash in the year		102	(1,477)

Reconciliation of net cash flows and movement in net funds/debt

	Year ended 30 September 2011 £000	*Year ended 30 September 2012 £000*
(Decrease)/Increase in cash in the year	102	(1,477)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	29	(3,433)
Change in net debt resulting from cash flows	131	(4,909)
New finance leases	(17)	–
Movement in net debt in the year	114	(4,909)
Net funds at 1 October	1,253	1,366
Net (debt)/funds at 30 September	1,366	(3,543)

Notes to the financial information

1. Accounting policies

Basis of preparation of financial statements

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The financial information consolidates the accounts of Benchmark Holdings Plc and all of its subsidiary undertakings ('subsidiaries').

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when goods are dispatched and services are provided in accordance with contractual agreements.

Intangible assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life. With the exception of the following goodwill arising on consolidation is amortised over 20 years.

Goodwill relating to the acquisition of the Brazilian subsidiary is amortised over 10 years, being the term of the farm lease acquired.

Goodwill relating to the acquisition of Benchmark Vaccines Plc is amortised over 3 years, being a prudent estimate over the expected useful life.

Intangible assets are stated at cost less amortisation. Assets are capitalised and amortised over the expected life of the asset stating from the first year that the asset generates revenue.

Amortisation is provided at the following rates:

Patents and trademarks	–	10-50% straight line
Goodwill	–	5-33% straight line

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Long team leasehold property	–	2% straight line
Plant and machinery	–	15% reducing balance
Websites	–	20% straight line
E-commerce infrastructure	–	10% straight line
Other fixed assets	–	15-33% reducing balance

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Live and deadstocks have been valued at the lower cost and net realisable value and in accordance with normal agricultural practice.

The majority of livestock valued on the basis is included at deemed cost of production since the original cost is not considered appropriate and unascertainable. Deemed cost of production is 60 per cent. of market value for cattle and 75 per cent. of market value for all other livestock categories.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Research and development

Research and development costs are written off to the profit and loss account as incurred.

Government grants

Government and other grants are credited to the profit and loss account as the related expenditure is incurred.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Share based payments

The company issues equity settled share based payments to certain employees of the group. Equity settled share based payments are measured at fair value (excluding the effect of non market based vesting conditions) at the date of grant. The fair value determined at the date of the grant of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the group’s estimates of the shares that will eventually vest and adjusted for the effect of non market based vesting conditions. The effect of this is shown in note 31. Fair value is measured by use of a Black-Scholes Merton model.

Amounts recoverable on contracts

Amounts recoverable on contracts are included in debtors and are valued at anticipated net sales value after provisions for contingences and anticipated future losses on contacts and are included in debtors. Cash received on account on contracts is deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors. Contracts provisions in excess of amounts recoverable are included in trade creditors.

2. Turnover

A geographical analysis of turnover is as follows:

	2011	*2012*
	£000	*£000*
United Kingdom	4,493	8,791
Rest of European Union	283	340
Rest of world	8,102	9,416
	12,878	18,547

3. Other operating income

	2011	*2012*
	£000	*£000*
Grants receivable	243	177

4. Operating profit

The operating profit is stated after charging:

	2011	*2012*
	£000	*£000*
Amortisation – intangible fixed assets	84	187
Depreciation of tangible fixed assets:		
– Owned by the group	210	312
– Held under finance leases	15	13
Auditor’s remuneration	16	22
Operating lease rentals:		
– Other operating leases	164	259
Difference on foreign exchange	2	1
Research and development expenditure written off	–	182
Patents and trademarks – impairment charge	–	110
Share based payment expense	99	135
Tangible fixed assets – impairment charge	–	42

Auditors fees for the company were £1,264 (2011 – £1,392).

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2011 *£000*	*2012* *£000*
Wages and salaries	2,679	3,415
Social security costs	276	350
Other pension costs	97	161
	3,052	3,925

The average monthly number of employees, including the directors, during the year was as follows:

	2011 *No.*	*2012* *No.*
Production	49	69
Administration	10	16
Management	14	27
	73	112

6. Directors' remuneration

	2011 *£000*	*2012* *£000*
Emoluments	901	947
Group pension contributions to defined contribution pension schemes	39	70

During the year retirement benefits were accruing to 13 directors (2011 – 9) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £144,000 (2011 – £113,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,000 (2011 – £5,000).

As explained in note 28, Mr A Wall charged consultancy services to the group of £14,642 (2011 – £23,447).

7. Interest payable

	2011 *£000*	*2012* *£000*
On bank loans	3	0
On other loans	–	94
On finance leases and hire purchase contracts	3	2
Other interest payable	–	19
	6	115

8. Taxation

	Year ended 30 September 2011 £000	*Year ended 30 September 2012 £000*
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	775	932
Adjustments in respect of prior periods	(88)	(149)
	687	783
Foreign tax on income for the year	5	–
Total current tax	692	783
Deferred tax (see note 16)		
Origination and reversal of timing differences	(27)	(32)
Tax on profit on ordinary activities	665	751

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 – lower than) the standard rate of corporation tax in the UK of 25% (2011 – 27%). The differences are explained below:

	2011 £000	*2012 £000*
Profit on ordinary activities before tax	2,582	3,619
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2011 – 27%)	697	905
Effects of:		
Non-tax deductible amortisation of goodwill	6	9
Expenses not deductible for tax purposes, other than goodwill amortisation18	8	
Depreciation for year in excess of capital allowances	12	16
Utilisation of tax losses	(10)	(45)
Taxes on overseas earnings	5	(18)
Adjustments to tax charge in respect of prior periods	(88)	(149)
Other timing differences leading to an increase (decrease) in taxation	28	57
Unrelieved loss on foreign subsidiaries	23	–
Current tax charge for the year (see note above)	692	783

Factors that may affect future tax charges

The Chancellor of the Exchequer announced in his budget on 23 March 2012 that the UK corporation tax rate will reduce to 22 per cent. by 2014. A reduction in the rate from 26 per cent. to 25 per cent. (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24 per cent. (effective from 1 April 2012) and 23 per cent. (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. On 5 December 2012 the Chancellor of the Exchequer announced in his Autumn Statement that the rate of corporation tax would be further reduced to 21 per cent. from 1 April 2014 and on 20 March 2013 the Chancellor of the Exchequer announced in the 2013 Budget that the rate of corporation tax would be reduced further to 20 per cent. from 1 April 2015.

The group has losses of approximately £212,000 that can be carried forward and utilised against future profits.

9. Intangible fixed assets

	Patents & trademarks £000	Goodwill £000	Total £000
Cost			
At 1 October 2010	224	648	872
Additions	150	367	517
Foreign exchange movement	–	(20)	(20)
At 1 October 2011	374	995	1,369
Additions	–	3,391	3,391
Foreign exchange movement	–	(15)	(15)
At 30 September 2012	374	4,371	4,745
Amortisation			
At 1 October 2010	224	208	433
Charge for the year	20	64	84
At 1 October 2011	244	273	517
Charge for the year	20	167	187
Impairment charge	110	–	110
At 30 September 2012	374	440	814
Net book value			
At 30 September 2012	–	3,931	3,931
At 30 September 2011	130	722	852

Acquisition of 5M Enterprises Plc

In the year ended 30 September 2010 the group acquired a further 51.84 per cent. interest in the ordinary share capital of its subsidiary undertaking 5M Enterprises Plc which takes its holding to 98.5 per cent.

The consideration included:

1. The acquisition of a further 114,457 ordinary shares of £1 issued by 5M Enterprises Plc for a consideration of £1,026,679.
2. The purchase of 46,636 ordinary shares of £1 each from existing shareholders for a consideration (including costs) of £420,425. Mr J Muirhead and Ms P Tams exchanged their shares in 5M Enterprises Plc for shares in Benchmark Holdings Plc with the balance of the shares held by The Benchmark Holdings Plc Executive Pension Scheme acquired for cash of £206,258.

The share of net assets at the date of the transaction were £1,080,142. The directors consider that these equate to the fair value of the assets acquired and accordingly no adjustment was required. The goodwill arising was £366,961 and is being amortised to the profit and loss account in accordance with the accounting policy.

10. Tangible fixed assets

	Long Term Leasehold Property £000	*Plant and machinery £000*	*Websites £000*	*E commerce infrastructure £000*	*Other fixed assets £000*	*Total £000*
Cost						
At 1 October 2010	202	1,051	281	116	253	1,903
Additions	–	82	177	73	151	483
Disposals	–	(14)	–	–	–	(14)
Foreign exchange Movement	–	(9)	–	–	–	(9)
At 30 September 2011	202	1,110	458	189	404	2,363
Additions	143	55	57	49	418	722
Disposals	–	(73)	–	–	–	(73)
On acquisition of Subsidiaries	600	250	–	–	–	850
Impairment charge	–	–	–	(42)	–	(42)
Foreign exchange Movement	–	(12)	–	–	–	(12)
At 30 September 2012	945	1,330	515	196	822	3,808
Depreciation						
At 1 October 2010	26	556	188	20	145	935
Charge for the year	4	89	67	19	46	225
On disposals	–	(6)	–	–	–	(6)
At 1 October 2011	30	639	255	39	191	1,154
Charge for the year	17	138	73	37	60	325
On disposals	–	(30)	–	–	–	(30)
At 30 September 2012	47	747	328	76	251	1,449
Net book value						
At 30 September 2012	898	583	187	120	571	2,359
At 30 September 2011	172	471	203	150	213	1,209

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2011 £000	*2012 £000*
Plant and machinery	80	49

11. Stocks

	2011 £000	2012 £000
Raw materials	322	3,917
Finished goods and goods for resale	1,756	915
	2,078	4,832

12. Debtors

	2011	*2012*
	£000	*£000*
Due after more than one year		
Other debtors (see note 28)	193	82
Deferred tax asset (see note 15)	–	44
Due within one year		
Trade debtors	1,861	4,813
Other debtors (see note 28)	400	323
Prepayments and accrued income	64	356
Amounts recoverable on long term contracts	27	8
Deferred tax asset (see note 15)	44	33
	2,590	5,659

13. Creditors: Amounts falling due within one year

	2011	2012
	£000	£000
Bank loans and overdrafts	336	1,698
Net obligations under finance leases and hire purchase contracts	27	15
Trade creditors	565	1,918
Corporation tax	712	932
Social security and other taxes	87	149
Other creditors (see note 30)	38	795
Accruals and deferred income	632	844
	2,396	6,352

14. Creditors: Amounts falling due after more than one year

	2011	*2012*
	£000	*£000*
Bank loans	–	2,784
Other loans	60	60
Net obligations under finance leases and hire purchase contracts	20	5
Other creditors	18	24
	98	2,873
Between one and five years	20	5

Finance lease and hire purchase creditors and secured on the assets concerned.

The bank loan is secured by a cross company guarantee. The interest rate on the loan is LIBOR plus 4.5 per cent. per annum. The repayment terms are £180,000 per quarter for a period of five years.

Bank loans due in one year and more than one year include loan arrangement fees of £144,000 which are being amortised over the life of the load of five years.

15. Deferred tax asset

	2011	*2012*
	£000	*£000*
At beginning of year	17	44
Released during the year	27	32
At end of year	44	77

The deferred tax asset is made up as follows:

	2011	2012
	£000	£000
Accelerated capital allowances	(31)	(14)
Tax losses	4	32
Other timing differences	71	58
	44	77

16. Provisions

	Legal fees provision £000	*Repairs provision £000*	*Onerous contract provision £000*	*Total £000*
At 1 October 2010	400	15	60	475
Additions	110	–	15	125
Amounts used	(60)	–	–	(60)
At 1 October 2011	450	15	75	540
Additions	96	40	16	153
Amounts used	(16)	–	(91)	(108)
At 30 September 2012	530	55	–	585

Legal fees provision

There is an ongoing legal dispute involving FVG Plc, a subsidiary company, relating to the use of the Salmosan trademark in Spain for an entirely different product. In addition there are a number of further ongoing disputes, including one relating to improper usage of the Salmosan product and the other relating to a dispute regarding a distribution agreement. At the year end, the directors reviewed the adequacy of the provision based on current information concerning the dispute and consider that it should be increased by £80,000 to £530,000 (2011 – £450,000). The directors consider this to be a reasonable estimate of the potential legal costs that will be incurred in defending the company's position.

Repairs provision

Under property operating lease agreements, FAI Farms Plc, a subsidiary company, has an obligation to maintain all properties to the standard that prevailed at the inception of the lease. The directors estimate the costs of this obligation at £15,000 (2011 – £15,000). Further provisions have been established in Benchmark Vaccines Plc on acquisition of the trade assets for the tenant repairing lease in Braintree. The directors estimate the likely cost to make the repair at the acquisition date is £40,000. This estimate has not changed at the balance sheet date.

Onerous contract provision

The group were committed to funding the costs of an ongoing project for which no future revenues are anticipated. During the year the provision was fully utilised.

The Company has no provisions.

17. Share Capital

	2011 £000	2012 £000
Allotted, called up and fully paid		
91,711 (2011 93,266) Ordinary shares of £1 each	93	92

On 8 April 2011 Benchmark Holdings Plc repurchased 1,707 £1 ordinary shares with an aggregate nominal value of £1,707 from A E Wall, a director of the company, using the available distributable reserves of the company. The consideration paid was £187.20 per share and the amount charged to distributable reserves including costs was £321,148.

On 13 May 2011, Benchmark Holdings Plc issued a total of 1,665 ordinary £1 shares with an aggregate nominal value of £1,665 to directors of companies within the group. The consideration was £187.20 per share and the premium arising of £310,023 has been credited to the share premium account.

On 6 April 2012 Benchmark Holdings Plc repurchased 1,555 £1 ordinary shares with an aggregate nominal value of £1,555 from A E Wall, a director of the company, using the available distributable reserves of the company. The consideration paid was £187.20 per share and the amount charged to distributable reserves including costs was £292,558.

Employee share option scheme

Options exist over 2,920 £1 ordinary shares (2011 – 1,500 £1 ordinary shares) in the company and the exercise price is the nominal value of £1 per share. During the year 1,420 share options were granted. Further details of the individual schemes has been disclosed within note 29.

18. Reserves

	Share premium account £000	Capital redemption reserve £000	Foreign exchange reserve £000	Share based payment reserve £000	Profit and loss account £000
At 1 October 2010	383	–	62	–	3,168
Profit for the year	–	–	–	–	1,943
Dividends: Equity capital	–	–	–	–	(209)
Purchase of own shares	–	–	–	–	(321)
Premium on shares issued during the year	310	–	–	–	–
Transfer on purchase of own shares	–	2	–	–	–
Movement on foreign exchange	–	–	(43)	–	–
Movement on share based payment reserve	–	–	–	99	–
At 30 September 2011	693	2	20	99	4,581
At 1 October 2011	693	2	20	99	4,581
Profit for the year	–	–	–	–	2,867
Dividends: Equity capital	–	–	–	–	(194)
Purchase of own shares	–	–	–	–	(293)
Transfer on purchase of own shares	–	2	–	–	–
Movement on foreign exchange	–	–	(30)	–	–
Movement on other reserves	–	–	–	135	–
At 30 September 2012	693	3	(10)	234	6,962

19. Reconciliation of movement in shareholders' funds

	2011	*2012*
	£000	*£000*
Group		
Opening shareholders' funds	3,707	5,488
Profit for the year	1,943	2,867
Dividends	(209)	(194)
Shares issued during the year	2	–
Purchase of own shares	(321)	(293)
Share premium on shares issued (net of expenses)	310	–
Movement on foreign exchange reserve	(43)	(30)
Share based payment reserve	99	135
Closing shareholders' funds	5,488	7,974

20. Dividends

	2011	*2012*
	£000	*£000*
Dividends paid on equity capital	209	194

21. Minority interests

Equity

	£000
At 1 October 2010	90
Proportion of profit/(loss) after taxation for the year	(25)
Purchase of minority interests	(48)
At 30 September 2011	16
At 1 October 2011	16
Proportion of profit after taxation for the year	1
At 30 September 2012	17

22. Acquisitions and disposals

Acquisitions – year ended 30 September 2012

	Vendors' book value £000	*Fair value adjustments £000*	*Fair value to the group £000*
Assets and liabilities acquired			
Tangible fixed assets	850	–	850
Stocks	3,006	–	3,006
Other creditors and provisions	–	(40)	(40)
Net assets acquired	3,856	(40)	3,816

Satisfied by:

Consideration:	
Cash	6,000
Deferred consideration	1,015
Acquisition costs	193
	7,207
Goodwill arising on consolidation (see note 9)	3,391

Benchmark Vaccines Plc is a subsidiary of Benchmark Holdings Plc. The entity was incorporated in May 2012 in order to hold the assets acquired in the deal and therefore the entity did not trade in the period prior to the acquisition on 31 August 2012.

The terms of the sale and purchase agreement state that the deferred consideration will be offset against invoiced sales made to the vendor following the acquisition until the full amount has been discharged.

23. Net cash flow from operating activities

	2011 £000	*2012 £000*
Operating profit	2,560	3,723
Share based payment expense	99	135
Amortisation of intangible fixed assets	170	297
Depreciation of tangible fixed assets	225	367
Profit on disposal of tangible fixed assets	3	10
Decrease/(increase) in stocks	(1,210)	252
(Increase)/decrease in debtors	674	(3,037)
Increase/(decrease) in creditors	(84)	1,373
Increase in provisions	65	5
Net cash inflow from operating activities	2,502	3,125

24. Analysis of cash flows for headings netted in cash flow statement

	2011 £000	2012 £000
Returns on investments and servicing of finance		
Interest received	28	12
Interest paid	(6)	(95)
Hire purchase interest	–	(2)
Net cash (outflow)/inflow from returns on investments and servicing of finance	23	(85)
Taxation		
Corporation tax	(958)	(581)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(616)	(722)
Sale of tangible fixed assets	5	33
Net cash outflow from capital expenditure	(611)	(689)
Acquisitions and disposals		
Purchase of increased interest in minority	(206)	–
Acquisition of subsidiary	–	(6,193)
Net cash outflow from acquisitions and disposals	(206)	(6,193)
Financing		
Issue of ordinary shares	98	–
Purchase of ordinary shares	(321)	(293)
New secured loans	–	3,460
Repayment of finance leases	(29)	(27)
Net cash inflow/(outflow) from financing	(253)	3,140

25. Analysis of changes in debt

	1 October 2010 £000	Cash flow £000	Other non-cash changes £000	30 September 2011 £000
Cash at bank and in hand	1,741	68	–	1,809
Bank overdraft	(370)	34	–	(336)
	1,371	102	–	1,474
Finance leases	(59)	29	(17)	(47)
Debts falling due after more than one year	(60)	–	–	(60)
Net funds	1,253	131	(17)	1,366

	1 October 2011 £000	Cash flow £000	Other non-cash changes £000	30 September 2012 £000
Cash at bank and in hand	1,809	(790)	–	1,019
Bank overdraft	(336)	(686)	–	(1,022)
	1,474	(1,477)	–	(3)
Finance leases	(47)	27	–	(20)
Debts due within one year	–	(676)	–	(676)
Debts falling due after more than one year	(60)	(2,784)	–	(2,844)
Net funds	1,366	(4,909)	–	(3,543)

26. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £160,868 (2011 – £69,675). Contributions totalling £20,903 (2011 – £18,290) were payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitments

At 30 September 2012 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2011 £000	2012 £000
Expiry date:		
Within 1 year	3	17
Between 2 and 5 years	158	241
After more than 5 years	190	190

28. Related party transactions

Included within debtors/(creditors) due within one year are the following balances:

	2011 £000	2012 £000
Benchmark Holdings Plc Executive Pension Scheme	201	47
Directors' loan accounts	6	6
Benchmark Holdings Executive Pension Scheme	–	–
	207	53

Included within debtors/(creditors) due after more than one year are the following balances:

	2011 £000	2012 £000
Benchmark Holdings Plc Executive Pension Scheme	111	–
Director's loan account	(60)	(60)
	51	(60)

Included within other debtors is a loan from Benchmark Holdings Plc to the Benchmark Holdings Plc Executive Pension Scheme in the previous year which has now been fully repaid. The balance of capital and interest outstanding at the year end is £Nil (2011 – £311,814), of which £Nil (2011 – £110,645 (net of advance payments of capital and interest)) is due after more than one year. Capital payments of £303,165 (2011 – £2,169) have been made at the year end.

Interest was charged on the loan at 5 per cent. above the base rate of Barclays Bank Plc. Interest received in the year amounted to £15,263 (2011 – £16,755). In 2011, £8,199 of this was receivable and included within other debtors due in one year. The loan was secured on the property to which it relates, located at 8 Smithy Wood Drive, Sheffield S35 1QN.

Included within other debtors due within one year are payments made by Benchmark Holdings Plc on behalf of Benchmark Holdings Plc Executive Pension Scheme amounting to £47,442. Subsequent to the year end these payments have been reimbursed to Benchmark Holdings Plc.

During the year the group was charged £36,000 (2011 – £36,000) by the Benchmark Holdings Plc Executive Pension Scheme in respect of property rental. In addition the group has paid a rental deposit of £36,000 to the Benchmark Holdings Plc Executive Pension Scheme and this amount is included within other debtors due after more than one year as at 30 September 2012 (2011 – £36,000).

During the year the group was charged £14,642 (2011 – £23,447) by A E Wall, a director, for the provision of consultancy services.

At the balance sheet date, included in other creditors are amounts due to the following directors:

M D F Pye: £59,999 (2011 – £59,999)

At the balance sheet date, included in other debtors are amounts due from the following directors:

D I Cox: £5,759 (2011 – £5,759)

Interest is charged on the loan to D I Cox at a fixed rate of 4.75 per cent.

Purchase of own shares

On 8 April 2011 Benchmark Holdings Plc entered into an unconditional agreement with A E Wall, a director of Benchmark Holdings Plc, to repurchase his minority shareholding using the available distributable reserves of the company. A total of 4,666 shares representing 5 per cent. of the company's voting rights was repurchased at a price of £187.20 per share. Benchmark Holdings Plc repurchased the second tranche of 1,555 shares on 6 April 2012 for a consideration of £291,096.

The final tranche amounting to 1,404 shares were repurchased on 8 April 2013.

Dividends paid to directors

Dividends declared in the year amounted to £194,160 (2011 – £208,690) and were paid to the directors of the company and directors of subsidiary undertakings on 21 December 2011 and 4 July 2012. The amounts paid are analysed below:

	2011 *£000*	*2012* *£000*
R J Bonney	48	47
P A Cook	16	16
D I Cox	10	10
R Layton	48	47
J M Muirhead	16	17
M D F Pye	48	47
P J Southgate	10	10
A E Wall	10	–
J Marshall	–	–
K Lawless	–	–
M Gooding	–	–
Hornbuckle Mitchell Trustees Ltd	–	1
P Tams	–	1
Total	209	194

29. Share options

The group operates two EMI based equity settled share option schemes for certain employees. Options are exercisable at a price equal to the nominal value of the parent company's shares. The vesting period in respect of both of the schemes is detailed below. 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 schemes are as follows:

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

Share options issued August 2010

Share options outstanding at the year end had a weighted average exercise price of 100.00p (2011 – 100.00p), and a weighted average remaining contractual life of 12 months.

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 £100,343 (2011 – £98,661). This has been reflected in the profit and loss account and included within administrative expenses. The balance of the fair value of the share based payment reserve at the year end is in respect of these options is £199,004 (2011 – £98,661).

Share options issued June 2012

Share options outstanding at the year end had a weighted average exercise price of 100.00p, and a weighted average remaining contractual life of 24 months.

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 £35,062. This has been reflected in the profit and loss account and included within administrative expenses. The balance of the fair value of the share based payment reserve at the year end is respect of these options is £35,062.

The balance on the share options reserve at the year end is £234,066 (2011 – £98,661). The total charge reflected in the profit and loss account and included within administrative expenses was £135,403 (2011 – £98,661).

30. Post balance sheet events

Details of post balance events are included in the financial information for the group for the two years ended 30 September 2013 as prepared under International financial reporting Standards set out in Section B of Part III of the Admission Document.

31. Controlling party

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

BDO

BDO LLP
Regent House
Clinton Avenue
Nottingham
NG5 1AZ

12 December 2013

The Directors
Benchmark Holdings plc
Benchmark House
Smithy Wood Drive
Sheffield
S35 1QN

Cenkos Securities plc
6.7.8 Tokenhouse Yard
London
EC2R 7AS

Dear Sirs

Benchmark Holdings plc (the "Company") and its subsidiary undertakings (together, the "Group")

Introduction

We report on the financial information set out in Section B of Part III. This financial information has been prepared for inclusion in the admission document dated 12 December 2013 of Benchmark Holdings plc (the "Admission Document") on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

The directors of the Company are responsible for preparing the financial information in accordance with applicable International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 30 September 2012 and 30 September 2013 and of its profits, cash flows, recognised gains and losses for each of the two financial years ended 30 September 2013 in accordance with the applicable International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

DRAFT

BDO LLP
Chartered Accountants

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

SECTION B – HISTORICAL FINANCIAL INFORMATION ON BENCHMARK HOLDINGS PLC FOR THE TWO YEARS ENDED 30 SEPTEMBER 2013, IFRS

The consolidated historical financial information set out below of Benchmark Holdings Plc, for the two years ended 30 September 2013 has been prepared by the directors of Benchmark Holdings Plc.

Consolidated income statement

	Note	*Year ended 30 September 2012 £000*	*Year ended 30 September 2013 £000*
Revenue	(4)	18,546	27,543
Cost of sales	(6)	(10,687)	(14,766)
Gross profit		7,859	12,777
Other income	(5)	177	111
Administrative expenses		(4,398)	(7,784)
Profit from operations	(6)	3,638	5,104
Finance expense	(10)	(115)	(259)
Finance income	(10)	11	8
Profit before tax		3,534	4,853
Tax expense	(11)	(751)	(560)
Profit for the year		2,783	4,293

Consolidated statement of other comprehensive income

	Note	*Year ended 30 September 2012 £000*	*Year ended 30 September 2013 £000*
Profit for the year		2,783	4,293
Other comprehensive income			
Movement on foreign exchange reserve	(23)	(29)	(5)
Total other comprehensive income		(29)	(5)
Total comprehensive income		2,754	4,288
Profit for the year attributable to:			
Owners of the parent		2,782	4,294
Non-controlling interest		1	(1)
		2,783	4,293
Total comprehensive income attributable to:			
Owners of the parent		2,753	4,289
Non-controlling interest		1	(1)
		2,754	4,288

Consolidated statement of financial position

	Note	*30 September 2012 £000*	*30 September 2013 £000*
Assets			
Non-current assets			
Property, plant and equipment	(12)	2,172	3,572
Intangible assets	(13)	4,032	3,674
Other receivables	(16)	82	–
Deferred tax assets	(21)	144	241
Total non-current assets		6,430	7,487
Current assets			
Inventories	(15)	4,551	4,203
Agricultural assets	(15)	413	507
Trade and other receivables	(16)	5,501	6,969
Cash and cash equivalents	(31)	1,019	3,250
Total current assets		11,484	14,929
Total assets		17,914	22,416
Liabilities			
Current liabilities			
Trade and other payables	(17)	(3,839)	(5,069)
Loans and borrowings	(18)	(1,713)	(2,244)
Corporation tax liability		(932)	(857)
Provisions	(19)	–	–
Total current liabilities		(6,484)	(8,170)
Non-current liabilities			
Loans and borrowings	(18)	(2,849)	(2,199)
Other payables	(17)	(24)	–
Provisions	(19)	(585)	(135)
Total non-current liabilities		(3,458)	(2,334)
Total liabilities		(9,942)	(10,504)
Net assets		7,972	11,912
Issued capital and reserves attributable to owners of the parent			
Share capital	(22)	92	90
Share premium reserve	(23)	693	693
Capital redemption reserve	(23)	3	5
Share based payment reserve	(23)	301	626
Foreign exchange reserve	(23)	(10)	(15)
Retained earnings	(23)	6,876	10,497
Equity attributable to equity holders of the parent		7,955	11,896
Non-controlling interest		17	16
Total equity and reserves		7,972	11,912

Consolidated statement of cash flows

	Note	*Year ended 30 September 2012 £000*	*Year ended 30 September 2013 £000*
Cash flows from operating activities			
Profit for the year		3,534	4,853
Adjustments for:			
Depreciation of property, plant and equipment	(12)	252	347
Impairment of property, plant and equipment	(12)	42	–
Amortisation of intangible fixed assets	(13)	153	784
Impairment losses on intangible assets	(13)	110	–
Finance income	(10)	(11)	(8)
Finance expense	(10)	115	259
Loss/(gain) on sale of property, plant and equipment		1	3
Share-based payment expense	(27)	135	233
Income tax expense		27	–
		4,358	6,471
Increase in trade and other receivables		(3,101)	(1,483)
Decrease in inventories		120	254
Increase in trade and other payables		1,480	1,268
Increase in provisions		5	(450)
		2,862	6,060
Income taxes paid		(500)	(542)
Net cash flows from operating activities		2,362	5,518
Investing activities			
Acquisition of subsidiary, net of cash acquired	(28)	(6,000)	(280)
Purchases of property, plant and equipment	(12)	(666)	(1,748)
Sale of property, plant and equipment		42	–
Purchase of intangibles	(10)	(56)	(156)
Interest received	(10)	(104)	(251)
Net cash used in investing activities		(6,784)	(2,435)
Financing activities			
Purchase of ordinary shares		(293)	(272)
Proceeds from bank borrowings		3,460	145
Repayment of bank borrowings		–	(876)
New finance leases		–	112
Payments to finance lease creditors		(27)	42
Dividends paid to the holders of the parent	(20)	(194)	(401)
Net cash (used in)/from financing activities		2,946	(1,334)
Net increase/(decrease) in cash and cash equivalents		(1,476)	1,749
Cash and cash equivalents at beginning of year		1,473	(3)
Cash and cash equivalents at end of year	(31)	(3)	1,746

Consolidated statement of changes in equity for the year ended 30 September

	Share capital (note 22) £000	Share premium reserve (note 23) £000	Capital redemption reserve (note 23) £000	Foreign exchange reserve (note 23) £000	Share based payment reserve (note 23) £000	Retained earnings (note 23) £000	Total attributable to equity holders of parent £000	Non-controlling interest £000	Total equity £000
1 October 2011	93	693	2	19	135	4,581	5,523	16	5,539
Comprehensive Income for the year									
Profit for the year	–	–	–	–	–	2,782	2,782	1	2,783
Deferred tax on share options	–	–	–	–	31	–	31	–	31
Other comprehensive income (Note 24)	–	–	–	(29)	–	–	(29)	–	(29)
Total comprehensive income for the year	–	–	–	(29)	31	2,782	2,784	1	2,785
Contributions by and distributions to owners									
Dividends	–	–	–	–	–	(194)	(194)	–	(194)
Equity share options issued	–	–	–	–	–	–	–	–	–
Share based payment	–	–	–	–	135	–	135	–	135
Shares purchased for cancellation	(1)	–	1	–	–	(293)	(293)	–	(293)
Total contributions by and distributions to owners	(1)	–	1	–	135	(487)	(352)	–	(352)
30 September 2012	92	693	3	(10)	301	6,876	7,955	17	7,972

	Share capital (note 22) £000	Share premium reserve (note 23) £000	Capital redemption reserve (note 23) £000	Foreign exchange reserve (note 23) £000	Share based payment reserve (note 23) £000	Retained earnings (note 23) £000	Total attributable to equity holders of parent £000	Non-controlling interest £000	Total equity £000
1 October 2012	92	693	3	(10)	301	6,876	7,955	17	7,972
Comprehensive Income for the year									
Profit for the year	–	–	–	–	–	4,294	4,294	(1)	4,293
Deferred tax on share options	–	–	–	–	92	–	92	–	92
Other comprehensive income (Note 24)	–	–	–	(5)	–	–	(5)	–	(5)
Total comprehensive income for the year	–	–	–	(5)	92	4,294	4,381	(1)	4,380
Contributions by and distributions to owners									
Dividends	–	–	–	–	–	(401)	(401)	–	(401)
Equity share options issued	–	–	–	–	–	–	–	–	–
Purchase of treasury shares by ESOP	–	–	–	–	–	–	–	–	–
Share based payment	–	–	–	–	233	–	233	–	233
Shares purchased for cancellation	(2)	–	2	–	–	(272)	(272)	(272)	–
Total contributions by and distributions to owners	(2)	–	2	–	233	(673)	(440)	–	(440)
30 September 2013	90	693	5	(15)	626	10,497	11,896	16	11,912

Notes to the consolidated financial information

1. Accounting policies

Basis of preparation

The principal accounting policies adopted in the preparation of the financial information are set out below. The policies have been consistently applied to all the years presented.

This financial information has 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 information in accordance with IFRS.

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

Basis of consolidation

The consolidated financial information comprises the financial information of the Group and its subsidiaries at 30 September 2012 and 2013. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and continued to be consolidated until the date when such control ceases.

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial information presents 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 information incorporates the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

Standards issued but not effective

Group's financial information are disclosed below. The following new standards, interpretations and amendments, which have not been applied in this financial information will or may have an effect on the Group's future financial information.

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

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

IFRS 9 Financial Instruments: Classification and Measurement

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

IFRS 10 Consolidated Financial Statements

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

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

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

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial information, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries. A number of new disclosures are also required, but has no impact on the Group's financial position or performance.

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

IFRS13 Fair Value Measurement

IFRS13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance, but based on preliminary analyses, no material impact is expected. This standard becomes effective for annual periods beginning on or after 1 January 2013.

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

Revenue

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

Sale of goods

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

Within Benchmark Sustainability Science, revenue from the sales of agricultural produce is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer usually on delivery.

Rendering of services

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

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

Business combinations and Goodwill

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

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

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

Non-controlling interests

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

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

Impairment tests on goodwill are undertaken annually at the financial year end or at any other time when an indication of impairment arises. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

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

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

Foreign currency

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

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

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

Exchange differences recognised in the income statement in the Group entities' separate financial information 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 receivables

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

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

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

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

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

Financial liabilities

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

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

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.

Where equity instruments are granted to persons other than employees, the consolidated income statement is charged with the fair value of goods and services received.

Leased assets

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

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

Externally acquired intangible assets

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

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

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

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

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

Internally generated intangible assets (development costs)

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

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

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

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

Deferred taxation

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

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

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

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

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

- the same taxable Group company; or

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

Property, plant and equipment

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

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

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

Inventories

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

Livestock

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

Government grants

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

Provisions

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

Cash and cash equivalents

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

Dividends

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

2. Critical accounting estimates and judgements

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

Estimates and assumptions

(a) *Impairment of goodwill*

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

(b) *Legal proceedings*

The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial information. 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 information but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

(c) *Valuation of goodwill, contracts and licences*

The Group values goodwill at cost and conducts annual impairment reviews to consider whether the goodwill has suffered any impairment. The valuation of contracts and licences acquired as part of a business combination has been calculated based upon value in use which requires the use of a discount rate in order to calculate the present value of cash flows. These intangibles are reviewed annually for impairment.

(d) *Income taxes*

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

(e) *Share-based payments*

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

3. Financial instruments – Risk Management

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

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

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this financial information. 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

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

Financial assets

	Loans and receivables	
	2012	*2013*
	£000	*£000*
Cash and cash equivalents	1,019	3,250
Trade and other receivables	4,814	5,853
Total financial assets	5,833	9,103

Financial liabilities

	Financial liabilities at amortised cost	
	2012	*2013*
	£000	*£000*
Trade and other payables	3,530	4,649
Loans and borrowings	4,562	4,443
Total financial liabilities	8,092	9,092

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

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Group Finance Director through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

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

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is

Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

General objectives, policies and processes

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

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 16.

Fair value and cash flow interest rate risk

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

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

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

Foreign exchange risk

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

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

Liquidity risk

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

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

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

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

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

	Up to 3 months £'000	*Between 3 and 12 months £'000*	*Between 1 and 2 year £'000*	*Between 2 and 5 years £'000*	*Over 5 years £'000*
At 30 September 2012					
Trade and other payables	3,839	–	24	–	–
Loans and borrowings	1,713	–	2,849	–	–
Total	5,552	–	2,873	–	–

Capital Disclosures

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

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

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

The Group monitors capital on the basis of the debt to adjusted capital ratio. This ratio is calculated as net debt adjusted capital as defined above. Net debt is calculated as total debt (as shown in the consolidated statement of financial position) less cash and cash equivalents.

Due to recent market uncertainty, the Group's strategy is to preserve a strong cash base and achieve a debt-to-adjusted-capital ratio of approximately 10-12% (2012: 12-15%). The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating.

4. Revenue

Revenue arises from:

	2012 £000	*2013 £000*
Sale of goods	15,824	24,117
Provision of services	2,722	3,428
	18,546	27,543

5. Other income

	2012 £000	2013 £000
Grants receivable	177	111

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

6. Expenses by nature

	2012 £000	2013 £000
Changes in inventories of finished goods and work in progress	823	(2,728)
Write-down of inventory to net realisable value	–	(215)
Raw materials and consumables used	6,970	10,803
Staff costs (see note 8)	4,061	7,064
Depreciation of property, plant and equipment (incl. impairment)	294	347
Amortisation of intangible assets*	153	784
Impairment of intangible assets*	110	–
Research and development costs	235	752
Foreign exchange (gains)	1	37
Operating lease expense:		
Property	259	295
(profit)/loss on disposal of property, plant and equipment	1	3
Transportation expenses	150	360
Advertising expenses	136	187
Other costs	1,615	4,556
Non-recurring costs:		
Legal fee provision	80	–
Unwind of legal fee provision	–	(356)
Acquisition costs	192	–
Integration costs	–	100
Pre IPO costs	–	162
Total cost of sales, administrative expenses, and other operating expenses	15,085	22,550

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

7. Auditors remuneration

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

8. Staff costs

	2012 £000	2013 £000
Staff costs (including directors) comprise:		
Wages and salaries	3,415	5,997
Defined contribution pension cost	161	305
Share-based payment expense (note 27)	135	233
Social security contributions and similar taxes	350	529
	4,061	7,064

The average monthly number of employees, including directors, during the year was as follows:

	2012 No.	2013 No.
Production	69	103
Administration	16	25
Management	27	23
	112	151

Key management personnel compensation and directors remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company and the directors of the Group's subsidiary undertakings.

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

Directors' remuneration

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

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

The highest paid director received remuneration of £141,000 (2012: £131,000).

The value of the Group's contributions paid to a defined contribution scheme in respect of the highest paid director amounted to £6,000 (2102: £13,000).

9. Segment information

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

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

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

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

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

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

Measurement of operating segment profit or loss, assets and liabilities

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

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

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

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

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

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

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

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

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

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

10. Finance income and expense

Recognised in income statement

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

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

11. Tax expense

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

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:

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

Changes in tax rates and factors affecting the future tax charge

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

12. Property, plant and equipment

	Freehold land and buildings £000	Long Term leasehold property improvements £000	Plant and Machinery £000	E commerce infra-structure £000	Office equipment and fixtures £000	Total £000
Cost or valuation						
Balance at 1 October 2011	–	202	1,344	188	170	1,904
Additions	–	143	77	50	396	666
Disposals	–	–	(42)	–	(31)	(73)
Foreign exchange rate movements	–	–	(12)	–	–	(12)
On acquisition of subsidiaries	–	600	250	–	–	850
Balance at 1 October 2012	–	945	1,617	238	535	3,335
Additions	700	376	535	137	–	1,748
Disposals	–	–	(13)	–	–	(13)
Balance at 30 September 2013	700	1,321	2,139	375	535	5,070

	Freehold land and buildings £000	Long Term leasehold property improvements £000	Plant and Machinery £000	E commerce infra-structure £000	Office equipment and fixtures £000	Total £000
Accumulated depreciation						
Balance at 1 October 2011	–	30	764	39	66	899
Depreciation charge for the year	–	17	101	37	97	252
Disposals	–	–	(26)	–	(4)	(30)
Impairment charge	–	–	–	42	–	42
Balance at 1 October 2012	–	47	839	118	159	1,163
Depreciation charge for the year	–	53	166	32	96	347
Disposals	–	–	(12)	–	–	(12)
Balance at 30 September 2013	–	100	993	150	255	1,498
Net book value At 1 October 2012	–	898	778	120	376	2,172
At 30 September 2013	700	1,221	1,146	225	280	3,572

The net carrying amount of property, plant and equipment includes the following amounts in respect of assets held under finance leases (note 25):

	As at 30 September 2012 £000	2013 £000
Plant and machinery	49	208

13. Intangible assets

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

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

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

14. Impairment testing of goodwill

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

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

	Animal Health 2012 £000	*Sustainability Science 2012 £000*	*Technical Publishing 2012 £000*	*Total 2012 £000*
FVG Ltd	288	–	–	288
Benchmark Vaccines Ltd	439	–	–	439
FAI Brazil	–	96	–	96
5M Enterprises Ltd	–	–	323	323
	727	96	323	1,146

	Animal Health 2013 £000	*Sustainability Science 2013 £000*	*Technical Publishing 2013 £000*	*Total 2013 £000*
FVG Ltd	288	–	–	288
Benchmark Vaccines Ltd	439	–	–	439
FAI Brazil	–	96	–	96
Dust Collective	–	120	–	120
Allan Environmental Solutions	–	150	–	150
5M Enterprises Ltd	–	–	323	323
	727	366	323	1,416

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

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

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

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

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

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

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

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

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

15. Inventories and agricultural assets

	2012 *£000*	*2013* *£000*
Inventories		
Raw materials	3,917	935
Work in progress	–	160
Finished goods and goods for resale	634	3,108
Total inventories at the lower of cost and net realisable value	4,551	4,203
Agricultural assets		
Organic sheep	156	214
Organic beef	251	287
Organic pigs	6	6
	413	507

The Group operates a commercial and research farming and technology transfer business. At 30 September 2013 it held 2,559 head of sheep, 271 head of cattle and 42 pigs. The Group had farming sales of £237,000 in the year ended 30 September 2013. The Group is exposed to financial risks arising from changes in market values of farm animals. The Group does not anticipate that prices will decline significantly in the foreseeable future and has not therefore entered into derivative or other contracts to manage the risk of decline in livestock prices. The Group reviews its outlook for livestock prices regularly in considering the need for active financial risk management.

16. Trade and other receivables

	2012 *£000*	*2013* *£000*
Group		
Trade receivables	4,852	5,890
Less: provision for impairment of trade receivables	(85)	(37)
Trade receivables – net	4,767	5,853
Loans to related parties	47	–
Total financial assets other than cash and cash equivalents classified as loans and receivables	4,814	5,853
Prepayments	356	221
Other receivables	413	895
Total trade and other receivables	5,583	6,969
Less: non-current portion	(82)	–
Current portion	5,501	6,969

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

	2012 *£000*	*2013* *£000*
Up to 3 months overdue	2,426	1,296
3 to 6 months overdue	155	221
6 to 12 months overdue	–	–
	2,581	1,517

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

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

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

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

In accordance with the accounting policy on revenue recognition £596,000 (2012: £nil) has been derecognised from trade receivables as it is subject to a specific return clause.

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

17. Trade and other payables

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

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

18. Loans and borrowings

Group

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

	Book Value 2012 £000	*Fair Value 2012 £000*	*Book Value 2013 £000*	*Fair Value 2013 £000*
Non-Current				
Bank loans secured	2,784	2,784	2,069	2,069
Other loans	60	60	60	60
Finance lease creditor (note 25)	5	5	70	70
	2,849	2,849	2,199	2,199
Current				
Overdrafts	1,022	1,022	1,504	1,504
Bank loans secured	676	676	720	720
Finance lease creditor (note 26)	15	15	20	20
	1,713	1,713	2,244	2,244
Total loans and borrowings	4,562	4,562	4,443	4,443

Finance lease creditors are secured on the assets concerned. The currency profile of the Group's loans and borrowings is all Sterling. Bank loans are secured by a full cross guarantee across the assets of the Group. The loans are also secured by a first and only charge over freehold property and a fixed and floating charge over the assets and undertakings of the Group. The bank loan is repayable in quarterly instalments of £180,031 and fully repayable by 31 August 2017.

19. Provisions

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

Legal fees provision

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

Repairs provision

Under property operating lease agreements, FAI Farms Limited, a subsidiary company, has an obligation to maintain all properties to the standard that prevailed at the inception of the lease. The directors estimate the costs of this obligation at £15,000 (2012: £55,000). Additionally, Benchmark Vaccines Limited, a subsidiary company, has a £40,000 repairs provision in respect of the premises it occupies.

Onerous contract provision

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

20. Dividends paid and proposed

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

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

21. Deferred tax

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

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

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

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

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

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:

	Asset 2012 £000	*Liability 2012 £000*	*Net 2012 £000*	*(Charged)/ credited to profit or loss 2012 £000*	*(Charged)/ credited to equity 2012 £000*
Accelerated capital allowances	–	(14)	(14)	17	–
Other temporary differences	59	–	59	(12)	–
Available losses	32	–	32	28	–
Fair value of options	67	–	67	–	31
Net tax assets/(liabilities)	158	(14)	144	33	31

	2013 £000	2013 £000	2013 £000	2013 £000	2013 £000
Accelerated capital allowances	–	(58)	(58)	(44)	–
Other temporary differences	96	–	96	37	–
Available losses	44	–	44	12	–
Fair value of options	159	–	159	–	92
Net tax assets/(liabilities)	299	(58)	241	5	92

22. Share capital

	Allotted, called up and fully paid	
	2012 £000	*2013 £000*
Ordinary shares of £1 each	92	90

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

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

Employee share option scheme

The Company introduced an employee share option scheme in 2010. Options exist over 4,239 £1 ordinary shares in the Company and the exercise price is the nominal value of £1 per share. During the year 1,319 additional options have been granted and none of the existing options lapsed (see note 24).

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 exercise after the option holder ceases to hold employment with any member of the Group.

23. Reserves

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

Reserve	*Description and purpose*
Share premium reserve	Amount subscribed for share capital in excess of nominal value.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares.
Share-based payment reserve	The share-based payment transaction reserve issued to recognise the value of equity-settled share-based payment transactions provided to employees, including management personnel, as part of their remuneration. Refer to note 28 for further details of these plans.
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of overseas operations into sterling.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

24. Analysis of amounts recognised in other comprehensive income

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

25. Leases

Finance leases

The Group leases plant and machinery with a carrying value of £208,000 (2012: £49,000). 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 2012 £000	*Interest 2012 £000*	*Present value 2012 £000*
Not later than one year	5	–	5
Later than one year and not later than five years	16	1	15
Later than five years	–	–	–
	21	1	20

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

The present values of future lease payments are analysed as:

	2012 £000	2013 £000
Current liabilities	15	20
Non-current liabilities	5	70
	20	90

Operating leases – lessee

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

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

	2012 £000	2013 £000
Not later than one year	453	533
Later than one year and not later than five years	1,373	1,411
Later than five years	2,186	2,069
	4,012	4,013

26. Retirement benefits

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

27. Share-based payment

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

The share options under the scheme are as follows:

Year ended 30 September 2012:

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

Year ended 30 September 2013:

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

Share options issues in August 2010

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

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

Share options issued in June 2012

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

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

Share options issued in August 2013

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

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

Share options issued in August 2013

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

The fair value of the EMI equity settled share options granted is estimated at the date of grant using the Black Scholes Merton model taking into account the terms and conditions on which the options were granted. The expense recognised for these options during the year was £10,000 (2012: £nil). This has been reflected in the income statement and included within administrative expenses. The balance of the fair value of the share based payment reserve at the year-end is in respect of these options is £10,000 (2012: £nil).

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

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

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

The following information is relevant in the determination of the fair value of options granted during the period under equity settled share based remuneration schemes operated by the Group.

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

28. Acquisitions

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

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

	Fair value £	*IFRS adjustment* £	*Restated value* £
Property, plant and equipment (note 12)	850	–	850
Licences (note 13)	–	1,194	1,194
Customer contracts (note 13)	–	1,565	1,565
Inventories	3,006	–	3,006
Other payables and provision	(40)	–	(40)
Goodwill arising on acquisition	–	439	439
Total net assets	3,816	3,198	7,014
Fair value of consideration paid			
Cash	6,000	–	6,000
Deferred consideration	1,014	–	1,014
Acquisition costs	193	(193)	–
Purchase consideration transferred	7,207	(193)	7,014

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

- Acquisition costs of £193,000 that arose as a result of the transaction previously treated as part of purchase consideration under UK GAAP have been recognised as part of administrative expenses in the consolidated income statement.
- Customer contracts of £1,565,000 which qualify for separate recognition under IAS 38 have been recognised as an intangible asset. This was previously included within recognised goodwill in accordance with UK GAAP, and so has resulted in a decrease in the carrying amount of goodwill.
- Licences of £1,194,000 which qualify for separate recognition under IAS38 have been recognised as an intangible asset. This was previously included within recognised goodwill under UK GAAP and has resulted in a decrease in the carrying value of goodwill.

29. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

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

	2012 *£000*	*2013* *£000*
Group pension scheme	47	37
Key management personnel	6	–
Total	53	37

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

	2012 *£000*	*2013* *£000*
Group pension scheme	–	–
Key management personnel	(60)	(60)
Total	(60)	(60)

The Group has provided several of its key management personnel with short-term loans at rates comparable to the average commercial rates of interest.

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

	Purchases		*Interest received*	
	2012 *£000*	*2013* *£000*	*2012* *£000*	*2013* *£000*
Group pension scheme	36	–	15	–

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

Group

	2012 *£000*	*2013* *£000*
Group pension scheme	36	–

Purchase of own shares

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

Dividends paid to directors

Dividends declared in the year ended 30 September 2013 amounted to £401,000 of which a total of £397,000 (2012: £194,000) was paid to the directors of the company on 20 December 2012 and 2 July 2013. The amounts paid are analysed below:

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

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

30. Contingent liabilities

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

31. Notes supporting statement of cash flows

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

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

32. Capital commitments

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

	2012 *£000*	*2013* *£000*
Contracted for but not provided	–	460

33. Events after the reporting date

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

The book value of the net assets acquired is as follows:

	£000
Property, plant and equipment	60
Inventories	87
Receivables	141
Cash	93
Payables	(245)
	136

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

On acquisition the company held trade receivables with a book value of £98,000. The Group is assessing the debtor book and is not yet in a position to accurately assess the final level of uncollectable cash flows.

The fair value of the consideration was £400,000 (£300,000 cash and £100,000 in shares). Whilst fair value adjustments may result in recognised goodwill of less than £264,000 it is expected that some goodwill will be recognised. This goodwill will represent assets, such as assembled workforce, which do not qualify for separate recognition.

34. First time adoption of IFRS

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

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

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

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

- The Group has not applied IAS 21 retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to IFRS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further differences occur.

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

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

	Note	*UK GAAP £000*	*Remeasurements £000*	*IFRS as at 1 October 2011 £000*
Assets				
Non-current assets				
Property, plant and equipment	A	1,209	(204)	1,005
Intangible assets	A	852	204	1,056
Other receivables	B	–	193	193
Deferred tax assets	C	–	80	80
Total non-current assets		2,061	273	2,334
Current assets				
Inventories	D	2,078	(332)	1,746
Agricultural assets	D	–	446	446
Trade and other receivables	B, C	2,590	(237)	2,353
Cash and cash equivalents		1,809	–	1,809
Total current assets		6,477	(123)	6,354
Total assets		8,538	150	8,668
Liabilities				
Current liabilities				
Trade and other payables	F	(1,322)	(114)	(1,436)
Loans and borrowings		(363)	–	(363)
Corporation tax liability		(712)	–	(712)
Provisions	E	–	(75)	(75)
Total current liabilities		(2,397)	(189)	(2,586)
Non-current liabilities				
Loans and borrowings		(80)	–	(80)
Other payables		(18)	–	(18)
Provisions	D	(540)	75	(465)
Total non-current liabilities		(638)	75	(563)
Total liabilities		(3,035)	(114)	(3,149)
Net assets		5,503	36	5,539
Issued capital and reserves attributable to owners of the parent				
Share capital		93	–	93
Share premium reserve		693	–	693
Capital redemption reserve		2	–	2
Share based payment reserve	C	99	36	135
Foreign exchange reserve		19	–	19
Retained earnings	D, F	4,581	–	4,581
Equity attributable to equity holders of the parent		5,487	36	5,523
Non-controlling interest		16	–	16
Total equity and reserves		5,503	36	5,539

Reconciliation of equity as at 30 September 2012

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

Reconciliation of total comprehensive income for the year ended 30 September 2012

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

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

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

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

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

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

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

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

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

A **Intangible assets** – website costs of £187,000 considered as a tangible fixed asset under UK GAAP have been re-classified to intangible assets under IFRS. There is no change in the profit for the year. Additionally, acquisition costs of £192,000 capitalised under UK GAAP have been written off under IFRS. This has reduced profit for the year by £192,000. Under UK GAAP goodwill was amortised, but under IFRS the intangible assets were classified further and there was a resultant reduction in amortisation of £106,000 which overall decreased profit and retained earnings by £86,000.

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

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

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

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

F **Cost of sales and administrative expenses** – certain salary cash, totalling £2,344,000, which were previously categorised as administrative expenses have been reclassified as cost of sales to better reflect the nature of those expenses.

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

PART IV

ADDITIONAL INFORMATION

1. Incorporation and status of the Company

The Company was incorporated and registered in England and Wales under the Companies Act 1985 on 28 November 2000 with registered number 4115910 as a private company limited by shares with the name Benchmark (Endeavour) Limited. On 25 January 2001 the Company changed its name to Benchmark Holdings Limited. On 22 November 2013 the Company re-registered as a public limited company with the name Benchmark Holdings plc.

The principal legislation under which the Company operates and under which the Ordinary Shares will be issued is the Companies Act and the regulations made thereunder.

The registered office of the Company is at Benchmark House, 8 Smithy Wood Drive, Sheffield, United Kingdom, S35 1QN.

The liability of the members of the Company is limited.

The address of the Company's website which discloses the information required by Rule 26 of the AIM Rules for Companies is www.benchmarkplc.com.

2. Share capital of the Company

The Company was incorporated with an authorised share capital of £3 divided into 3 ordinary shares of £1 each.

In keeping with the Companies Act, the articles of association of the Company do not place any limit on the number of shares which the Company may issue.

Changes in the amount of the issued share capital of the Company during the three years covered by the financial information set out in Part III of this document and up to the date of this document are as follows:

Date	*Number of ordinary shares issued/bought back*[(1)]	*Price per Share*	*Nature of transaction*
8 April 2011	Buy back and cancellation of 1,707 ordinary shares of £1 each		
13 May 2011	1,093	£1	Subscription
13 May 2011	572	£1	Issued in consideration for the acquisition of 11,938 ordinary shares of £1 each in 5M Enterprises Limited
8 April 2012	Buy back and cancellation of 1,555 ordinary shares of £1 each		
8 April 2013	Buy back and cancellation of 1,404 ordinary shares of £1 each		
14 October 2013	184	£543.48	Issued in consideration for the acquisition of 100 ordinary shares of £1 in the capital of Viking Fish Farms Limited
21 November 2013	1,500	£1	Exercise of EMI options

[(1)] The number of shares referred to in this table reflects the number of ordinary shares of £1 prior to the subdivision of such shares to be effected subject to and conditional upon Admission, as described further below.

On 18 November 2013, a resolution was passed conditionally upon Admission, pursuant to which it was resolved that each of the ordinary shares of £1 each in the capital of the Company, being all the shares in issue, be sub-divided into 1,000 shares of 0.1 penny each.

On 18 November 2013, resolutions were passed conditionally upon Admission pursuant to which:

Authorities for the Placing

(i) the Directors were unconditionally authorised in accordance with section 549 of the Companies Act to allot shares and warrants and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Companies Act up to an aggregate nominal amount of £51,300 in connection with the Placing, such authority to expire on 28 February 2014;

(ii) the Directors were empowered to allot equity securities (as defined in sub-section 560 of the Companies Act) as if sub-section 561(1) of the Companies Act did not apply during the period referred to in paragraph (i) above, provided that such power is limited to the allotment of equity securities pursuant to the Placing in accordance with the authority referred to in paragraph (i) above up to an aggregate nominal value not exceeding £51,300, such authority to expire on 28 February 2014;

General authorities

(iii) the Directors were unconditionally authorised in accordance with section 549 of the Companies Act to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Companies Act up to an aggregate nominal amount of £48,237 (or if lower, 1/3 of the Enlarged Issued Share Capital of the Company), such authority to expire on the conclusion of the next Annual General Meeting of the Company;

(iv) the Directors were unconditionally authorised in accordance with section 549 of the Companies Act to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Companies Act in connection with a rights issue in favour of the holders of equity securities up to an aggregate nominal amount of £48,237 (or if lower, 1/3 of the Enlarged Issued Share Capital of the Company), such authority to expire on the conclusion of the next Annual General Meeting of the Company, subject to such exclusions or other arrangements as may be necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements in any territory, such authority to expire on the conclusion of the next Annual General Meeting of the Company;

(v) the Directors were empowered to allot equity securities (as defined in sub-section 560 of the Companies Act) as if sub-section 561(1) of the Companies Act did not apply during the period of the authority referred to in paragraphs (iii) and (iv) above provided that such power is limited to (a) the allotment of equity securities pursuant to an issue or offering in favour of holders of equity securities in proportion to the respective number of equity securities held or deemed to be held by them, and (b) in addition to (a) up to an aggregate nominal value of £14,471.10 (or, if such aggregate nominal value exceeds 10 per cent. of the Enlarged Issued Share Capital of the Company, an amount equal to 10 per cent. of the Enlarged Issued Share Capital of the Company), such authority to expire upon the conclusion of the next Annual General Meeting of the Company; and

(vi) the Company was unconditionally authorised for the purpose of section 701 of the Companies Act to make market purchases (as defined in section 693 of the Companies Act) of Ordinary Shares provided that (i) the maximum number of Ordinary Shares authorised to be purchased is 14,471,100 (unless such number is in excess of 10 per cent. of the Enlarged Issued Share Capital of the Company, in which case the maximum number of Ordinary Shares is limited to such number as is equal to 10 per cent. of the issued share capital of the Company immediately following Admission); (ii) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 0.1 penny per share, being the nominal amount thereof; (iii) the maximum price (exclusive of expenses) which may be paid for such ordinary shares is an amount equal to the higher of (a) 5 per cent. above the average of the middle market quotations for such shares taken from AIM Appendix to The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (b) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System SETS, such authority to expire on the earlier of the conclusion of the next Annual General Meeting of the Company and 18 May 2015.

With effect immediately upon Admission, and pursuant to the authority given by the resolutions referred to in paragraphs (i) and (ii) above, 42,968,750 New Placing Shares will be allotted at the Placing Price pursuant to the Placing.

The Company's issued share capital as at the date of this document and as it is expected to be immediately following Admission is as set out below:

	Number of shares	*Nominal amount*
At the date of this document	91,991 ordinary shares of £1 each	£91,991
On Admission	136,416,750 Ordinary Shares of £0.001 each(1)	£136,416.75

Share capital reconciliation:

	At 30 September 2012	*At 30 September 2013*
Issued shares	91,711	90,307

(1) Following the sub-division referred to in this paragraph 2 above, the exercise of Vested Options over 1,457,000 Ordinary Shares and the issue of 42,968,750 New Placing Shares.

Application has been made for the Ordinary Shares to be admitted to trading on AIM. The Ordinary Shares are not listed or traded on and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.

With effect from Admission, all of the Ordinary Shares will be in registered form and, subject to the Ordinary Shares being admitted to and accordingly enabled for settlement in CREST, the Ordinary Shares will be capable of being held in uncertificated form. No temporary documents of title will be issued.

Subject to and conditional upon Admission, the Company will allot and issue 1,457,000 Ordinary Shares following the conditional exercise of the Vested Options.

42,968,750 New Placing Shares are being issued pursuant to the Placing at a price of 64 per New Placing Share which represents a premium of 63,900 per cent. over their nominal value of 0.1 penny each. No expenses are being charged to any subscriber or purchaser.

Shortly following Admission and the Placing, the Company intends to issue up to 659,955 Ordinary Shares to employees pursuant to the SIP, details of which are set out in paragraph 4.3 of this Part IV below.

Save in connection with the Placing, pursuant to the SIP or to fulfil options granted under the Share Schemes described in paragraph 4 below, there is no present intention to issue any share or loan capital in the company following Admission.

Save as set out in this document, no shares in the capital of the Company are under option or have been agreed, conditionally or unconditionally, to be put under option.

3. Articles of association

On 18 November 2013, a special resolution was passed pursuant to which the shareholders resolved to re-register the Company as a public company and, upon re-registration, to make certain amendments to the Company's articles of association. The Company was re-registered as a public company, and these amendments made to the articles of association, on 22 November 2013.

Also on 18 November 2013, a special resolution was passed pursuant to which the shareholders resolved to adopt new Articles, conditionally upon Admission, which contain provisions, *inter alia*, to the following effect:

(i) ***Voting rights***

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held and any restriction on voting referred to below, every Shareholder present in person or by proxy at a general meeting of the Company shall (unless the proxy is himself a member entitled to vote) have one vote on a show of hands and, on a poll, every Shareholder present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder.

The duly authorised representative of a corporate Shareholder may exercise the same powers on behalf of that corporation as it could exercise if it were an individual Shareholder.

A Shareholder is not entitled to vote unless all calls due from him have been paid.

A Shareholder is also not entitled to attend or vote at meetings of the Company in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 793 of the Companies Act and, having failed to comply with such notice within the period specified in such notice (being not less than 28 days from the date of service of such notice), is served with a disenfranchisement notice. Such disentitlement will apply only for so long as the notice from the Company has not been complied with or until the Company has withdrawn the disenfranchisement notice, whichever is the earlier.

(ii) ***General meetings***

The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time.

At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings, not less than 14 days' written notice must be given. The notice for any general meeting must state:

(1) whether the meeting is an annual general meeting or general meeting;

(2) the date, time and place of the meeting;

(3) the general nature of the business of the meeting; and

(4) any intention to propose a resolution as a special resolution.

All members who are entitled to receive notice under the Articles must be given notice.

Before a general meeting starts, there must be a quorum, being two members present in person or by proxy.

Each Director can attend and speak at any general meeting.

(iii) ***Dividends***

Subject to the Companies Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Companies Act, the Board may from time to time pay to the Shareholders of the Company such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to the Company.

The Board may, if authorised by an ordinary resolution, offer the holders of Ordinary Shares the right to elect to receive additional Ordinary Shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.

The Board may withhold dividends payable on shares representing not less than 0.25 per cent. by number of the issued shares of any class after there has been a failure to comply with any notice under section 793 of the Companies Act requiring the disclosure of information relating to interests in the shares concerned as referred to in paragraph 3(i) above.

(iv) ***Return of capital***

On a voluntary winding-up of the Company the liquidator may, with the sanction of a special resolution of the Company and subject to the Companies Act and the Insolvency Act 1986 (as amended), divide amongst the shareholders of the Company in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.

(v) ***Transfer of shares***

The Ordinary Shares are in registered form.

The Articles provide for shares to be held in CREST accounts, or through another system for holding shares in uncertificated form, such shares being referred to as "**Participating Securities**". Subject to such of the restrictions in the Articles as shall be applicable, any member may transfer all or any of his shares. In the case of shares represented by a certificate ("**Certificated Shares**") the transfer shall be made by an instrument of transfer in the usual form or in any other form which the Board may approve. A transfer of a Participating Security need not be in writing, but shall comply with such rules as the Board may make in relation to the transfer of such shares, a CREST transfer being acceptable under the current rules.

The instrument of transfer of a Certificated Share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members.

The Board may, in its absolute discretion and without assigning any reason therefor, refuse to register any instrument of transfer of shares, all or any of which are not fully paid.

The Board may also refuse to register a transfer unless:

(1) in the case of a Certificated Share, the instrument of transfer, duly stamped (if required) is lodged at the registered office of the Company or at some other place as the Board may appoint accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;

(2) in the case of a Certificated Share, the instrument of transfer is in respect of only one class of share; and

(3) in the case of a transfer to joint holders of a Certificated Share, the transfer is in favour of not more than four such transferees.

In the case of Participating Securities, the Board may refuse to register a transfer if the Uncertificated Securities Regulations 2001 (as amended) allow it to do so, and must do so where such regulations so require.

The Board may also decline to register a transfer of shares if they represent not less than 0.25 per cent. by number of their class and there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to in paragraph (viii) below) unless the shareholder has not, and proves that no other person has, failed to supply the required information. Such refusal may continue until the failure has been remedied, but the Board shall not decline to register:

(1) a transfer in connection with a bona fide sale of the beneficial interest in any shares to any person who is unconnected with the shareholder and with any other person appearing to be interested in the share;

(2) a transfer pursuant to the acceptance of an offer made to all the Company's shareholders or all the shareholders of a particular class to acquire all or a proportion of the shares or the shares of a particular class; or

(3) a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

(vi) ***Variation of rights***

Subject to the Companies Act, all or any of the rights attached to any class of share may (unless otherwise provided by the terms of issue of shares of that class) be varied (whether or not the Company is being wound up) either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of such holders. The quorum at any such general meeting is two persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of his shareholding. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled, on a poll, to one vote for every share of the class held by him. Except as mentioned above, such rights shall not be varied.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the Articles or the conditions of issue of such shares, be deemed to be varied by the creation or issue of new shares ranking *pari passu* therewith or subsequent thereto.

(vii) ***Share capital and changes in capital***

Subject to and in accordance with the provisions of the Companies Act, the Company may issue redeemable shares. Without prejudice to any special rights previously conferred on the holders of any existing shares, any share may be issued on terms that they are, at the option of the Company or a member liable, to be redeemed on such terms and in such manner as may be determined by the Board (such terms to be determined before the shares are allotted).

Subject to the provisions of the Articles and the Companies Act, the power of the Company to offer, allot and issue any unissued shares and any shares lawfully held by the Company or on its behalf (such as shares held in treasury) shall be exercised by the Board at such time and for such consideration and upon such terms and conditions as the Board shall determine.

The Company may by ordinary resolution alter its share capital in accordance with the Companies Act. The resolution may determine that, as between the holders of shares resulting from the sub-division, any of the shares may have any preference or advantage or be subject to any restriction as compared with the others.

(viii) ***Disclosure of interests in shares***

Section 793 of the Companies Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests. When a shareholder receives a statutory notice of this nature, he or she has 28 days (or 14 days where the shares represent at least 0.25 per cent. of their class) to comply with it, failing which the Company may decide to restrict the rights relating to the relevant shares and send out a further notice to the holder (known as a "**disenfranchisement notice**"). The disenfranchisement notice will state that the identified shares no longer give the shareholder any right to attend or vote at a shareholders' meeting or to exercise any other right in relation to shareholders' meetings.

Once the disenfranchisement notice has been given, if the Directors are satisfied that all the information required by any statutory notice has been supplied, the Company shall, within not more than seven days, withdraw the disenfranchisement notice.

The Articles do not restrict in any way the provisions of section 793 of the Companies Act.

(ix) ***Non-UK shareholders***

Shareholders with addresses outside the United Kingdom are not entitled to receive notices from the Company unless they have given the Company an address within the United Kingdom at which such notices shall be served.

(x) ***Untraced shareholders***

Subject to various notice requirements, the Company may sell any of a shareholder's shares in the Company if, during a period of 12 years, at least three dividends on such shares have become payable and no dividend has been claimed during that period in respect of such shares and the Company has received no communication from such shareholder.

(xi) ***Borrowing powers***

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital and, subject to any relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or any third party provided that the Board shall restrict the borrowings of the Company, so as to secure (in relation to its subsidiaries so far as the Board is able) that the aggregate amount for the time being of all borrowings by the Group (excluding any money owed between members of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to 3.5 times the adjusted capital and reserves of the Company.

These borrowing powers may be varied by an alteration to the Articles which would require a special resolution of the shareholders.

(xii) ***Directors***

Subject to the Companies Act, and provided he has made the necessary disclosures, a Director may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company or in which the Company is otherwise interested or a proposed transaction or arrangement with the Company.

The Board has the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175 of the Companies Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with, the interests of the Company. Any such authorisation will only be effective if the matter is proposed in writing for consideration in accordance with the Board's normal procedures, any requirement about the quorum of the meeting is met without including the Director in question and any other interested director and the matter was agreed to without such directors voting (or would have been agreed to if the votes of such directors had not been counted). The Board may impose terms or conditions in respect of its authorisation.

Save as mentioned below, a Director shall not vote in respect of any matter in which he has, directly or indirectly, any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall (in the absence of material interests other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

(1) the giving of any guarantee, security or indemnity to him or any other person in respect of money lent to, or an obligation incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiaries;

(2) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its subsidiaries for which he himself has assumed any responsibility in whole or in part alone or jointly under a guarantee or indemnity or by the giving of security;

(3) any proposal concerning his being a participant in the underwriting or sub-underwriting of an offer of shares, debentures or other securities by the Company or any of its subsidiaries;

(4) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company (or of any corporate third party through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances);

(5) any arrangement for the benefit of employees of the Company or any of its subsidiaries which does not accord to any Director any privilege or advantage not generally accorded to the employees to which such arrangement relates; and

(6) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for the benefit of any of the Directors or for persons who include Directors, provided that for that purpose "insurance" means only insurance against liability incurred by a Director in respect of any act or omission by him in the execution of the duties of his office or otherwise in relation thereto or any other insurance which the Company is empowered to purchase and/or maintain for, or for the benefit of any groups of persons consisting of or including, Directors.

The Directors shall be paid such remuneration by way of fees for their services as may be determined by the Board, save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate amount of such fees (which do not include remuneration for employment) of all Directors shall not exceed £400,000 per annum. The Directors shall also be entitled to be repaid by the Company all hotel expenses and other expenses of travelling to and from board meetings, committee meetings, general meetings or otherwise incurred while engaged in the business of the Company. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of past directors who held executive office or employment with the Company or any of its subsidiaries or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependants of any such Directors.

The Directors and officers of the Company are entitled to be indemnified against all losses and liabilities which they may sustain in the execution of the duties of their office, except to the extent that such an indemnity is not permitted by sections 232 or 234 of the Companies Act. Subject to sections 205(2) to (4) of the Companies Act, the Company may provide a Director with funds to meet his expenditure in defending any civil or criminal proceedings brought or threatened against him in relation to the Company. The Company may also provide a Director with funds to meet expenditure incurred in connection with proceedings brought by a regulatory authority and indemnify a Director in connection with the Company's activities as a trustee of a pension scheme.

The Directors are obliged to retire by rotation and are eligible for re-election at the third annual general meeting after the annual general meeting at which they were elected. Any non-executive Director who has held office for nine years or more is subject to re-election annually. Any Director appointed by the Board holds office only until the next annual general meeting, when he is eligible for re-election.

There is no age limit for Directors.

Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall not be less than 2 nor more than 10 in number.

(xiii) ***Redemption***

The Ordinary Shares are not redeemable.

(xiv) ***Electronic communication***

The Company may communicate electronically with its members in accordance with the provisions of the Companies Act.

4. Share incentive arrangements

Paragraphs 4.1 to 4.5 below summarise the Share Schemes. As at the date of this document, no options or awards have been granted under the Benchmark CSOP or the Benchmark JSOP.

Under the Benchmark SIP, one-off invitations have been made to 145 employees (representing all eligible UK resident employees) to acquire Ordinary Shares at the share price on Admission, up to a value of the lower of £1,500 and 10 per cent. of the relevant employee's salary. For each Ordinary Share purchased under the Benchmark SIP by an employee, one matching Ordinary Share will be issued to that employee. An equivalent offer has been made to 33 eligible employees overseas on substantially the same terms (subject to the requirements of applicable local law and regulations).

The maximum number of Ordinary Shares subject to options which remain unexercised at Admission is 2,739,000. These comprise options over 1,458,000 Shares which are exercisable on Admission until the first anniversary of Admission and options over 1,281,000 Shares which will become exercisable on the third anniversary of grant until the tenth anniversary of grant. These numbers of Ordinary Shares assume that the subdivision to be effected on Admission has taken place.

4.1 **The CSOP**

On 21 November 2013, the Company resolved to adopt the Benchmark CSOP conditional on Admission and HMRC approval. Part I of the Benchmark CSOP will be approved by HMRC under Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 and provides for the grant of HMRC approved options. Part II of the Benchmark CSOP provides for the grant of unapproved options.

(i) ***Eligibility***

All executive directors who are required to work not less than 25 hours per week for the Group and all employees of the Group are eligible to participate in the Benchmark CSOP, provided that such a person does not have a material interest of 30 per cent. or greater in the share capital of the Company ("**eligible employees**").

(ii) ***Grant of options***

Options may be granted to eligible employees selected by the Remuneration Committee, during the period of 42 days following the date on which the Benchmark CSOP or any amendment to the Benchmark CSOP takes effect, or the period of 42 days following the announcement of the Company's final or interim results for any financial period, or within 42 days following the occurrence of an event which the Board considers to be an exceptional event or within 42 days following any changes to legislation affecting HMRC approved share option schemes or within 42 days of an eligible employee commencing employment with the Group. If any of the above periods is a 'close period' as a result of the application of the Model Code (or as a result of the Company's equivalent internal share dealing rules) then options may be granted within 42 days of the end of the close period.

Options may be granted (at the discretion of the Remuneration Committee) on terms that their exercise is subject to the satisfaction of performance conditions. Options may also be granted on terms that their exercise will be subject to the option holder paying any employer's National Insurance contributions due in respect of the disposal or exercise of the Option. No options may be granted more than 10 years after the adoption of the Benchmark CSOP.

(iii) ***Exercise price***

The price at which an option holder may acquire Shares on the exercise of an option shall be determined by the Board, but shall be not less than the greater of the market value of an Ordinary Share at the time of grant and its nominal value.

(iv) ***Scheme limits***

The number of Ordinary Shares over which options may be granted under the Benchmark CSOP on any date shall be limited so that:

(x) the total number of Ordinary Shares issued and issuable in respect of options granted in any ten year period under the Benchmark CSOP and any other discretionary share option scheme of the Company is restricted to 10 per cent. of the Company's issued Ordinary Shares from time to time; and

(y) the total number of Ordinary Shares issued and issuable pursuant to rights granted under any employee share scheme operated by the Company in any ten year period is restricted to ten per cent. of the Company's issued Ordinary Shares from time to time.

No option may be granted to an eligible employee under Part I which would result in the aggregate exercise prices of Ordinary Shares comprised in all outstanding options granted to him under the Benchmark CSOP, when aggregated with outstanding options held under any other HMRC approved executive share option scheme established by the Company, exceeding the HMRC limit (currently £30,000). In addition, (both under Part I and II) the aggregate exercise price of options granted to an individual under any discretionary share option scheme operated by the Company or any associated company in any calendar year shall not exceed 200 per cent. of his annual salary for that year.

(v) ***Exercisability; termination of employment; change of control***

Options will normally only be exercisable by an option holder who is still an eligible employee of the Group and after the third anniversary of its date of grant and before the tenth anniversary of its date of grant. Options will normally lapse on cessation of employment save in the circumstances set out below.

Earlier exercise is permitted if the option holder dies or leaves employment through injury, disability, redundancy or retirement or where a participant leaves employment of the Group by reason of his employing company ceasing to be a member of the Group, or if the undertaking in which he is employed is sold outside the Group and in any other circumstances which the Remuneration Committee considers to be exceptional. In such circumstances options may be exercised notwithstanding that fewer than three years have passed and notwithstanding that the performance conditions have not been satisfied. If the option holder leaves in other circumstances then the Board may, acting fairly and reasonably, allow the option to be exercised, in whole or in part, early and may, acting on the recommendation of the Remuneration Committee, waive the performance conditions attaching to such award. Early exercise is also permitted in the event of a takeover, reconstruction or voluntary winding up of the Company, but the Remuneration Committee shall, in such circumstances, determine the extent to which options may be exercised taking account of the Company's performance up to that time.

If the performance conditions attaching to an option have not been satisfied at the end of the performance period then the option will lapse two months after that date, or if earlier, on the date the Board determines that the performance conditions have not been satisfied.

(vi) ***Manner of exercise***

Within 30 days of the receipt of a notice of exercise of an option, together with a payment (or arrangements to pay), of the aggregate exercise price due and a payment (or arrangements to pay), of any income tax and National Insurance contributions due, the Ordinary Shares in respect of which the option has been exercised must be issued by the Company or the Company must procure their transfer (which for the purposes of the Benchmark CSOP includes the transfer of shares out of treasury) to the option holder and shall issue a definitive certificate in respect of the Ordinary Shares allotted or transferred. Ordinary Shares issued or transferred by the Company on the exercise of options will rank pari passu with existing Shares.

(vii) ***Exchange of options on change of control***

If any company obtains control of the Company as a result of a takeover offer or the sanctioning of a scheme of arrangement under sections 895 to 899 of the Companies Act 2006 or if a company has become bound or entitled to acquire all the Ordinary Shares under sections 974 to 991 of that Act, an option holder may, by agreement with that other company, seek the release of his options in return for the grant of equivalent options over shares in that other company (subject to HMRC approval where appropriate).

(viii) ***Variation of share capital***

In the event of a capitalisation issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision or reduction or other variation of the Company's capital, the number of Ordinary Shares the subject of an option and/or the exercise price may, subject to prior approval of HMRC, be adjusted in such manner as the Board shall consider to be, in its opinion, (but taking account of the recommendations of the Remuneration Committee) fair and reasonable provided that the exercise price remains at least equal to the nominal value of an Ordinary Share. If the exercise price would otherwise fall below the nominal value, the Company may capitalise reserves to the extent it is lawful to pay up additional shares for allotment to option holders.

(ix) ***Amendments and general***

No rights under an option may be transferred by an option holder to any other person except in the event of an option holder's death within ten years from the date of grant when rights will become exercisable by a personal representative within 12 months of the date of death. Options or rights granted under the Benchmark CSOP shall not be pensionable.

The Benchmark CSOP may be amended by the Board in any way provided that:

(x) no amendment may be made which would materially prejudice the interests of option holders in relation to options already granted to them under the Benchmark CSOP unless the prior consent of option holders has first been obtained;

(y) all amendments to the advantage of option holders to the provisions relating to the definition of eligible employee, limits on the number of shares subject to the scheme, the maximum entitlement for any one option holder or the basis for determining an option holder's entitlement to and the terms of shares to be provided and any adjustment thereof, if any, in the event of a capitalisation issue, rights issue, subdivision or consolidation of shares or reduction of capital or any other variation of capital will require the prior consent of the Company in general meeting unless they are minor amendments to benefit the administration of the scheme or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders, the Company or a member of the group; and

(z) no amendment of a key feature shall take effect without the prior approval of HMRC. The Board may amend the Benchmark CSOP by way of separate schedules to enable it to be operated overseas (if applicable).

(x) ***Part II***

Part II of the Benchmark CSOP provides for the grant of unapproved options. This enables options to be granted under the same terms as Part I of the Benchmark CSOP but without complying with the particular requirements of the legislation applicable to HMRC approved company share option plans. The provisions of the Benchmark CSOP that do not apply under Part II include the £30,000 limit and the need to seek HMRC approval for the scheme and subsequent amendments.

4.2 **The JSOP**

On 21 November 2013, the Company resolved to adopt the Benchmark JSOP conditional on Admission. The Benchmark JSOP provides for the acquisition of an interest in a number of Ordinary Shares by a participant (the "JSOP Award"), jointly with the Trustee of the Benchmark EBT. A JSOP Award is intended to reflect the value of Ordinary Shares above a specified Hurdle (see paragraph (iii) below) and, provided certain conditions are met, no income tax or National Insurance contributions charges should arise in relation to the acquisition, holding or calling for a JSOP Award.

(i) ***Eligibility***

All executive directors and senior employees of the Group are eligible to participate in the JSOP ("eligible participants"), chosen in the absolute discretion of the Board (but taking account of the recommendations of the Remuneration Committee).

(ii) ***Grant of Awards***

JSOP awards may be granted by the Board to eligible participants during the period of 42 days from the date on which the Benchmark JSOP or any amendment to the Benchmark JSOP takes effect (or, if later, the period of 42 days following Admission) or the period of 42 days following the announcement of the Company's final or interim results for any financial period, or within 42 days following the occurrence of an event which the Board considers to be an exceptional event. If any of the above periods is a 'close period' as a result of the application of the Model Code (or as a result of the Company's equivalent internal share dealing rules) then awards may be granted within 42 days of the end of the close period.

JSOP Awards shall be granted on terms that vesting and/or call will be subject to the satisfaction of (if any are specified by the Remuneration Committee) performance conditions and a vesting period of no less than three years.

Each participant will be required to pay a purchase price which is no less than the unrestricted market value of their JSOP Award. The "unrestricted market value" means the market value of the JSOP Award disregarding any restrictions on the award (such as leaver provisions or restrictions on transfer).

(iii) ***The hurdle and performance conditions***

The JSOP Awards will granted on terms that:

(i) the JSOP Award will be subject to a hurdle, which will be determined at the discretion of the Remuneration Committee on the date of grant, provided that such hurdle will be equal to at least the market value of Ordinary Shares at the date of grant; and

(ii) (at the discretion of the Remuneration Committee) the call for a JSOP Award is subject to the satisfaction of performance conditions. If a performance condition does apply to a JSOP Award, the performance conditions may be measured or determined over a period which may begin from the start of the financial year in which the award is made, and may finish prior to the end of the three year vesting period.

(iv) ***Dividends***

Dividends will be paid to each participant and the Trustee pro rata to their relative interest in the Share subject to the JSOP Award.

(v) ***Plan Limits***

The number of Ordinary Shares over which awards to subscribe for Ordinary Shares may be granted under the Benchmark JSOP on any date shall be limited so that:

(i) the total number of Ordinary Shares issued and issuable in respect of awards granted in any ten year period under the Benchmark JSOP and any other discretionary share incentive scheme operated by the Group is restricted to 10 per cent. of the Company's issued Ordinary Shares from time to time; and

(ii) the total number of Ordinary Shares issued and issuable pursuant to rights granted under any employee share scheme operated by the Company in any ten year period is restricted to ten per cent. of the Company's issued Ordinary Shares calculated from time to time.

(vi) ***Individual Limits***

JSOP Awards may be granted on an annual basis. However, the maximum original market value of Ordinary Shares subject to the Benchmark JSOP and any other discretionary share incentive scheme operated by the Group to each eligible participant in each calendar year may not exceed 300 per cent. of the eligible employee's annual salary for that year. In exceptional circumstances, (including, but without limitation, in the year of recruitment) this annual limit may be increased to 400 per cent. of the eligible employee's annual salary for that year in the absolute discretion of the Remuneration Committee.

(vii) ***Vesting/Call; Termination; Change of Control***

JSOP Awards will normally only vest and become capable of call by a participant who is still an employee of the Group after the third anniversary of its date of grant and before the tenth anniversary of its date of grant, provided that the relevant performance conditions have been satisfied. Unvested JSOP Awards will normally lapse on cessation of employment save in the circumstances set out below.

When participant calls for a JSOP Award, the participant will receive a number of Ordinary Shares equal to the growth in value of the Ordinary Shares subject to the JSOP Award, less the hurdle (see paragraph (iii) above).

Accelerated vesting may, in the discretion of the Remuneration Committee, be permitted if the award holder dies or leaves employment through death, injury, disability, redundancy or retirement or where an award holder leaves employment of the Group by reason of his employing company ceasing to be a member of the Group, or if the undertaking in which he is employee employed is sold outside the Group and in any other circumstances approved by the Remuneration Committee, notwithstanding that fewer than three years have passed since the date of grant and notwithstanding that the performance conditions have not been satisfied. In such circumstances the Remuneration Committee shall consider the extent to which vesting is accelerated taking account the time that has elapsed since the date of grant and of the Company's performance since the start of the performance period.

Accelerated vesting is also permitted in the event of a takeover, reconstruction or voluntary winding up of the Company, but, as above the Remuneration Committee shall consider the extent to which vesting is accelerated taking account the time that has elapsed since the date of grant and of the Company's performance since the start of the performance period.

Following cessation of employment, vested JSOP Awards (including any previously unvested JSOP Awards in relation to which the Remuneration Committee has exercised its discretion to allow vesting) may be exercised within:

(i) a 12 month period if the participant has died; and

(ii) a 6 month period in all other circumstances.

If the performance conditions attaching to an award have not been satisfied at the end of the relevant performance period (as determined by the Remuneration Committee) then the award will lapse.

(viii) ***Variation of Share Capital***

In the event of a capitalisation issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision or reduction or other variation of the Company's capital, the number of Shares the subject of a JSOP Award and/or the hurdle may be adjusted in such manner as the Board shall consider to be, in its opinion (but taking into account the recommendations of the Remuneration Committee), fair and reasonable.

(ix) ***Amendments and General***

No rights under a JSOP Award may be transferred by an award holder to any other person except in the event of an award holder's death within ten years from the date of grant when rights will become exercisable by a personal representative within 12 months of the date of death. JSOP

Awards granted under the Benchmark JSOP shall not be pensionable. The Benchmark JSOP may be amended by the Board (following consultation with the Remuneration Committee) in any way provided that:

(i) no amendment may be made which would materially prejudice the interests of award holders in relation to awards already granted to them under the Benchmark JSOP unless the prior consent of award holders has been obtained; and

(ii) all amendments to the advantage of award holders to the provisions relating to the definition of eligible participants, limits on the number of Shares subject to the Benchmark JSOP, the maximum entitlement for any one award holder or the basis for determining an award holder's entitlement to and the terms of Shares to be provided and any adjustment thereof, if any, in the event of a capitalisation issue, rights issue, subdivision or consolidation of shares or reduction of capital or any other variation of capital will require the prior consent of the Company in general meeting, unless they are minor amendments to benefit the administration of the plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for award holders, the Company or a member of the Group. The Board may amend the Benchmark JSOP by way of separate schedules to enable it to be operated overseas.

4.3 **The SIP**

On 21 November 2013, the Company resolved to adopt the Benchmark SIP conditional on Admission and HMRC approval. The Benchmark SIP will be approved by HMRC under Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003.

The Benchmark SIP has been established to give employees the opportunity to acquire up to the lower of £1,500 of Ordinary Shares and 10 per cent. of the relevant employees salary (funded by deduction from each participant's earnings), which will be matched by the issue of the same number of Ordinary Shares by the Company to the relevant participant for no payment (the Employee Share Offer). Provided certain conditions are met, no income tax or National Insurance contributions charges will arise in relation to the Employee Share Offer. The Benchmark SIP may also be used for further awards of Ordinary Shares in the future.

A 'global SIP' was also adopted by the Company on 21 November 2013, conditional on Admission. The global SIP provides for invitations to be made on substantially the same terms as invitations under the Benchmark SIP to eligible employees who are not UK residents, subject to the requirements of applicable local law and regulations.

(i) ***Administration***

The Benchmark SIP is an HMRC approved share ownership plan. All shares obtained under the plan must initially be held in a UK resident employee benefit trust (the "**SIP Trust**").

(ii) ***Eligibility***

All UK-resident employees (including executive directors) of the Group, who have been continuously employed for a qualifying period (not exceeding 18 months where no accumulation period is provided for and 6 months where an accumulation period is provided for) as determined by the Board are eligible to participate in the Benchmark SIP. Non-executive directors are not eligible to participate in the Benchmark SIP.

(iii) ***Types of awards***

The Benchmark SIP is an 'all-purpose' plan and may be operated with any or all of the features described in the paragraphs below.

Awards of Shares may be made by the SIP Trustee on a free (the "**Free Shares**") and/or matching (the "**Matching Shares**") basis. Employees can also agree to the acquisition of partnership shares (the "**Partnership Shares**") out of their pre-tax salary by the SIP Trustee on their behalf.

(i) *Free Shares*

Under the Benchmark SIP, up to £3,000 worth of Free Shares in the Company may be awarded to each eligible employee in each tax year (although note that, for the purpose of the Employee Share Offer, no Free Shares will be offered). The award of Free Shares can be linked to individual, team, divisional and corporate performance. Free Shares must be held by the SIP Trustee for between three and five years. Free Shares will be made subject to forfeiture if a participant ceases to be an employee of the Group within three years of the award other than by reason of his death, injury, disability, redundancy or retirement or the transfer of the business or company for which he works.

(ii) *Partnership Shares*

Under the Benchmark SIP, Partnership Shares may be purchased on behalf of eligible employees. Up to a maximum of £1,500 per year or 10 per cent. of an employee's annual pre-tax salary (whichever is lower) can be used to buy Partnership Shares. Partnership Shares can be withdrawn from the SIP Trust at any time and cannot be subject to forfeiture. Partnership Shares acquired pursuant to the SIP will rank pari passu with existing Shares.

(iii) *Matching Shares*

Employees who elect to purchase Partnership Shares may be awarded Matching Shares on the basis of up to two Matching Shares for each Partnership Share purchased ((although note that, for the purpose of the Employee Share Offer, only one Matching Share will be awarded). Matching Shares may be forfeited in certain circumstances if the employee ceases to be employed by a participating company within the three years following their award (other than for one of the reasons specified in relation to Free Shares in (i) above) or if the corresponding Partnership Shares are transferred out of the SIP Trust within three years.

The limits applicable to each type of award do not reduce the limits for another type. For example, the Company could allow each eligible employee to acquire up to £7,500 shares in one tax year under the Benchmark SIP, comprising £3,000 Free Shares, £1,500 Partnership Shares and £3,000 Matching Shares. The Employee Share Offer only provides for the acquisition of a maximum of £3,000 shares per eligible employee, comprising £1,500 Partnership Shares and £1,500 Matching Shares.

(iv) ***Dividends and voting rights***

Participants in the Benchmark SIP will be beneficial owners of the Ordinary Shares held by the Trustee on their behalf. All dividends and other distributions received in respect of the Ordinary Shares will be passed on to the participants concerned as soon as practicable after receipt subject to the requirements of the Income Tax (Earnings and Pensions) Act 2003. Participants may, at the Board's discretion, be offered the opportunity to re-invest any dividends received into the Benchmark SIP. The Trustee will vote only in accordance with the wishes of participants provided the participants have given the Trustee prior voting directions in writing.

(v) ***Limit on the number of Ordinary Shares used for the SIP***

The number of Ordinary Shares used pursuant to the Benchmark SIP in any 10 year period when aggregated with the Shares issued or issuable pursuant to rights granted in that period under any other employee share scheme of the Company, may not exceed 10 per cent. of the Company's issued share capital from time to time.

(vi) ***Timing of awards***

Unless otherwise provided, the grant of awards under the Benchmark SIP will only be made at times permitted by the Model Code and/or any equivalent code adopted by the Company preventing the grant of awards during 'close periods'.

(vii) ***Variation of share capital***

In the event of a capitalisation issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision or reduction or other variation of the Company's capital, the number of Ordinary Shares the subject of an award may, subject to the prior approval of HMRC, be adjusted in such a manner as the Board shall consider to be, in its opinion, fair and reasonable (but taking into account the recommendations of the Remuneration Committee).

(viii) ***Amendments and general***

The Benchmark SIP may be amended by the Board in any way provided that:

(i) no amendment may be made which would materially prejudice the interests of participants in relation to awards already granted to them and shares already acquired by them under the Benchmark SIP unless the prior consent of participants has been obtained;

(ii) all amendments to the advantage of participants to the provisions relating to the definition of eligible employee, limits on the number of shares subject to the Benchmark SIP, the maximum entitlement for any one participant or the basis for determining a participant's entitlement to and the terms of shares to be provided and any adjustment thereof, if any, in the event of a capitalisation issue, rights issue, subdivision or consolidation of shares or reduction of capital or any other variation of capital will require the prior consent of the Company in general meeting unless they are minor amendments to benefit the administration of the Benchmark SIP or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or a member of the Group; and

(iii) no amendment of a key feature shall take effect without the prior approval of HMRC. The Board, after consultation with the Remuneration Committee, may add to, vary or amend the rules of the Benchmark SIP by way of a separate schedule to take account of overseas legal, taxation or securities laws (if applicable).

4.4 **The EBT**

On 21 November 2013, the Company resolved to established the EBT for the benefit of employees and former employees of the Group, principally for the purpose of operating the JSOP. As at the date of this document, a trustee has not been appointed.

4.5 **EMI Scheme**

The Group operates an HMRC approved Enterprise Management Incentive scheme (the "**EMI Scheme**") to provide equity settled share option schemes for certain employees. Options are exercisable at a price equal to £1 per share. 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 option vest.

The maximum number of Ordinary Shares subject to options which remain unexercised at Admission is 2,739,000. These comprise options over 1,457,000 Ordinary Shares which are exercisable on Admission until the first anniversary of Admission and options over 1,282,000 Shares (the "**Unvested Options**") which will become exercisable on the third anniversary of grant until the tenth anniversary of grant. No performance conditions attach to the Unvested Options.

On 21 November 2013, the Company resolved to adjust the outstanding options granted under the EMI Scheme to reflect the subdivision of shares which will occur as part of the Admission process. The number of shares subject to the option will adjusted on the same basis as the subdivision. The above figures reflect the subdivision to occur on Admission.

The outstanding options under the EMI scheme as at the date of this document are as follows(1):

	Number of Options					
Year	*As at 1 October 2012*	*Granted in 2013*	*Lapsed in 2013*	*As at 30 September 2013*	*Option Price*	*Exercise Period*
2012	1,420	–	–	1,420	100.00p	June 2014 to June 2022
2013	–	126	–	126	100.00p	August 2016 to July 2023
2013	–	1,193	–	1,193	100.00p	August 2016 to July 2023

(1) Note that any options outstanding following Admission will be adjusted to reflect the sub division of ordinary shares.

Share options issued in June 2012

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

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

Share options issued in August 2013

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

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

Share options issued in August 2013

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

The fair value of the EMI equity settled share options granted is estimated at the date of grant using the Black Scholes Merton model taking into account the terms and conditions on which the options were granted. The expense recognised for these options during the year was £10,000 (2012: £nil). This has been reflected in the income statement and included within administrative expenses. The balance of the fair value of the share based payment reserve at the year-end is in respect of these options is £10,000 (2012: £nil).

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

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

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

5. Information on the Directors

The names, business addresses and functions of the Directors and Proposed Directors are as follows:

Name	*Function*
Malcolm Pye	*Chief Executive Officer*
Mark Plampin	*Chief Financial Officer*
Roland Bonney	*Chief Operating Officer*
Alex Hambro	*Chairman*
Susan Searle	*Non-executive director*
Basil Brookes	*Non-executive director*

The business address of each of the Directors listed above is Benchmark House, 8 Smithy Wood Drive, Sheffield, United Kingdom, S35 1QN.

In addition to any directorship of a member of the Group, the Directors and Proposed Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

Director	*Current directorships and partnerships*	*Past directorships and partnerships held in past 5 years*
Roland James Bonney	Fish Vet Group Limited	Poultry Health Services Limited
	Benchmark Animal Health Limited	
	FVG Limited	
	Trie Benchmark Limited	
	5M Enterprises Limited	
	Dust Collective Limited	
	Woodland Limited	
	Farm Animal Care Trust	
	R L Consulting Limited	
	Allan Environmental Solutions & Management Limited	
	Curriculo LTD	
	Fai Farms Limited	

Director	*Current directorships and partnerships*	*Past directorships and partnerships held in past 5 years*
Alex Hambro	Izon Science Limited Cresent Capital III GP Limited Crescent Capital NI Limited Whitley Asset Management Limited Chloride Extraction Technologies Limited Bapco Closures Research Limited Welbeck Investment Partners Member Limited Judges Scientific PLC Hazel Renewable Energy VCT2 PLC Bapco Closures Holding Limited Crescent Capital III B GP Limited Crescent Capital II B GP Limited First Magazine Limited Octopus Eclipse VCT PLC Octopus Eclipse VCT 4 PLC	HamNiv (GP) Limited Octopus Eclipse VCT 3 PLC Cubo Communications Group PLC
Malcolm David Foster Pye	Fish Vet Group Norge AS Fish Vet Group Asia Limited FVG Limited Trie Benchmark Limited 5M Enterprises Limited Benchmark Vaccines Limited Fish Vet Group Limited Woodland Limited FAI Farms Limited R L Consulting Limited Allan Environmental Solutions & Management Limited Curriculo LTD Benchmark Animal Health Limited Rigel Pedigree (partnership)	Poultry Health Services Limited PFF Old Co. Limited
Susan Jane Searle (née Price)	SS Business Limited Fight for Sight (Trustee)	Evo Electric Limited Imperial College Company Maker Limited Macso 21 Limited Imperial Innovations Group PLC Imperial Innovations Investments Limited Imperial Innovations Business Limited Thiakis Limited Imperial Innovations Limited Plaxica Limited i2india Holdings Limited Brightstar Financial Management Limited
Mark James Plampin	FVG Limited Trie Benchmark Limited 5M Enterprises Limited Dust Collective Limited Benchmark Vaccines Limited Fish Vet Group Limited Woodland Limited FAI Farms Limited R L Consulting Limited	

Director	*Current directorships and partnerships*	*Past directorships and partnerships held in past 5 years*
Mark James Plampin *(continued)*	Allan Environmental Solutions & Management Limited Angela Court (Toton) Management Company Limited Curriculo LTD Benchmark Animal Health Limited FVG Inc 5M Enterprises Inc Fish Vet Group Asia Limited Viking Fish Farming Limited Fish Vet Group Norge AS	
Basil Brookes	N/A	John Matchett Limited Mercia Group Limited Wilmington Business Information Limited Wilmington Publishing & Information Limited Wilmington Millennium Limited Wilmington Training & Events Limited BD Research Limited Caritas Data Limited Aspire Publications Limited Waterlow Information Services Limited Limerent Publishing Limited Limevent Limited Pendragon Professional Information Limited Hollis Directories Limited A.P Information Services Limited Quorum Training Limited Bond Solon Training Limited Wilmington Group PLC Axco Insurance Information Services Limited Production and Casting Report Limited The Matchett Group Limited Adline Publishing Limited Adkins & Matchett UK Limited CLT International Limited APM International SAS Decision Publishing Limited Mercia Trustees Limited Quest Media and Events Limited

Save as set out in the table above, none of the Directors or Proposed Directors has any business interests or activities outside the Group which are significant with respect to the Group.

Save as disclosed below, none of the Directors or Proposed Directors:

(i) has any unspent convictions in relation to indictable offences;

(ii) has been made bankrupt or has made an individual voluntary arrangement with creditors or suffered the appointment of a receiver over any of his assets;

(iii) has been a director of any company which, whilst he was such a director or within 12 months after his ceasing to be such a director, was put into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with the company's creditors generally or with any class of creditors of any company or had an administrator or an administrative or other receiver appointed;

(iv) has been a partner in any partnership which, whilst he was a partner, or within 12 months after his ceasing to be a partner, was put into compulsory liquidation or had an administrator or an administrative or other receiver appointed or entered into any partnership voluntary arrangement;

(v) has had an administrative or other receiver appointed in respect of any asset belonging either to him or to a partnership of which he was a partner at the time of such appointment or within the 12 months preceding such appointment; or

(vi) has received any public criticisms by statutory or regulatory authorities (including recognised professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

Basil Brookes – regarding (iii) above

Tarlort Limited (creditors' voluntary liquidation in 1994)

In 1991, Maxwell Communication Corporation plc was placed into administration, together with many of its numerous subsidiaries. Basil Brookes was a director of MCC and many of such subsidiaries at the time, and he worked with the administrators until joining Wilmington Publishing Limited in 1992. Subsequently he appeared as a prosecution witness in the trial of Kevin Maxwell and others.

Susan Searle – regarding (iii) above

Adaptive Profiling Limited (creditors' voluntary liquidation in 2004)

6. Directors' and other interests

Director	*Number of shares subject to Options* (1)	*Exercise Price per share (£)*	*Exercise Period*
Mark James Plampin	150	1	18 December 2013 – 29 June 2022
	135	1	29 August 2016 – 29 August 2023

(1) The numbers of shares referred to in this table reflects the number of shares prior to the subdivision of such shares to be effected subject to and conditional upon Admission, as described further below.

In addition to the options referred to above, the interests (all of which are or will be beneficial unless otherwise stated) of each Director including any interest known to that Director or which could with reasonable diligence be ascertained by him of any person connected with a Director within the meaning of sections 252 to 255 of the Companies Act (a "**Connected Person**")) in the share capital of the Company at the date of this document and as they will be immediately following Admission are as follows:

Director	*Number of Ordinary Shares currently held*[1]	*Percentage of issued share capital currently held*	*Number of Ordinary Shares to be held immediately following Admission*	*Percentage of Enlarged Issued Share Capital to be held immediately following Admission*
Malcolm David Foster Pye	21,630,000	23.5	15,141,000	11.1
Roland James Bonney	21,630,000	23.5	15,141,000	11.1
Susan Searle[(2)]	0	0	78,125	0.06
Alex Hambro	0	0	46,875	0.03
Mark James Plampin	417,000[(4)(5)]	0.5	397,000	0.29
Basil Brookes[(6)]	0	0	39,062	0.03

[(1)] The number of Ordinary Shares assumes that the subdivision of existing shares to take place conditional upon and subject to Admission has already taken place as at the date of this document.

[(2)] Susan Searle has subscribed for 78,125 Placing Shares through her personal self-invested personal pension ("SIPP").

(3) Alex Hambro has subscribed for 46,875 Placing Shares through his personal SIPP.

(4) In addition, Mark Plampin holds the options referred to above, 150,000 of which will be exercised conditional upon Admission.

(5) 267,000 of those Ordinary Shares are held through a SIPP.

(6) Basil Brookes has subscribed for 39,062 Placing Shares through his personal SIPP.

Save as disclosed above, no Director, nor any Connected Person has at the date of this document, or will have immediately following Admission, any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company or any of its subsidiaries or any related financial product referenced to the Shares.

In addition to the interests of Directors disclosed above, the Company is aware of the following Shareholders who are at the date of this document, or will be immediately following Admission, interested, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company.

Name	*Number of Ordinary Shares currently held*[(1)]	*Percentage of issued share capital currently held*	*Number of Ordinary Shares to be held immediately following Admission*	*Percentage of Enlarged Issued Share Capital to be held immediately following Admission*
Ruth Layton	21,630,000	23.50%	15,141,000	11.1%
Paul Cook	7,210,000	7.84%	5,047,000	3.70%
Jim Muirhead	7,782,000	8.46%	5,448,000	3.99%
David Cox	4,666,000	5.07%	3,267,000	2.39%
Peter Southgate	4,666,000	5.07%	3,267,000	2.39%
Invesco Asset Management Limited	0	0%	22,500,000	16.49%
Slater Investments Limited	0	0%	4,750,000	3.48%
Hargreave Hale Limited	0	0%	4,500,000	3.30%
Lansdowne Partners Limited	0	0%	18,500,000	13.56%

(1) The number of Ordinary Shares assumes that the subdivision of existing shares to take place conditional upon and subject to Admission has already taken place as at the date of this document.

The shareholders listed in the table above do not have different voting rights.

The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, will or could exercise control over the Company immediately following Admission and there are no arrangements the operation of which could result in a change of control of the Company.

No Director or Proposed Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and was effected during the current or immediately preceding financial year or was effected during any earlier financial year which remains outstanding and unperformed in any respect.

There are no loans or guarantees granted or provided by the Company and/or any of its subsidiaries to or for the benefit of any of the Directors or Proposed Directors which are now outstanding.

7. Service agreements and remuneration of the Directors and Proposed Directors

The Directors and Proposed Directors have entered into the following service agreements with the Company, conditional upon Admission:

Malcolm Pye

Under an agreement dated 12 December 2013, the Company will, conditional upon Admission, employ Malcolm Pye as Chief Executive Officer of the Company for a salary of £104,020 per annum and all reasonable expenses properly incurred. The agreement is terminable by the Company or Mr Pye on 12 month's notice. At any time during Mr Pye's employment or during any period of notice, provided that the Company continues to pay Mr Pye's salary and provide all benefits, the Company is entitled to require Mr Pye not to carry out his duties, not attend the workplace, return Company documentation and undertake work from home, to appoint another person to perform his duties and to instruct Mr Pye not to communicate with employees, customers and professional contacts of the Company or any company within the Group except where such employees, customers or professional contacts are personal friends of the Executive and he is contacting them in a personal capacity. Following termination, Mr Pye is restricted from, without consent (i) for a period of 12 months, directly or indirectly being employed by any business which is similar to or competes with the business of the Company with which Mr Pye has been materially involved in the 12 months prior to termination of the agreement; (ii) for a period of 12 months, soliciting any entity or person that was a customer, client, supplier or sponsor of the Group during in the 6 months prior to termination of the agreement; and (iii) for a period of 12 months, soliciting or employing any employee Group who was employed in the 6 months prior to termination of the agreement. The agreement is governed by English law. Mr Pye is also entitled to participate in a discretionary bonus scheme, on terms specified by the Company from time to time.

Roland Bonney

Under an agreement dated 12 December 2013, the Company will, conditional upon Admission, employ Roland Bonney as Chief Operating Officer of the Company for a salary of £104,020 per annum and all reasonable expenses properly incurred. The agreement is terminable by the Company or Mr Bonney on 12 month's notice. At any time during Mr Bonney's employment or during any period of notice, provided that the Company continues to pay Mr Bonney's salary and provide all benefits, the Company is entitled to require Mr Bonney not to carry out his duties, not attend the workplace, return Company documentation and undertake work from home, to appoint another person to perform his duties and to instruct Mr Bonney not to communicate with employees, customers and professional contacts of the Company or any company within the Group except where such employees, customers or professional contacts are personal friends of the Executive and he is contacting them in a personal capacity. Following termination, Mr Bonney is restricted from, without consent (i) for a period of 12 months, directly or indirectly being employed by any business which is similar to or competes with the business of the Company with which Mr Bonney has been materially involved in the 12 months prior to termination of the agreement; (ii) for a period of 12 months, soliciting any entity or person that was a customer, client, supplier or sponsor of the Group during in the 6 months prior to termination of the agreement; and (iii) for a period of 12 months, soliciting or employing any employee Group who was employed in the 6 months prior to termination of the agreement. The agreement is governed by English law. Mr Bonney is also entitled to participate in a discretionary bonus scheme, on terms specified by the Company from time to time.

Mark Plampin

Under an agreement dated 12 December 2013, the Company will, conditional upon Admission, employ Mark Plampin as Chief Financial Officer of the Company for a salary of £103,340 per annum and all reasonable expenses properly incurred. The agreement is terminable by the Company or Mr Plampin on 12 month's notice. At any time during Mr Plampin's employment or during any period of notice, provided that the Company continues to pay Mr Plampin's salary and provide all benefits, the Company is entitled to require Mr Plampin not to carry out his duties, not attend the workplace, return Company documentation and undertake work from home, to appoint another person to perform his duties and to instruct Mr Plampin not to communicate with employees, customers and professional contacts of the Company or any company within the Group except where such employees, customers or professional contacts are personal friends of the Executive and he is contacting them in a personal capacity. Following termination, Mr Plampin is restricted from, without consent (i) for a period of 12 months, directly or indirectly being employed by any business which is similar to or competes with the business of the Company with which Mr Plampin has been materially involved in the 12 months prior to termination of the agreement; (ii) for a period of 12 months, soliciting any entity or person that was a customer, client, supplier or sponsor of the Group during in the 6 months prior to termination of the agreement; and (iii) for a period of 12 months, soliciting or employing any employee Group who was employed in the 6 months prior to termination of the agreement. The agreement is governed by English law. Mr Plampin is also entitled to participate in a discretionary bonus scheme, on terms specified by the Company from time to time.

Alex Hambro

Under an agreement dated 12 December 2013, the Company engaged Alex Hambro as chairman and Non-Executive Director for an initial period of three years (expiring on the third anniversary of Admission) at a fee of £45,000 per annum. In addition, Mr Hambro will receive a one-off payment of £6,000 in respect of services provided in the period prior to Admission. The agreement is terminable by either party on 3 month's written notice.

Susan Searle

Under an agreement dated 12 December 2013, the Company engaged Susan Searle as Non-Executive Director for an initial period of three years (expiring on the third anniversary of Admission) at a fee of £35,000 per annum. In addition, Mrs Searle will receive a one-off payment of £12,000 in respect of services provided in the period prior to Admission. The agreement is terminable by either party on 3 month's written notice.

Basil Brookes

Under an agreement dated 12 December 2013, the Company engaged Basil Brookes as Non-Executive Director for an initial period of three years (expiring on the third anniversary of Admission) at a fee of £35,000 per annum. In addition, Mr Brookes will receive a one-off payment of £2,000 in respect of services provided in the period prior to Admission. The agreement is terminable by either party on 3 month's written notice.

Save as set out above, on Admission there will be no existing or proposed service agreements between any of the Directors and any member of the Group. Furthermore, save in connection with the share incentive arrangements described in paragraph 4 above, there are no commissions or profit-sharing arrangements with any of the Directors.

There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

8. Employees

The number of employees, including the Directors, as at 30 September 2013 was as follows:

Production	95
Administration	21
Management	43
	159

The geographic breakdown of such employees was as follows:

UK	139
Norway	7
US	11
Brazil	8
Thailand	1
	159

9. Subsidiaries

The Company has the following subsidiaries, subsidiary undertakings and other undertakings in which it has an interest held on a long-term basis. Details are shown below:

Direct shareholding

Name	*Nature of business*	*Registered office and country of incorporation/residence*	*Proportion of share capital held*	*Issued and fully paid share capital*
Benchmark Animal Health Limited	Animal Health	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	777,502 ordinary shares of £1

Name		*Nature of business*	*Registered office and country of incorporation/residence*	*Proportion of share capital held*	*Issued and fully paid share capital*
Trie Benchmark Limited		Consulting	The Field Station Northfield Farm Oxford Oxfordshire OX2 8QJ	100%	100,001 ordinary shares of £1
Dust Collective Limited		Consulting	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	110 ordinary shares of £1
Allan Environmental Solutions & Management Limited		Consulting	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	1 ordinary share of £1
R L Consulting Limited		Consulting	The Field Station Northfield Farm Oxford Oxfordshire OX2 8QJ	100%	150,001 ordinary shares of £1
FAI Farms Limited		Consulting	The Field Station Northfield Farm Oxford Oxfordshire OX2 8QJ	100%	1 ordinary share of £1
Woodland Limited		Consulting	The Field Station Northfield Farm Oxford Oxfordshire OX2 8QJ	100%	1 ordinary share of £1
5M Enterprises Limited		Publishing	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	98.5%	207,723 ordinary shares of £1
Viking Fish Farms Limited		Sustainability	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	100 ordinary shares of £1
Indirect shareholding					
Benchmark Vaccines Limited	Benchmark Animal Health Limited	Animal Health	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	2,000,000 ordinary shares of £1
Curriculo Ltd	5M Enterprises Limited	Publishing	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	98.5%	1 ordinary share of £1
Fish Vet Group Limited	FVG Limited	Animal Health	Benchmark House 8 Smithy Wood Drive Sheffield South Yorkshire S35 1QN	100%	1 ordinary share of £1
FVG Limited	Benchmark Animal Health Limited	Animal Health	22 Carsegate Road Inverness Invernessshire IV3 8EX	100%	777,501 ordinary shares of £1

Name	Shareholder	Nature of business	Registered office and country of incorporation/residence	Proportion of share capital held	Issued and fully paid share capital
Atlantic Veterinary Services Limited	Fish Vet Group Limited	Animal Health	Unit 7B, Oranmore Business Park, Oranmore, Co Galway, Ireland	100%	100 ordinary shares of €1
Overseas group					
5M Enterprise Inc.	5M Enterprises Ltd		2712 West Atlanta Court Broken Arrow, Tulsa, 74012 2711 Centreville Road Suite 400 Wilmington DE 19808	98.5%	1,000 shares of nil par value
Fai DO Brasil Criacao Animal Limited	FAI Farms Ltd (91%) and 5M Enterprises Ltd (9%)	Consultancy	Fazenda Santa Terezinha s/no – Zona Rural, Jaboticabal, São Paulo	99.865%	271,000 shares of 1 Brazilian Real 000
Fish Vet Group Asia Limited	FVG Ltd	Animal Health	8th Floor, Bubhajil Building, 20 North Suthom Road, Kwaeng Silom, Khel Bangrak, Bangkok	100%	400,000 shares of 10 baht
Fish Vet Group Norge AS	FVG Ltd	Animal Health	Gaustadalleen 21 0349 Oslo	100%	30,000 NOK
FVG Inc	FGV Limited		Corporation Service Company 45 Memorial Circle Augusta ME 04330	100%	100 ordinary shares of $10

10. Arrangements relating to the Placing and the Selling Shareholders

(a) On 12 December 2013, the Company, the Directors, Ruth Layton and Cenkos entered into the Placing Agreement pursuant to which Cenkos has agreed, conditionally upon, *inter alia*, Admission taking place not later than 18 December 2013, to use its reasonable endeavours as agent of the Company to procure subscribers for the New Placing Shares and purchasers of the Sale Shares at the Placing Price. The Company has agreed on behalf of the Selling Shareholders, as their agent, subject to certain conditions, to sell in aggregate 27,519,000 Sale Shares, in each case at the Placing Price, in connection with the Placing.

Under the Placing Agreement Cenkos will receive (exclusive of VAT) a corporate finance fee of £175,000 plus a commission of 4.25 per cent. of the aggregate value at the Placing Price of the Placing Shares (other than any Placing Shares which are placed with (i) Placees procured by the Company or Equity Development (ii) any director or employee of the Company, or (iii) Equity Strategies, Leon Boros or Nigel Mason). The Company has agreed to pay all costs, charges and expenses of, or incidental to, the Placing and the application for Admission and related arrangements.

The Placing Agreement, which contains certain warranties, undertakings and indemnities by the Company, the Directors and Ruth Layton in favour of Cenkos, is conditional, *inter alia*, on (i) Admission occurring not later than 18 December 2013 (or such later date as the Company and Cenkos may agree not being later than 28 February 2014) and (ii) none of the warranties given to Cenkos prior to Admission being untrue, inaccurate or misleading in any material respect.

Cenkos may terminate the Placing Agreement in specified circumstances, including for breach of warranty at any time prior to Admission and in the event of *force majeure* at any time prior to Admission.

To the extent practicable, the details of the Selling Shareholders and the number of Ordinary Shares to be sold by each Selling Shareholder are set out below:

Name	*Business Address*	*Number of Sale Shares being sold*
Malcolm Pye	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	6,489,000
Roland Bonney	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	6,489,000
Ruth Layton	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	6,489,000
Paul Cook	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	2,163,000
Jim Muirhead	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	2,334,000
David Cox	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	1,399,000
Peter Southgate	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	1,399,000
Kevin Lawless	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	87,000
Mark Plampin	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	170,000
Anna Winton	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	57,000
Ashleigh Bright	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	15,000
Mike Gooding	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	97,000
Karl Williams	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	67,000
James Powell	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	67,000
Chris Harris	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	52,000
John Marshall	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	61,000
Bernhard Laxdal	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	7,000
Iain McEwan	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	7,000
Murilo Quintiliano	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	7,000
Jo Copping	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	7,000
David Crutchley	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	7,000
Vicki Robson	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	12,000
Pat Walker	Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN	37,000

(b) Each Selling Shareholder has agreed, amongst other things (i) to authorise the Company to pay to Cenkos the commission payable on the Sale Shares pursuant to the Placing Agreement and to pay to and reimburse Cenkos in respect of any stamp duty and/or stamp duty reserve tax arising on the sale of his/her Sale Shares under the Placing (which amounts will be deducted from the proceeds received by Cenkos from Placees in respect of the Sale Shares as agent for the Company) and (ii) to give certain representations, warranties and undertakings to Cenkos and the Company (subject to certain limitations).

11. United Kingdom taxation

The following statements are intended only as a general guide to current UK tax legislation and to the current practice of HM Revenue & Customs ("**HMRC**") and may not apply to certain shareholders in the Company, such as dealers in securities, insurance companies and collective investment schemes. They relate (except where stated otherwise) to persons who are resident in the UK for UK tax purposes, who are beneficial owners of Ordinary Shares and who hold their Ordinary Shares as an investment (and not as employment-related securities). Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than that of the UK, should consult his or her own professional advisers immediately.

(a) ***Dividends***

Under UK tax legislation, the Company is not required to withhold tax at source from dividend payments it makes.

Individual shareholders resident for tax purposes in the UK should generally be entitled to a tax credit in respect of any dividend received equal to one-ninth of the amount of the dividend.

An individual shareholder's liability to income tax will be calculated on the sum of the dividend and the tax credit (the "gross dividend"). This will be regarded as the top slice of the individual's income and will be subject to UK income tax at the rates described below.

The tax credit equals 10 per cent. of the gross dividend. The tax credit will be available to set against a shareholder's liability (if any) to income tax on the gross dividend.

Individual shareholders liable to income tax at no more than the basic rate will be liable to income tax on dividend income received at the rate of 10 per cent. of the gross dividend. This means that the tax credit will satisfy in full the individual shareholder's liability to pay income tax on the dividend received. To the extent that the tax credit exceeds a shareholder's tax liability to UK income tax such shareholder will not be entitled to claim payment of the excess from HMRC.

The rate of income tax applied to dividends received by an individual shareholder liable to income tax at the higher rate will be 32.5 per cent. In the case of a dividend received by an individual shareholder liable to income tax at the additional rate, the rate of income tax will be 37.5 per cent. After taking into account the 10 per cent. tax credit, a higher rate taxpayer will be liable to additional income tax of 22.5 per cent. of the gross dividend, equal to 25 per cent. of the net dividend and an additional rate taxpayer will be liable to additional income tax of 27.5 per cent. of the gross dividend (equal to 30.6 per cent. of the net dividend).

For example, an individual shareholder receiving a dividend of £90 would receive a tax credit of £10. The gross dividend (the cash dividend plus the tax credit) would be £100. If the shareholder is a higher rate taxpayer, he would be taxed on the dividend at £32.50 (32.5 per cent. of £100) but can set against this the tax credit of £10. This leaves tax to pay of £22.50, which is 25 per cent. of the £90 dividend received.

Trustees who are liable to income tax at the rate applicable to trusts (currently 45 per cent.) will pay tax on the gross dividend at the dividend trust rate of 37.5 per cent. against which they can set the tax credit. To the extent that the tax credit exceeds the trustees' liability to account for income tax the trustees will have no right to claim repayment of the tax credit.

A corporate shareholder resident for tax purposes in the UK will not normally be liable to corporation tax on any dividends received, but cannot claim payment of the tax credit from HMRC.

United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive but they are not entitled to claim repayment of the tax credit.

Individual shareholders who are resident for tax purposes in countries other than the UK but who are Commonwealth citizens, nationals of states which are part of the European Economic Area, residents of the Isle of Man or the Channel Islands or certain other persons are entitled to a tax credit as if they were resident for tax purposes in the UK, which they may set off against their total UK income tax liability. Such shareholders will generally not be able to claim payment of the tax credit from HMRC.

Other shareholders who are not resident in the UK for tax purposes should consult their own advisers concerning their tax liabilities on dividends received. They should note that they will not generally be entitled to claim payment of any part of their tax credit from HMRC under any double taxation treaty or otherwise or such claim may be negligible.

(b) ***Chargeable gains***

Shareholders who are resident in the UK for tax purposes and who dispose of their Ordinary Shares at a gain will ordinarily be liable to UK taxation on chargeable gains, subject to any available exemptions or reliefs. The gain will be calculated as the difference between the sale proceeds and any allowable costs and expenses, including the original acquisition cost of the Ordinary Shares.

Shareholders who are not resident in the UK for tax purposes but who carry on a trade, profession or vocation in the UK through a permanent establishment, branch, agency or fixed place of business in the UK may be liable to UK taxation on chargeable gains on any gain on a disposal of their Ordinary Shares, if those Ordinary Shares are or have been held, used or acquired for the purposes of that trade, profession or vocation or for the purposes of that permanent establishment, branch, agency or fixed place of business.

If an individual shareholder ceases to be resident in the UK and subsequently disposes of Ordinary Shares, in certain circumstances any gain on that disposal may be liable to UK capital gains tax upon that shareholder becoming once again resident in the UK.

(c) ***Stamp duty and stamp duty reserve tax ("SDRT")***

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT, or to persons connected with depositary arrangements or clearance services, who may be liable at a higher rate.

(i) The allocation and issue of the new Ordinary Shares will not give rise to a liability to stamp duty or SDRT.

(ii) Any subsequent conveyance or transfer on sale of Ordinary Shares will usually be subject to stamp duty on the instrument of transfer at a rate of 0.5 per cent. of the amount or value of the consideration (rounded up, if necessary, to the nearest £5). A charge to SDRT at the rate of 0.5 per cent. will arise in relation to an unconditional agreement to transfer such shares. However, where within six years of the date of the agreement (or, if the agreement was conditional, the date the agreement became unconditional) an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be cancelled or repaid.

(iii) Where any Ordinary Shares offered pursuant to the Placing are sold by existing Shareholders, there will usually be a charge to stamp duty or SDRT. However, the Selling Shareholders have agreed to pay any stamp duty or SDRT that may arise. Generally the rate will not exceed 0.5 per cent. of the consideration paid unless the Ordinary Shares are transferred to persons connected with depositary or clearance services.

(iv) A transfer of shares effected on a paperless basis through CREST (where there is a change in the beneficial ownership of the shares) will generally be subject to SDRT at the rate of 0.5 per cent. of the value of the consideration given.

It was announced in Budget 2013 that the UK Government intends to abolish stamp duty on transactions in shares quoted on growth markets, including AIM. However, the change, if implemented, would not be effective until April 2014 at the earliest, and HMRC has stated that consultation will take place first.

(d) ***AIM***

Companies whose shares trade solely on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Ordinary Shares held by individuals for at least two years may qualify for more generous exemptions from inheritance tax on death or in relation to lifetime transfers of those shares. Shareholders should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the tax benefit referred to above may be available to them. It is possible to hold shares traded solely on AIM in individual savings accounts (ISAs).

12. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of publication of this document and which are, or may be, material to the Group or have been entered into by any member of the Group at any time and contain a provision under which any member of the Group has any obligation or entitlement which is material to the Group at the date of this document:

(a) **Placing Agreement**

As described more fully in paragraph 10 above.

(b) **Nomad and broker agreement with Cenkos**

On 12 December 2013 the Company entered into an agreement with Cenkos, pursuant to which the Company appointed Cenkos to act as nominated adviser and broker to the Company from the date of the agreement and thereafter subject to termination on the giving of 3 months' notice by either party.

In consideration of its services, the Company will pay Cenkos an annual retainer of £60,000 (exclusive of VAT).

(c) **Engagement Letter with Equity Strategies**

On 10 June 2013, the Company entered into an engagement letter (the "**ES Engagement Letter**") with Equity Strategies Limited ("Equity Strategies"), in relation to services provided by Equity Strategies in preparing the Company for Admission, including strategic, financial and employee share scheme advice. In addition Equity Strategies provided advice in respect of the composition of the Company's Board and the appointment of advisors.

Under the ES Engagement Letter, the Company is required to pay Equity Strategies an advisory fee of £20,000 upon being appointed and further advisory fees of £10,000 per calendar month from 1 August 2013 up to the end of November 2013, following which a monthly fee of £5,000 applies up to the date of Admission. Payment of advisory fees is not conditional upon Admission actually occurring. The maximum aggregate advisory fee that is payable under the ES Engagement Letter is capped at £100,000.

Under the ES Engagement Letter, the Company is also required to pay Equity Strategies a success fee comprising: (i) £150,000 upon Admission; (ii) warrants in the Company equal to the lower of £300,000 and 0.275 per cent. of the Company's Enlarged Issued Share Capital (described further below); and (iii) the right to subscribe or purchase up to 0.5 per cent. of the Company's Enlarged Issued Share Capital at the Placing Price. This right to subscribe or purchase will be exercised, in part, by Leon Boros and Nigel Mason (both of whom are connected to Equity Strategies) acquiring Ordinary Shares under the Placing.

The Company is also required to reimburse Equity Strategies in respect of travel expenses incurred in respect of the engagement.

(d) **Engagement Letter with Equity Development**

On 9 September 2013, the Company entered into an engagement letter (the "**ED Engagement Letter**") with Equity Development in relation to services provided by Equity Development in relation to the introduction of new investors to the Company prior to Admission and, following Admission, in relation to the provision of research coverage and assistance with investor relations matters. The initial term under the ED Engagement Letter is one year, following which the ED Engagement Letter is renewable on a rolling 3 monthly basis, unless terminated by either party upon the provision of no less than 30 days' notice. Following Admission, marketing services will be charged to the Company at a rate of £20,000 for the first year (payable quarterly in advance) and £6,000 per quarter thereafter. In addition, Equity Development is entitled to a fee equal to 3.1875 per cent. of the value at the Placing Price of Placing Shares placed with Placees introduced to the Company by Equity Development. Equity Development is also entitled to be reimbursed by the Company in relation to printing and travels costs.

Under the Engagement Letter, each of the Company and Equity Development warrants to the other party that any information provided by it will not infringe the copyright or other rights of any third party, and undertakes to indemnify the other against any loss, damages, costs, expenses or other claims arising from any such infringement.

(e) **Equity Strategies warrants**

By a warrant instrument dated 12 December 2013 and a board resolution passed on 9 December 2013, the Company will issue Warrants to Equity Strategies which entitle Equity Strategies to subscribe for in aggregate for 375,146 Ordinary Shares at the Placing Price, provided that Admission takes place before 28 February 2014. The Warrants shall be exercisable by Warrantholders at any time after the first anniversary of Admission and before the fourth anniversary of Admission. The Warrants are only transferable (i) with the consent of the Company or (ii) to certain permitted transferees being Leon Boros, Nigel Mason, their family members and/or connected companies. No application will be made for the Warrants to be admitted to trading on AIM (or any other stock exchange).

(f) **Lock in agreements with Shareholders**

A lock-in agreement dated 12 December 2013 was entered into between Cenkos, the Company and each of Malcolm Pye, Roland Bonney, Mark Plampin, Ruth Layton and various others (the "**Locked-In Shareholders**"), pursuant to which the Locked-in Shareholders have agreed not to dispose of any interest in Ordinary Shares for the period of 12 months following Admission, except with the agreement of Cenkos and the Company, pursuant to acceptance of an offer that would result in the offeror obtaining or consolidating control of the company, pursuant to an intervening court order, in the event of the death of the shareholder, in respect of transfers by way of a gift to family members, connected companies or qualifying family trusts, transfers under a scheme of arrangement or scheme of reconstruction or transfers made pursuant to a share buy-back offer made to all Shareholders. The Locked-in Shareholders have also agreed for a further period of 12 months (subject to the exceptions above) only to dispose of an interest in Ordinary Shares following consultation with Cenkos and, if requested by Cenkos, provided such disposal is effected through the Company's broker and in such manner as the broker may reasonably require with a view to maintenance of an orderly market in the Ordinary Shares.

(g) **Orderly marketing agreements with Equity Strategies, Leon Boros and Nigel Mason**

An orderly marketing agreement dated 12 December 2013 was entered into between the Company, Cenkos, Equity Strategies, Leon Boros and Nigel Mason pursuant to which Equity Strategies and, to the extent that they hold Ordinary Shares arising on exercise of the Warrants, Leon Boros and Nigel Mason, have agreed, for a period of 12 months following exercise of the Warrants, only to dispose of an interest in the Ordinary Shares acquired pursuant to such exercise following consultation with Cenkos and, if requested by Cenkos, provided such disposal is effected through the Company's broker and in such manner as the broker may reasonably require with a view to maintenance of an orderly market in the Ordinary Shares. This agreement is subject to various exceptions in respect of disposals pursuant to acceptance of an offer that would result in the offeror obtaining or consolidating control of the company, pursuant to an intervening court order, in the event of the death of the shareholder, in respect of transfers by way of a gift to family members, connected companies or qualifying family trusts, transfers under a scheme of arrangement or scheme of reconstruction or transfers made pursuant to a share buy-back offer made to all Shareholders.

An orderly marketing agreement dated 12 December 2013 was entered into between the Company, Cenkos, Leon Boros and Nigel Mason pursuant to which Leon Boros and Nigel Mason have agreed, for a period of 12 months following Admission, only to dispose of an interest in Ordinary Shares following consultation with Cenkos and, if requested by Cenkos, provided such disposal is effected through the Company's broker and in such manner as the broker may reasonably require with a view to maintenance of an orderly market in the Ordinary Shares. This agreement is subject to various exceptions in respect of disposals pursuant to acceptance of an offer that would result in the offeror obtaining or consolidating control of the company, pursuant to an intervening court order, in the event of the death of the shareholder, in respect of transfers by way of a gift to family members, connected companies or qualifying family trusts, transfers under a scheme of arrangement or scheme of reconstruction or transfers made pursuant to a share buy-back offer made to all Shareholders.

(h) **Shareholders' Agreement and termination of the Shareholders' Agreement**

On 25 August 2010, the Company and Malcolm Pye, Ruth Layton, Roland Bonney, Paul Cook, Jim Muirhead, David Cox, Peter Southgate and Anthony Wall entered into a Shareholders' Agreement in relation to the Company. Since that date each new holder of shares in the Company has entered into a deed of accession to the Shareholders' Agreement.

The Shareholders' Agreement was terminated conditional upon Admission by an agreement dated 9 December 2013 (the "**Termination Agreement**"), between the Company and all of the shareholders in the Company at such date, being each of Malcolm Pye, Roland Bonney, Mark Plampin, Ruth Layton, Paul Cook, David Cox, Jim Muirhead, Peter Southgate, John Marshall, Michael Gooding, Kevin Lawless, Pauline Tames, James Treasurer and Tim Atack (the "**Terminating Shareholders**").

Under the Termination Agreement, each of the Terminating Shareholders agreed to the termination of the Shareholders' Agreement, conditional upon Admission and to give up any claim they had under the Shareholders' Agreement or for any breach of the Articles of Association of the Company as at Admission.

(i) **Benchmark Vaccines Limited ("BVL") acquisition of the assets of Novartis Animal Vaccines Limited ("NAVL")**

Pursuant to a business purchase agreement between (1) NAVL (2) BVL (3) the Company and (4) Novartis Animal Health UK Limited dated 6 August 2012, BVL purchased the assets of the business for cash consideration of £4,000,000 (exclusive of VAT) plus the value of the stock and work in progress, which was valued at £3,000,000. The purchased assets included goodwill, stock and work in progress (comprising of all raw materials, goods and other assets purchased for resale, stores, component parts and packaging of the business), five properties, plant and machinery and benefit of the contracts. Completion of the business purchase agreement took place on 31 August 2012.

Under the business purchase agreement, the Company acted as guarantor to NAVL for all liabilities owed by BVL and the purchase price in the business purchase agreement and Novartis Animal Health UK Limited acted as guarantor for NAVL in the business purchase agreement.

Assets excluded from the sale under the business purchase agreement included all intellectual property owned by NAVL in connection with the business being sold.

NAVL gave certain warranties and indemnities under the business purchase agreement. The maximum aggregate liability of NAVL for all claims under the business purchase agreement when taken together is £4,000,000 and NAVL will not be liable for any claim under £10,000. The limitation period in respect of the warranties given by NAVL expires on 6 January 2014.

Under the business purchase agreement, BVL covenanted to indemnify NAVL against any liabilities or losses which NAVL may incur in connection with third party stock and to indemnify NAVL against all actions, claims or damages in respect of any failure to observe or perform contracts after completion; these obligations are not subject to any limitation period.

(j) **Benchmark Animal Health Limited Acquisition ("BAHL") of Edinburgh Biocampus Property**

Pursuant to an offer to sell between (1) Scottish Enterprise and (2) BAHL on 28 March 2013, BAHL acquired Site No.2, Biocampus, Bush Lane, Penicuik (the "**Property**") in exchange for cash consideration of £840,000 (inclusive of VAT) payable in two instalments. The first instalment of £140,000 was paid on 28 March 2013. The second instalment of £700,000 is outstanding. It is payable on the earlier of (i) the date BAHL obtains Good Manufacturing Practice Accreditation; or (ii) the first working day falling after 28 March 2017 including interest at a rate of 5 per cent. per annum from 28 March 2013 until date the payment is made.

Under the offer to sell, certain environmental warranties were provided by Scottish Enterprise in relation to the Property. In addition, BAHL provided an indemnity to Scottish Enterprise against losses or damages suffered by Scottish Enterprise arising out of or in connection with the presence of any hazardous substance in or under the Property.

Under the offer to sell, BAHL is obliged to procure completion of development works of the Property (which consist of fitting out of the building for use as a bio-manufacturing plant).

The Property and any building thereon may not be used for any use other than for bio manufacturing, pharmaceutical formulation/blending, research & development and ancillary services for the period of two years from when the total consideration (exclusive of VAT, i.e. £700,000) is paid unless approval from Scottish Enterprise is obtained. In addition, for a subsequent period of five years after the expiry of the permitted purpose period, the property may not be used for anything other than the purpose outlined above or any purpose within the sectors of medicines, life sciences/earth sciences, environmental and clean technology or industrial and synthetic biology without the consent of Scottish Enterprise.

(k) **FVG Limited Acquisition of IPN Vaccine**

Pursuant to an asset purchase agreement between (1) FVG and (2) The Norwegian School of Veterinary Science ("**NSVS**") and Marine Harvest ASA ("**MH**") dated 31 March 2013, FVG bought all assets relating to the IPN Stable Non Pathogenic Virus Vaccine for use in the treatment of Infectious Pancreatic Necrosis. Consideration of 3,300,000 Norwegian Kroner (NOK) was paid by FVG to NSVS and MH in five instalments. The first instalment of NOK 1,500,000 was paid on 1 August 2013. The second instalment of NOK 450,000 is payable on receipt of approval of environmental release and risk of virulent mutation which includes the agreement from the first regulatory authority to continue with the development of the IPN vaccine. The third instalment of NOK 450,000 is payable on completion of the first successful field trial. The fourth instalment of NOK 450,000 is payable on receipt of the first registration for the IPN vaccine from the first regulatory authority. The final instalment of NOK 450,000 is payable on the first commercial sale of the IPN vaccine.

Under the asset purchase agreement, FVG Limited has an ongoing obligation to pay royalties to NSVS and MH representing 8 per cent. of all sales revenues in countries where the IP is protected and 2 per cent. of all sales revenues in countries where the intellectual property is not protected.

Basic warranties (title, capacity, good standing and accuracy of information) were given by NSVS and MH pursuant to the asset purchase agreement. In addition, NSVS and MH are required to indemnify FVG Limited against any third party claim arising from a breach of NSVS and MH of any representation, warranties or covenants contained in the asset purchase agreement.

Under the asset purchase agreement FVG has undertaken to indemnify NSVS and MH against any third party claim arising from a breach of FVG of any representation, warranties or covenants contained in the asset purchase agreement and against any liability of the business arising after 1 August 2013.

(l) **Acquisition of Viking Fish**

Pursuant to a share purchase agreement between (1) Dr. Timothy Hugh Atack and Dr. James Watt Treasurer (the "**Sellers**") and (2) the Company dated 14 October 2013, the Company acquired the entire issued share capital Viking Fish Farms Limited for consideration of £400,000. The consideration comprised £300,000 cash consideration and the allotment and issue of 184 shares in the Company to the Sellers.

Customary warranties were provided by the Sellers to the Company under the share purchase agreement and the Sellers also undertook to indemnify the Company and Viking Fish against all losses which the Company or Viking Fish incurs as a result of any debts, liabilities or other obligations at completion incurred by Viking Fish prior to completion. The limitation period for the warranties and the indemnity expires on 14 April 2015.

A liability cap of £400,000 applies to all claims under the share purchase agreement and the Sellers are not liable in respect of a claim unless the aggregate value of all claims exceeds £30,000.

(m) **Acquisition of Assets of Allan Environmental**

Pursuant to a business purchase agreement dated 17 June 2013 between (1) Miranda Barker and (2) Endeavour 140 Limited (which has since changed its name to Allan Environmental Solutions & Management Limited), Allan Environmental purchased the business and assets of Allan Environmental Solutions in exchange for consideration of £150,000 in cash, payable at completion; and an earn-out calculated as 30 per cent. of five year average revenue of Allan Environmental in excess of £150,000.

Under the business purchase agreement, Allan Environmental must comply with certain the following obligations in respect of how the business is run during the earn-out period.

Customary business warranties were provided by Miranda Barker under the business purchase agreement. The limitation period for the general warranties expires on 16 June 2015.

Miranda Barker and Allan Environmental also provided indemnities to one another under the business purchase agreement in relation to any losses caused to the other by reason of non-performance of their obligations under the Business Purchase Agreement. There are no time limitations in respect of these indemnities.

(n) **Acquisition of Dust Collective**

Pursuant to a share purchase agreement between (1) Patrick Walker and Alun Brian Cocks (the "**Sellers**") and (2) the Company dated 1 August 2013, the Company acquired existing shares representing 100 per cent. of the issued share capital of Dust Collective for cash consideration of £130,000.

Under the share purchase agreement, customary warranties were provided to the Company by the Sellers. The limitation period for the tax warranties expires on 1 August 2020. A liability cap of £200,000 applies to all claims under the share purchase agreement.

As part of the acquisition of Dust Collective, a share option contract was entered into between the Company and Patrick Walker (PW) dated 1 August 2013, in relation to the grant of an EMI option over 126 ordinary shares in the Company at a price of £1 per share. The share option contract is non-transferable and expires on 1 August 2023.

(o) **5M UK Acquisition of assets of Nottingham University Press**

Pursuant to an asset purchase agreement entered into on 3 December 2012 between (1) Nottingham University Industrial and Commercial Enterprise Limited ("**NUICEL**") and (2) 5M UK, 5M UK purchased the assets of NUICEL and the benefit of all contracts in exchange for cash consideration of £40,000. Limited warranties were provided by NUICEL in relation to the condition of the assets and the absence of outstanding liabilities under the contracts.

(p) **Term loan agreement with the Co-operative Bank plc**

BVL entered into a term loan agreement dated 6 August 2012 with the Co-operative Bank plc for an amount of £3.6 million in connection with the financing of the acquisition of the Braintree vaccine plant. The loan accrues interest at a rate of 4.5 per cent. per annum plus LIBOR. There are no prepayment fees payable provided that the amount prepaid is at least £20,000 and also a multiple of £20,000.

(q) **Overdraft facility with the Co-operative Bank plc**

Pursuant to an agreement with the Co-operative Bank plc dated 22 April 2013, the Co-operative Bank plc has made available an overdraft facility of £1,600,000 to Benchmark Vaccines as well as a £720,000 overdraft facility to Benchmark, 5M Enterprises, Woodland, RL Consulting, FVG Ltd and FAI Farms collectively. These facilities are repayable on demand by the Co-operative Bank plc, are subject to an interest rate of a minimum of 5 per cent. and 4 per cent. per annum respectively, and expire on 26 March 2014.

These overdraft facilities contain negative pledges prohibiting each borrower from creating, extending or permitting to subsist any charge over any of its undertaking or assets or opening or maintaining any account other than with the Co-operative Bank plc, without the express prior consent of the Co-operative Bank plc.

(r) **Subscription Letter**

On 11 December 2013, the Company entered into a subscription letter with Sussex Trading Company Limited pursuant to which Sussex Trading Company Limited agreed to subscribe for the Subscription Shares at the Placing Price, conditionally upon, *inter alia*, Admission taking place and the conditions under the Placing Agreement being ratified. The Subscription Letter contains certain warranties, undertakings and indemnities given by Sussex Trading Company Limited in favour of the Company.

13. Related Party Transactions

Details of related party transactions to which the Company has been party for the three year period ended 31 September 2013 are contained in the financial statements and notes to accounts in the audited annual report and accounts of the Group for each of the financial years ended 31 September 2013, 31 September 2012 and 31 September 2011. Extracted information as regards related party transactions in those years can be found in paragraph 28 of Part A of Part III and paragraph 29 of Part B of Part III.

Details of related party transactions to which the Company has been party for the period from 1 October 2013 to 10 December 2013 (being the latest practicable date prior to publication of this document) are as follows:

Identity of related parties

The Company has a related party relationship with its subsidiaries and with its directors.

Transactions with subsidiaries

The main transactions between the Company and its subsidiaries consist of:

- Directors' attendance at Company board meetings provided by FVG Ltd, 5M Enterprises, FAI Farms and RL Consulting
- IT hardware, software and website services provided by 5M Enterprises
- Research and development services provided by FAI Farms
- Sustainability consultancy services provided by FAI Farms and Trie
- Office space and meeting rooms provided by FAI Farms and Benchmark Vaccines
- HR and health and safety management services provided by Benchmark Vaccines
- Creative and design services provided by dust
- Property management services provided by 5M Enterprises
- Brand support and development services provided by 5M Enterprises
- Management and administration services provided by the Company to all of its subsidiaries
- Routine rental payments in respect of property leased by the Group from a SSAS pension scheme and routine contributions to such scheme

Total transactions of approximately £574,000 were made in the period from 1 October 2013 to 10 December 2013 (being the latest practicable date prior to the publication of this document).

Amounts are owed both by the Company to its subsidiary undertakings and by subsidiary undertakings to the Company. The net amounts due to the Company from its subsidiary undertakings, as at 10 December 2013 (being the latest practicable date) are as follows:

FAI Farms Ltd	£89,000
RL Consulting Ltd	£73,000
FVG Ltd	£1,356,000
Benchmark Animal Health Ltd	£3,772,000
Trie Benchmark Ltd	£29,000
Benchmark Vaccines Ltd	£2,139,000
Allan Environmental Solutions & Management Ltd	£30,000
FVG Inc	£9,000
Viking Fish Farms Ltd	£1,000
Fish Vet Group Norge AS	£1,000
Fish Vet Group Asia Ltd	£5,000
Total of the above	**£7,504,000**

14. Working capital

Having made due and careful enquiry, the Directors and the Proposed Directors are of the opinion that, taking into account available banking facilities and the net proceeds of the Placing receivable by the Company, the Company and the Group will have sufficient working capital available for their present requirements, that is, for at least the 12 months following the date of Admission.

15. Litigation and arbitration

The Group is engaged in a dispute with a Mr. Johannsen, who has registered a patent in Norway which covers the combined use of virocides and pesticides to treat fish lice. The use of Salmosan in combination with certain other products could fall within the scope of the patented technology. Mr Johannsen is attempting to charge fish farms a fee for the use of the patented technology to the extent they use certain products, which may include Salmosan, in combination. The Group has launched a challenge to this patent on various grounds, including that the technique of combining products in this way has been used for a long time and that the combination of these products in the manner contemplated is not a patentable right. The trial has been postponed on Mr. Johannsen's application a number of times. A provision for c. £40,000 of legal fees is expected to be made by the Group in the consolidated audited accounts for the financial year ended 30 September 2013.

Save as disclosed above, neither the Company nor any member of the Group is, nor has at any time in the 12 months immediately preceding the date of this document been, involved in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Company or any member of the Group, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document, in each case which may have, or have had in the recent past, a significant effect on the Company's or the Group's financial position or profitability.

16. Mandatory bids, squeeze-out and sell-out rules relating to the Shares

(a) ***Mandatory bid***

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

(i) a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

(ii) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Shares by the acquiror or its concert parties during the previous 12 months.

(b) ***Compulsory Acquisition***

Under sections 974 – 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

17. General

(a) The gross proceeds of the Placing are expected to be approximately £45.1 million. The total costs and expenses relating to Admission and Placing are expected to be approximately £2.0 million (including value added tax).

(b) BDO LLP have given and have not withdrawn their written consent to the issue of this document with the inclusion herein of their reports and letter as set out in Part III of this document. BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales.

(c) Cenkos has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which it is included.

(d) The financial information set out in this document relating to the Group does not constitute statutory accounts within the meaning of section 434 of the Companies Act.

(e) PKF (UK) LLP of Regent House, Clinton Avenue, Nottingham NG5 1AZ have given unqualified audit reports on the consolidated statutory accounts of the Company for each of the two financial years ended 30 September 2011 and 30 September 2012, within the meaning of section 495 of the Companies Act. BDO LLP of Clinton Avenue, Regent House, Nottingham NG5 1AZ have given an unqualified audit report on the consolidated statutory accounts of the Company for the financial year ended 30 September 2013, within the meaning of section 495 of the Companies Act. None of these reports contained any statements under sub-section 498 of the Companies Act. Statutory accounts of the Company for each of the two financial years ended 30 September 2011 and 30 September 2012 have been delivered to the Registrar of Companies in England and Wales pursuant to section 441 of the Companies Act. Statutory accounts of the Company for 30 September 2013 will be delivered to the Registrar of Companies in England and Wales in due course pursuant to section 441 of the Companies Act.

(f) There are no arrangements in place under which future dividends are to be waived or agreed to be waived.

(g) The Placing Price is payable in full in cash on acceptance.

(h) Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made or refused nor are there intended to be any other arrangements for dealings in the Shares.

(i) Save as disclosed in this document, the Directors and the Proposed Directors are not aware of any exceptional factors which have influenced the Group's activities.

(j) Save as set out in Part 1 of this document, the Directors are not aware of any patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Group's business.

(k) There has been no significant change in the trading or financial position of the Group since 30 September 2013, being the date to which the financial information contained in Part 3 of this document was prepared.

(l) Save as disclosed in paragraphs 2 and 12 above, no person (excluding the Company's professional advisers details of whom are disclosed elsewhere in this document and trade suppliers) in the 12 months preceding the Company's application for Admission received, directly or indirectly, from the Company or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of the following:

    (i) fees totalling £10,000 or more;

    (ii) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or

    (iii) any other benefit with a value of £10,000 or more at the date of Admission.

(m) Monies received from applicants pursuant to the Placing will be held by Cenkos until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 28 February 2014 (or such later date as Cenkos and the Company may agree), application monies will be returned to applicants at their own risk without interest prior to delivery of the shares.

(n) The Ordinary Shares have not been sold, nor are they available, in whole or in part, to the public in conjunction with the application for Admission.

(o) As described in paragraph 2 above, statutory rights of pre-emption have been disapplied in order: (i) to permit the Directors to allot up to 51,300,000 New Placing Shares for which subscribers are being procured by Cenkos pursuant to the Placing; (ii) to give the Directors flexibility in relation to rights issues; and (iii) to permit the Directors to allot Shares for cash having a nominal value of up to 10 per cent. of the issued ordinary share capital of the Company following the Placing.

(p) See paragraph 2 above as regards the authority of the Company to make market purchases (as defined in section 693 of the Companies Act).

(q) Where information in this document has been sourced from a third party, this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Dated: 12 December 2013

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