

28 June 2016

BENCHMARK HOLDINGS PLC
("Benchmark" or the "Company" or the "Group")

INTERIM RESULTS 2016

INVE ACQUISITION COMPLETES GLOBAL PLATFORM

Benchmark, the international biotechnology and food chain sustainability business announces its Interim Results for the six months ended 31 March 2016 (the "period").

Financial Highlights:

- Revenue increased by 142% to £48.0m (H1 2015: £19.8m). Like for like sales, excluding businesses acquired in either 2016 or 2015, increased 42% to £13.3m (H1 2015: £9.4m).
- EBITDA from Trading Activities¹ grew by £8.3m to £9.5m (H1 2015: £1.2m)
- Acquisition of INVE Aquaculture in December 2015 for \$342m (c.£230m) created new Advanced Animal Nutrition division
 - Funded via successful £219m (gross) equity raise
 - \$70 million revolving credit facility secured to support the equity raise and the enlarged group's working capital needs
- Temporary closure of Chilean border to Icelandic produced salmon eggs impacted Breeding and Genetics revenues
- Operating loss of £15.2m (H1 2015: £4.0m) after increase of investing activities to £18.8m (H1 2015: £3.6m), including £11.8m of expensed acquisition and integration costs
- Expensed R&D increased by 150% to £6.0m (H1 2015: £2.4m)
- £8.3m invested in new vaccine manufacturing capacity at Braintree and marine R&D facilities at Ardtoe

Operational highlights:

- Progress made on key strategic investment objectives:
 - Transformative acquisition of INVE Aquaculture in December 2015, more than doubled the size of the Group's operations
 - Continued investment in scientific research and development resources, and encouraging progress in the development pipeline
- INVE integration progressing well with first operational synergies realised
- Braintree manufacturing facility expected to enter commissioning by September 2016
- First sales of new products in Animal Health and Breeding & Genetics
- Recovery of market share for Salmosan®/Byelice® in Chile with some discounting of selling price

- Challenging first half for Breeding & Genetics due to temporary border closure and the impact of El Niño on climatic conditions
- Product pipeline of 85 products, with a potential addressable market of £742m per annum
- Good progress with HypoCat product development

Alex Hambro, Chairman of Benchmark, said: *“The integration of INVE Aquaculture into the Benchmark Group has transformed the business and largely completes our divisional structure. The benefit of securing diversified revenue streams is becoming increasingly apparent and we expect further revenue streams to materialise during the remainder of this calendar year as our product development pipeline matures and benefits are reaped from the capital expended upgrading Braintree’s vaccine production facility and Ardtoe’s aquaculture trials facilities.”*

For further information, please contact:

Benchmark Holdings plc Tel: 020 7920 3150

Malcolm Pye, CEO

Roland Bonney, COO

Rachel Aninakwah, Communications

Numis Securities Tel: 020 7260 1000

Michael Meade / Freddie Barnfield (Corporate Finance)

James Black (Corporate Broking)

Tavistock Tel: 020 7920 3150

Matt Ridsdale / Niall Walsh

Notes to Editors:

Founded in 2000, Benchmark represents a new model in sustainable business development. Over the last decade it has built a successful group of companies on the economics of a sustainable food chain. The Group is growing in response to a rapidly increasing demand for sustainable food chains, and in particular for seafood, from both mature and emerging markets.

Benchmark is an ethical group with an explicit policy based on the "3E's" definition of a sustainable business - ethics, environment and economics - which guides its strategy and operations. The Group has five divisions: Advanced Animal Nutrition which provides cutting edge nutritional products and services to the aquaculture industry and is a world leader in the feeding of the larval stages of shrimp and marine fish production, Breeding and Genetics which comprises a world-leading Salmon and aquaculture breeding business, Animal Health which researches, manufactures and markets medicines and vaccines particularly for aquaculture, Sustainable Science which researches and informs sustainable development in the food industry, and Technical Publishing which effects technology transfer through online publishing and education. Benchmark operates internationally with offices in England, Scotland, Belgium, Ireland, Norway, Iceland, USA, Brazil, China, Moscow, India, Thailand and Chile. As at 1 May 2016, Benchmark employs 881 people.

For further information on Benchmark please visit www.benchmarkplc.com

1. EBITDA from Trading Activities excludes costs relating to Investing Activities from reported IFRS numbers. Investing Activities comprise exceptional restructuring costs of £0.3m (H1 2015: £0.0m), acquisition costs of £11.8m (H1 2015: £0.1m net credit), pre-operational expenses for new ventures of £0.5m (H1 2015: £1.1m) and research and development expenditure of £6.0m (H1 2015: £2.4m).

CHAIRMAN'S STATEMENT

I am pleased to report the Group's Interim Results for the period to 31 March 2016.

We have made significant progress in a busy first half of the 2016 financial year as we continue to develop and diversify Benchmark into a group which comprehensively serves the needs of our customers whilst also providing us with multiple revenue streams by sector, technology and geography.

As noted in the 2015 annual report, we completed the transformative acquisition of INVE Aquaculture Holdings BV ("INVE") in December 2015 which more than doubled the scale of the group's operations. INVE now forms the Advanced Animal Nutrition division. The consideration for the acquisition was \$342m (c.£230m) which was funded through a combination of an equity raise and drawdown of a new debt facility.

The integration of INVE is progressing well, with a solid performance from the new division in the first half and the first operational synergies with the rest of the Benchmark Group now being realised. I am pleased to see the quality of our divisional management teams come to the fore as the synergies available to the enlarged group are exploited.

Our strategy of diversification is showing its importance, with the strong performance of the Advanced Animal Nutrition division and the improved performance of the Animal Health division compared to H1 2015, compensating for the impact of the well-documented issues faced by the Breeding and Genetics division arising from the temporary closure of the Chilean border to Icelandic salmon eggs. The Chilean border finally reopened to imports of salmon eggs from Iceland in early March, but the four month closure caused the division's sales to fall behind our expectations. This sales shortfall was compounded by environmental factors in Chile linked to El Niño, however, taking into account the results of the other divisions, the Group remained on track overall.

Our pipeline of new technologies and products remains a focus, and first sales of a new aquaculture vaccine for sea bass were made in June 2016. The product, which is targeted at the Mediterranean market, has been developed, is manufactured and will be distributed entirely by the Group, with customer liaison being managed by the INVE team; an example of the operational synergies mentioned above. Furthermore, the investment in the new vaccine manufacturing facilities at Braintree and aquaculture trials facilities at Ardtoe are coming online in the next few months, providing the vital infrastructure required to deliver the Group's development portfolio.

Results

Revenue for the period increased by 142% to £48.0m (H1 2015: £19.8m; FY 2015: £44.2m), with the bulk of the growth (£20.6m) arising from three months of trading from the INVE acquisition. The acquisitions completed in the financial year 2015 (the companies acquired to create the Breeding and Genetics division and Improve International held within the Technical Publishing division) have also contributed for a full six months in H1 2016. As a result of the difficult trading conditions faced by the Breeding and Genetics division, revenues in the six month period were £10.7m compared to £9.8m for three months in H1 2015.

Excluding acquisitions, underlying sales increased by 42% mainly due to the improved performance in the Animal Health division. The introduction of new volume supply agreements and rewards for customer loyalty in response to the increased competition for Byelice (Salmosan) have shown improvement in revenues in both Chile and Norway.

Operating costs relating to Trading Activities (excluding amortisation and depreciation) in the first half doubled from the comparative period to £11.5m (H1 2015: £5.7m; FY 2015: £13.7m), with £3.4m of the increase coming from the newly created Advanced Animal Nutrition division. The remainder of the increase reflects the inclusion of financial year 2015 acquisitions for a full period and increased activity within the Animal Health division. Following the INVE acquisition, group headcount at the half year was 855 (30 September 2015: 402).

The Group continues to separate the statutory IFRS results into Trading Activities and Investing Activities, in line with many of its peers in the sector, to present better the underlying performance and development of the business. This is how the board monitors progress of the existing group businesses. Trading Activities are those related to products and services that have been developed and are producing revenue streams, while Investing Activities relate to the costs associated with acquiring new businesses and products and services being developed for future revenue streams and include a pipeline of vaccines at various stages of the development cycle.

EBITDA from Trading Activities in the first six months was £9.5m, an increase of £8.3m compared to H1 2015, with the bulk of the growth again arising from the post-acquisition profits of the Advanced Animal Nutrition division of £7.1m. The Animal Health division saw an increase in Trading EBITDA to £2.0m (H1 2015: £0.5m loss; FY 2015: £2.1m profit) as sales have recovered against the low volumes in the comparative period.

Earnings per share from Trading Activities of 0.94p is up on last year by 1.47p (H1 2015: loss per share from Trading Activities 0.53p; FY 2015 loss per share 1.13p).

The Group's statutory IFRS earnings (including both Trading and Investing Activities), set out in the Consolidated Income Statement, show an EBITDA loss for the first half of £9.1m (H1 2015: loss of £2.2m; FY 2015: loss £7.2m). Basic and diluted earnings per share are both losses of 3.09p per share (H1 2015: basic and diluted loss per share of 2.49p; FY 2015: basic and diluted loss per share of 5.96p).

EBITDA from Trading Activities excludes from reported IFRS numbers those costs that relate to Investing Activities. Costs relating to Investing Activities (excluding depreciation and amortisation) have increased by £15.2m to £18.6m in the period (H1 2015: £3.4m; FY 2015: £9.7m). Investment costs in the period comprise acquisition and integration costs of £11.8m (H1 2015: net credit of £0.1m; FY 2015: costs of £1.3m), exceptional restructuring costs of £0.3m (H1 2015: £nil; FY 2015: £0.2m), pre-operational expenses for new ventures of £0.5m (H1 2015: £1.1m; FY 2015: £1.6m) and research and development expenditure of £6.0m (H1 2015: £2.4m; FY 2015: £6.6m). As well as the increase relating to the continued focus on R&D activity in progressing the Group's pipeline of innovative products and technologies, which has expanded following recent acquisitions, the main impact is from the costs incurred on the transformative acquisition of INVE in December 2015. Total net costs of £12.4m were incurred on the acquisition, £4.4m of which related to the raising of new equity to fund the acquisition and which was therefore offset against share premium account. The remaining £8.0m of acquisition and integration costs included within the income statement is after a gain of £3.7m made on a foreign currency instrument entered into to fix the exchange rate for the US dollar consideration paid on the acquisition which is included in finance income. Acquisition and integration costs in H1 2015 were a net credit due to similar foreign currency differences on the acquisitions of SalmoBreed and StofnFiskur producing a gain of £1.9m.

After all of the above, the Group made an operating loss of £15.2m in the period (H1 2015: £4.0m loss; FY 2015: £11.6m loss).

On 30 December 2015 the Company raised gross proceeds of £186m through the placing of 215,922,141 new ordinary shares, the proceeds of which together with a further 38,635,671 new ordinary shares issued on 31 December 2015 formed part of the consideration for the acquisition of INVE.

Strategy and markets

Benchmark now has five divisions operating in four growing global markets which are the fundamental building blocks of a sustainable food chain.

- Aquaculture is the fastest growing livestock sector with CAGR of 5.1%, and at \$119bn is now a larger market than beef (source: FAO). The breeding and genetics market within aquaculture is estimated to be \$1.5bn, and the market for specialist nutritional products for marine fish, shrimp and tilapia \$2.0bn.
- The animal health market, including diagnostic, medicated feed and veterinary services is estimated at between \$92bn-\$102bn, with the animal medicines and vaccines sector estimated at around \$22bn. This is currently projected to grow at a CAGR of 5.7% per annum (source: Vetnosis).
- Sustainability consulting is a \$13.8bn market growing at between 4%-5% per annum. The market is categorised as strategic consulting services (\$1.2bn) and technical sustainability consulting (\$12.6bn) (source: Verdantix)
- The Science technical and medical publishing market, a \$26bn global market is projected to grow at a CAGR of 4.2% (source: Outsell).

We have now completed the process of creating a scalable Group structure which serves customers and shareholders through its five operating divisions. The businesses acquired last financial year are well integrated, and the integration of INVE is progressing to plan. This acquisition has further solidified the Group's diversification of its income streams, has expanded the product pipeline and opened up new potential synergies within the enlarged group. Management is focussed on exploiting these synergies to maximise growth within all of its divisions.

Operations

Animal Health Division

The Animal Health division has seen significant improvement in year on year sales of Salmosan / Byelice with total revenue and contribution ahead of the first half of last year. EBITDA from Trading Activities for the division was a profit of £2.0m (H1 2015: loss of £0.5m; FY 2015: profit of £2.1m).

The extension of the division's vaccine manufacturing capacity at its Braintree site is almost complete, with the new Braintree Biotech Building expected to enter commissioning by September 2016. Benchmark Vaccines Ltd has successfully won a new companion animal vaccine toll manufacturing contract with a global animal health company.

The division's product development pipeline continues to progress and is one of the strongest in the aquaculture arena, comprising 56 products covering a total addressable market of approximately £578m per annum. Work on the pipeline products and technologies is accelerating as we continue to integrate the necessary expertise and resources to exploit the pipeline's full potential. R&D costs (including amortisation of acquired R&D assets) of £4.5m, all of which have been expensed as the criteria for capitalising development costs had not been met, have been invested in the product pipeline in the period (H1 2015: £2.3m). The development of a new sea lice treatment continues to plan and sales of trial batches have commenced of the

first of our new aquaculture vaccines. This vaccine will target marine fish production in the Mediterranean and the INVE sales team is assisting with customer introductions. There is good progress with the HypoCat product development.

Breeding and Genetics Division

In line with guidance provided at year end, the Breeding and Genetics division experienced a difficult first half as a result of the closure of the Chilean border to Icelandic salmon eggs. Recovery was slower than anticipated, aggravated by lower stocking in the Chilean industry in response to environmental challenges, with sales significantly impacted. Despite the inclusion of a full six months' results in H1 2016 for the businesses acquired in December 2014 and July 2015, EBITDA from Trading Activities fell by £1.3m to £1.8m (H1 2015: £3.1m; FY 2015 £4.6m).

In order to ensure active management of future threats related to biosecurity and satisfy anticipated growth in demand for its products the division is close to completing a study into the feasibility of building a land based production facility in Norway.

The division has made good progress with the launch of new products in the period. Of particular note was the announcement of a major breakthrough in genetic breeding programmes for Pancreas Disease (PD) and sea lice resistance through Genomic Selection. Whilst this method is already recognized in genetic science for other species, and can provide a more accurate and safer selection than by using traditional methods, Genomic Selection has never been used in aquaculture before. Benchmark believes that the use of this method can provide a significant advancement in developing resistance to both PD and sea lice in salmon, and thus provide significant savings for the industry. The division's pipeline of products now includes 10 products with an addressable market of £45m.

Advanced Animal Nutrition Division

The division was formed, following the acquisition of INVE, mid-way through the period and has performed well, with EBITDA from Trading Activities at £7.1m. The management team is working closely with the Benchmark Operations Board and the integration is proceeding to plan with the first phase of operational synergies being realised. A new group wide key account management programme has been initiated and opportunities to utilise INVE's market leading distribution network are being developed. The Benchmark and INVE R&D teams are coordinating their work on product development in order to maximise opportunities for combined nutrition and health products. Customer response to the acquisition has been extremely positive, with their support being demonstrated by the number of new enquiries about the Group's offering of genetics, nutrition and animal health products rising sharply from new customers and new product sectors. Work is also underway to incorporate Benchmark's primary stage algal feed business, TomAlgae, into the INVE sales, marketing and R&D structure. Good progress has been made with INVE's pipeline of new products with 6 achieving first sales in the period.

The division's pipeline now includes 19 products with an addressable market of £119m.

Sustainability Science Division

The Sustainability Science division continues to provide consultancy and R&D services through its expertise across all parts of the food chain and its working research farms and sites, helping our partners grow and source food more efficiently and ethically. Significant investment has been completed in the period at Ardtoe,

Scotland and the new aquaculture trials facilities are coming online to provide the vital infrastructure to deliver the Group's development portfolio.

The division completed its reorganisation in the period and has realigned its cost base with the services it provides. As a result, EBITDA from Trading Activities improved by £0.2m to a small loss of £0.1m (H1 2015: loss £0.3m; FY 2015: loss £0.5m).

Technical Publishing Division

The Technical Publishing Division, which provides access to expertise, education and knowledge transfer for people and businesses in the agriculture, aquaculture, veterinary and global food supply chain industries, has shown improved performance in the period compared to prior year. Improve International (acquired in February 2015) is now fully integrated and continuing to develop its position as Europe's number one provider of continuing professional development to vets. EBITDA from Trading Activities for the half year rose to £0.3m (H1 2015: £0.1m; FY 2015: £0.3m). The Aquaculture UK business (acquired in June 2015) held its flagship industry technical conference in May 2016 with record attendances.

Funding

On 30 December 2015, the Group secured a revolving credit facility with a 5 year term of up to \$70m in order to provide part of the funding required for the acquisition of INVE and to support working capital for the enlarged group. The facility is secured on certain of the Group's assets and attracts interest at a variable rate based on LIBOR plus a margin which is dictated by the performance of the Group. As at 31 March 2016 \$55m of the revolving credit facility had been drawn down. The balance of the facility remains available to fund working capital and small scale capital projects, with leverage and interest cover covenants to be tested on a quarterly basis.

Cashflow and Net Cash

Net cashflow from operations was an outflow of £8.9m (H1 2015: outflow £5.2m; FY 2015 outflow £9.0m) due to the loss in the period, which includes the significant investing activities outlined above, and increased working capital demands of the enlarged group. Cashflows were dominated by the proceeds of the share placing in December 2015, in which gross proceeds of £186m (£181m net of costs) were raised. All of the proceeds raised were used to fund the acquisition of INVE in the period, together with some of the receipts from the new debt facility entered into in December 2015. The balance of the purchase price was settled by the issue of new shares.

Capex in the period totalled £11.2m as investment nears completion on the new manufacturing plant at Braintree and the marine research facilities at Ardtoe, Scotland (H1 2015; £2.7m; FY 2015: £14.0m).

Cash at period end stood at £23.0m and borrowings drawn under the rolling credit facility, net of debt raising costs, stood at £37.6m giving the group a net debt position of £14.6m.

Taxation

There was a tax credit in the period of £1.3m (H1 2015: charge £0.5m; FY 2015: charge £0.4m). There were overseas tax charges in the Breeding and Genetics division of £0.3m and in the Advanced Animal Nutrition division of £0.6m, offset by deferred tax credits on the reversal of temporary differences, mainly on intangible

assets arising on consolidation from recent acquisitions. No deferred tax assets have been provided on the losses made in the period.

Dividend

No dividends have been paid or proposed in the six months to 31 March 2016. The Board will review the Group's position again at the full year end.

Outlook

The group remains on track for the full year despite the fact that El Niño has had an impact on the climate in South East Asia and Latin America and the algal bloom in Chile has reduced total salmon biomass across the Chilean industry. Such climatic changes always have the potential to significantly influence sales of aquaculture health products, salmon eggs or advanced nutrition, and the board continues to monitor the situation.

The long term drivers of growth in the group's sectors are clearly positive. The recent expansion through targeted acquisition now allows Benchmark to leverage synergies by offering an integrated package of products and services to its customers, and key account management is being introduced to strengthen the group's ability to exploit the significant opportunities in the markets it serves.

As a result of the considered investment made in our product pipeline in recent years, we have a portfolio of technology of considerable value. The product pipeline, combined with our world class research and manufacturing facilities, underpins our future growth potential and are sources of considerable confidence for the board.

The board is currently assessing the impact of the result of the UK's EU membership referendum. Whilst the decision to leave the EU will affect UK trade agreements and relevant European business related legislation, there are more short term factors affecting companies like Benchmark. While the group operates in many territories, most of its operations and sales do not involve EU countries, so the impact on trading of the result of the referendum will largely be mitigated. The most immediate impact relevant to Benchmark is that on the UK currency. With a large proportion of the group's sales transacted in US dollars, volatile GBP exchange rates may lead to increased exchange gains or losses, albeit these will be hedged by raw materials sourced in US dollars and by Benchmark's US dollar denominated borrowing facility.

I would like to thank our shareholders for their continued support and look forward to updating you again on the full year results.

The Hon. Alexander Hambro
Chairman

28 June 2016

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly report for the six months ended 31 March 2016 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the related explanatory notes. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the AIM Rules.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly report has been prepared in accordance with the recognition and measurement requirements of IFRSs as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly report for the six months ended 31 March 2016 is not prepared, in all material respects, in accordance with the recognition and measurement requirements of IFRSs as adopted by the EU and the AIM Rules.

Ian Beaumont

for and on behalf of KPMG LLP

Chartered Accountants

1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

28 June 2016

Benchmark Holdings plc

Consolidated Income Statement
for the 6 months ended 31 March 2016

		6 months ended 31 March 2016			6 months ended 31 March 2015			12 months ended 30 September 2015		
	Notes	Trading Activities (unaudited) £000	Investing Activities (unaudited) £000	Total (unaudited) £000	Trading Activities (unaudited) £000	Investing Activities (unaudited) £000	Total (unaudited) £000	Trading Activities (audited) £000	Investing Activities (audited) £000	Total (audited) £000
Revenue		47,965	-	47,965	19,779	-	19,779	44,199	-	44,199
Cost of sales		(27,012)	-	(27,012)	(12,870)	-	(12,870)	(28,102)	-	(28,102)
Gross profit		20,953	-	20,953	6,909	-	6,909	16,097	-	16,097
Operating costs		(11,489)	(18,265)	(29,754)	(5,722)	(3,388)	(9,110)	(13,674)	(9,494)	(23,168)
Operating costs – Exceptional	8	-	(294)	(294)	-	(20)	(20)	-	(160)	(160)
EBITDA		9,464	(18,559)	(9,095)	1,187	(3,408)	(2,221)	2,423	(9,654)	(7,231)
Depreciation	11	(980)	(84)	(1,064)	(640)	-	(640)	(1,113)	(191)	(1,304)
Amortisation	12	(4,870)	(123)	(4,993)	(917)	(184)	(1,101)	(2,825)	(239)	(3,064)
Operating profit / (loss)		3,614	(18,766)	(15,152)	(370)	(3,592)	(3,962)	(1,515)	(10,084)	(11,599)
Finance cost		(1,254)	(1)	(1,255)	-	-	-	(34)	-	(34)
Finance income		47	3,743	3,790	125	-	125	260	14	274
Profit/(loss) on ordinary activities before taxation		2,407	(15,024)	(12,617)	(245)	(3,592)	(3,837)	(1,289)	(10,070)	(11,359)
Tax on profit/(loss) on ordinary activities	9	1,032	230	1,262	(518)	-	(518)	(751)	355	(396)
Profit/(loss) for the period		3,439	(14,794)	(11,355)	(763)	(3,592)	(4,355)	(2,040)	(9,715)	(11,755)
Profit/(loss) for the period attributable to:										
- Owners of the parent		3,448	(14,794)	(11,346)	(964)	(3,592)	(4,556)	(2,273)	(9,715)	(11,988)
- Non-controlling interest		(9)	-	(9)	201	-	201	233	-	233
		3,439	(14,794)	(11,355)	(763)	(3,592)	(4,355)	(2,040)	(9,715)	(11,755)
Basic earnings / (loss) per share (pence)	10	0.94		(3.09)	(0.53)		(2.49)	(1.13)		(5.96)
Diluted earnings / (loss) per share (pence)	10	0.94		(3.09)	(0.53)		(2.49)	(1.13)		(5.96)

Benchmark Holdings plc

Consolidated Statement of Comprehensive Income
for the 6 months ended 31 March 2016

	6 months ended 31 March 2016			6 months ended 31 March 2015			12 months ended 30 September 2015		
	Trading Activities (unaudited) £000	Investing Activities (unaudited) £000	Total (unaudited) £000	Trading Activities (unaudited) £000	Investing Activities (unaudited) £000	Total (unaudited) £000	Trading Activities (audited) £000	Investing Activities (audited) £000	Total (audited) £000
Profit/(loss) for the period	3,439	(14,794)	(11,355)	(763)	(3,592)	(4,355)	(2,040)	(9,715)	(11,755)
Other comprehensive income/(expense)									
Movement on foreign exchange reserve	13,146	-	13,146	(1,071)	-	(1,071)	(2,812)	-	(2,812)
Total comprehensive income/(expense) for the period	16,585	(14,794)	1,791	(1,834)	(3,592)	(5,426)	(4,852)	(9,715)	(14,567)
Total comprehensive income/(expense) for the period attributable to:									
- Owners of the parent	16,487	(14,794)	1,693	(2,053)	(3,592)	(5,645)	(5,071)	(9,715)	(14,786)
- Non-controlling interest	98	-	98	219	-	219	219	-	219
	16,585	(14,794)	1,791	(1,834)	(3,592)	(5,426)	(4,852)	(9,715)	(14,567)

Benchmark Holdings plc

Consolidated Balance Sheet
as at 31 March 2016

	Notes	As at 31 March 2016 (unaudited) £000	As at 31 March 2015 (unaudited) £000	As at 30 September 2015 (audited) £000
Assets				
Non-current assets				
Property, plant and equipment	11	41,224	14,891	25,141
Intangible assets	12	323,662	59,210	65,872
Investments		520	95	147
Trade and other receivables		156	450	293
Biological and agricultural assets		3,411	1,954	3,392
Total non-current assets		368,973	76,600	94,845
Current assets				
Inventories		21,772	5,666	5,359
Biological and agricultural assets		6,389	6,801	4,948
Trade and other receivables		35,034	10,493	15,353
Cash and cash equivalents		23,048	38,615	13,564
Total current assets		86,243	61,575	39,224
Total assets		455,216	138,175	134,069
Liabilities				
Current liabilities				
Trade and other payables		(36,670)	(10,140)	(24,368)
Loans and borrowings		(57)	(163)	(63)
Corporation tax liability		(2,379)	(428)	(860)
Provisions		(1,908)	(1,307)	(1,033)
Total current liabilities		(41,014)	(12,038)	(26,324)
Non-current liabilities				
Loans and borrowings	13	(37,559)	(93)	(93)
Other payables		(9,151)	(16,265)	(7,330)
Deferred tax		(59,185)	(7,815)	(8,224)
Total non-current liabilities		(105,895)	(24,173)	(15,647)
Total liabilities		(146,909)	(36,211)	(41,971)
Net assets		308,307	101,964	92,098
Issued capital and reserves attributable to owners of the parent				
Share capital		474	219	219
Share premium reserve		308,947	94,735	94,672
Capital redemption reserve		5	5	5
Retained earnings		(12,479)	6,240	(1,021)
Foreign exchange reserve		10,315	(1,015)	(2,724)
Equity attributable to owners of the parent		307,262	100,184	91,151
Non-controlling interest		1,045	1,780	947
Total equity and reserves		308,307	101,964	92,098

The notes on pages 15 to 26 are an integral part of this interim consolidated financial information.

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Consolidated Statement of Changes in Equity
for the 6 months ended 31 March 2016

	Share capital	Share premium reserve	Other reserves	Retained earnings	Total attributable to equity holders of parent	Non-controlling interest	Total equity
	£000	£000	£000	£000	£000	£000	£000
As at 1 October 2014	137	26,903	1,185	9,017	37,242	10	37,252
Comprehensive income for the period							
(Loss)/profit for the period	-	-	-	(4,556)	(4,556)	201	(4,355)
Other comprehensive income	-	-	(1,089)	-	(1,089)	18	(1,071)
Total comprehensive income for the period	-	-	(1,089)	(4,556)	(5,645)	219	(5,426)
Contributions by and distributions to owners							
Equity acquisition	-	-	-	-	-	1,551	1,551
Share based payment	-	-	505	-	505	-	505
Deferred tax options on shares	-	-	168	-	168	-	168
Combination of share based payment with retained earnings *	-	-	(1,779)	1,779	-	-	-
Share issue	82	69,918	-	-	70,000	-	70,000
Share issue costs recognised through equity	-	(2,086)	-	-	(2,086)	-	(2,086)
Total contributions by and distributions to owners	82	67,832	(1,106)	1,779	68,587	1,551	70,138
As at 31 March 2015 (unaudited)	219	94,735	(1,010)	6,240	100,184	1,780	101,964
Comprehensive income for the period							
(Loss)/profit for the period	-	-	-	(7,432)	(7,432)	32	(7,400)
Other comprehensive income	-	-	(1,709)	-	(1,709)	(32)	(1,741)
Total comprehensive income for the period	-	-	(1,709)	(7,432)	(9,141)	-	(9,141)
Contributions by and distributions to owners							
Share issue costs recognised through equity	-	(63)	-	-	(63)	-	(63)
Share based payment	-	-	-	243	243	-	243
Deferred tax options on shares	-	-	-	(72)	(72)	-	(72)
Acquisition of non-controlling interest	-	-	-	-	-	(833)	(833)
Total contributions by and distributions to owners	-	(63)	-	171	108	(833)	(725)
As at 30 September 2015 (audited)	219	94,672	(2,719)	(1,021)	91,151	947	92,098
Comprehensive income for the period							
Loss for the period	-	-	-	(11,346)	(11,346)	(9)	(11,355)
Other comprehensive income	-	-	13,039	-	13,039	107	13,146
Total comprehensive income for the period	-	-	13,039	(11,346)	1,693	98	1,791
Contributions by and distributions to owners							
Share issue	255	218,665	-	-	218,920	-	218,920
Share issue costs recognised through equity	-	(4,390)	-	-	(4,390)	-	(4,390)
Share based payment	-	-	-	304	304	-	304
Deferred tax options on shares	-	-	-	(416)	(416)	-	(416)
Total contributions by and distributions to owners	255	214,275	-	(112)	214,418	-	214,418
As at 31 March 2016 (unaudited)	474	308,947	10,320	(12,479)	307,262	1,045	308,307

* To simplify presentation, the share based payment reserve was combined with the retained earnings reserve in the 6 months ended 31 March 2015.

Benchmark Holdings plc

Statement of Cash Flows for the 6 months ended 31 March 2016

		6 months ended 31 March 2016 (unaudited) £000	6 months ended 31 March 2015 (unaudited) £000	12 months ended 30 September 2015 (audited) £000
	Notes			
Cash flows from operating activities				
Loss before tax		(12,617)	(3,837)	(11,359)
Adjustments for:				
Depreciation of property, plant and equipment	11	1,064	640	1,304
Amortisation of intangible fixed assets	12	4,993	1,101	3,064
Loss on sale of property, plant and equipment		114	-	21
Finance income		(60)	(125)	(274)
Finance expense		264	-	34
Foreign exchange gains		(3,275)	(1,709)	(1,445)
Share based payment expense		304	215	458
		(9,213)	(3,715)	(8,197)
(Increase)/decrease in trade and other receivables		(13,257)	5,078	2,503
Decrease/(increase) in inventories and biological assets		312	(1,262)	(468)
Increase/(decrease) in trade and other payables		13,016	(5,307)	(2,645)
Increase/(decrease) in provisions		583	227	(47)
		(8,559)	(4,979)	(8,854)
Income taxes paid		(309)	(177)	(105)
Net cash flows used in operating activities		(8,868)	(5,156)	(8,959)
Investing activities				
Acquisition of subsidiaries, net of cash acquired	15	(191,176)	(37,775)	(47,568)
Purchase of investments		-	-	(52)
Purchases of property, plant and equipment	11	(11,192)	(2,668)	(14,038)
Purchase of intangibles	12	(9)	(83)	(182)
Proceeds from sale of fixed assets		-	-	148
Interest received		60	125	274
Net cash flows used in investing activities		(202,317)	(40,401)	(61,418)
Financing activities				
Proceeds of share issue		185,693	70,000	70,000
Proceeds from bank borrowings (net of costs)		35,929	-	-
Share-issue costs recognised through equity		(4,390)	(2,086)	(2,149)
Net cash flow from derivative financial instruments		3,731	-	-
Repayment of bank borrowings		-	(238)	(332)
Interest paid		(198)	-	(34)
Payments to finance lease creditors		(96)	(15)	(55)
Net cash inflow from financing activities		220,669	67,661	67,430
Net increase/(decrease) in cash and cash equivalents		9,484	22,104	(2,947)
Cash and cash equivalents at beginning of period		13,564	16,511	16,511
Cash and cash equivalents at end of period		23,048	38,615	13,564

1. Financial information

This announcement does not constitute statutory financial statements within the meaning of the Companies Act 2006 and the interim financial information included within has not been audited.

This information has been approved for issue by the Board of Directors of Benchmark Holdings plc, a company domiciled and incorporated in the United Kingdom.

Statutory accounts for the year ended 30 September 2015 were approved by the Directors on 1 February 2016 and delivered to the Registrar of Companies. The audit report received on those accounts was unqualified and did not contain any emphasis of matter paragraph nor any statement under Section 498 of the Companies Act 2006.

2. General information and basis of preparation

The financial information set out in these interim financial statements for the six months ended 31 March 2016 and the comparative figures for the six months ended 31 March 2015 are unaudited. They have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and IFRIC interpretations issued by the International Accounting Standards Board (IASB) adopted by the European Union and the AIM Rules. They do not contain all the information required for statutory financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 September 2015, which have been prepared in accordance with IFRS as adopted by the European Union.

The interim financial statements comprise the financial statements of the Group and its subsidiaries at 31 March 2016. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and continue to be consolidated until the date when such control ceases.

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

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

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 are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

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

The following adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements.

- IFRS 9: Financial Instruments (effective date 1 January 2018)
- IFRS 15: Revenue from Contract with Customers (effective date 1 January 2017)
- IFRS 16: Leases (effective date 1 January 2019)
- Annual Improvements to IFRSs – 2012–2014 Cycle: (effective date 1 January 2016)

The adoption of other standards is not expected to have a material effect on the financial statements.

A financial review of the business is included in the Chairman's Statement.

3. Share capital

On 30 December 2015, the Company issued 215,922,141 shares of 0.1p each at a price of 86p per share to fund the acquisition of INVE Aquaculture Holdings B.V. In addition, on 31 December 2015, the Company issued 38,635,671 shares of 0.1p each at 86p as part consideration for the acquisition. Non-recurring costs of £4.4 million were incurred in relation to the share placing and this has been charged to the share premium account.

On 2 March 2016, the Company issued a total of 50,742 shares of 0.1p each to 6 employees of the Group relating to share options granted in August 2013 and March 2015.

4. Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement.

The Directors have considered these factors, the likely performance of the business and possible alternative outcomes and the financing activities available to the Group. Having taken all of these factors into consideration, including the impact on covenants relating to the external borrowing facility, the Directors confirm that forecasts and projections indicate that the Group and its Parent Company have adequate resources for the foreseeable future and at least for the period of 12 months from the date of signing the half year report. Accordingly, the financial information has been prepared on the going concern basis.

5. Accounting policies

The accounting policies adopted are consistent with those of the financial year ended 30 September 2015.

Trading Activities and Investing Activities are disclosed and described separately in the interim financial information where it is necessary to do so to provide further understanding of the financial performance of the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings.

The Group acquired INVE Aquaculture Group during the period and the accounting policies for that group are consistent with those already applied for the existing group. The estimates of useful economic lives of intangible assets, as shown in note 12, have been updated to reflect the newly acquired assets.

6. Estimates

The preparation of interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual amounts may differ from these estimates.

In preparing these interim financial statements the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 September 2015.

7. Segment information

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

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

- *Animal Health Division* – provides veterinary services, environmental services diagnostics and animal health products to global aquaculture, and manufactures licenced veterinary vaccines and vaccine components;
- *Sustainability Science Division* – provides sustainable food production consultancy, technical consultancy and assurance services;
- *Breeding and Genetics Division* - harnesses industry leading salmon breeding technologies combined with state-of-the-art production facilities to provide a range of year-round high genetic merit ova;
- *Technical Publishing Division* – promotes sustainable food production and ethics through online news and technical publications for the international agriculture and food processing sectors and through delivery of training courses to the industries;
- *Advanced Animal Nutrition* - manufactures and provides technically advanced nutrition and health products to the global aquaculture industry;
- *Corporate* - the corporate segment represents revenues earned from recharging certain central costs to the operating divisions, together with unallocated central costs.

Measurement of operating segment profit or loss

As outlined in note 5, the Group separates its operations into Trading Activities and Investing Activities to report segmental performance. These measures are used by management for planning and reporting purposes. These measures are not defined in International Financial Reporting Standards and may not be comparable with similarly described measures used by other companies. Trading and Investing Activities are described further in note 14.

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.

Six months ended 31 March 2016 (unaudited)

	Notes	Animal Health £000	Sustainability Science £000	Breeding and Genetics £000	Technical Publishing £000	Advanced Animal Nutrition £000	Corporate £000	Inter-segment sales £000	Total £000
Revenue		12,204	1,502	10,669	4,201	20,611	1,272	(2,494)	47,965
Cost of sales		(7,778)	(1,130)	(7,090)	(2,466)	(10,149)	(482)	2,083	(27,012)
Gross profit / (loss)		4,426	372	3,579	1,735	10,462	790	(411)	20,953
Operating costs relating to Trading Activities		(2,413)	(432)	(1,746)	(1,469)	(3,355)	(2,294)	220	(11,489)
EBITDA from Trading Activities		2,013	(60)	1,833	266	7,107	(1,504)	(191)	9,464
Operating costs relating to Investing Activities:									
R&D expenditure	14	(4,272)	-	(964)	-	(776)	-	13	(5,999)
Pre-operational expenses	14	(146)	(531)	-	-	-	-	172	(505)
Acquisition-related (expenses) / income	14	(107)	(8)	(1,108)	-	-	(10,538)	-	(11,761)
Exceptional items	8,14	-	(300)	-	-	-	-	6	(294)
EBITDA		(2,512)	(899)	(239)	266	6,331	(12,042)	-	(9,095)
Depreciation		(323)	(84)	(304)	(49)	(276)	(28)	-	(1,064)
Amortisation		(395)	-	(871)	(366)	(3,361)	-	-	(4,993)
Operating profit / (loss)		(3,230)	(983)	(1,414)	(149)	2,694	(12,070)	-	(15,152)
Finance cost									(1,255)
Finance income									3,790
Gross loss before tax									(12,617)

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Unaudited notes to the interim statement for the 6 months ended 31 March 2016

7. Segment information (continued)

Six months ended 31 March 2015 (unaudited)

	Notes	Animal Health £000	Sustainability Science £000	Breeding and Genetics £000	Technical Publishing £000	Advanced Animal Nutrition £000	Corporate £000	Inter-segment sales £000	Total £000
Revenue		7,819	1,649	9,843	2,059	-	1,653	(3,244)	19,779
Cost of sales		(6,465)	(1,213)	(5,100)	(1,531)	-	(638)	2,077	(12,870)
Gross profit / (loss)		1,354	436	4,743	528	-	1,015	(1,167)	6,909
Operating costs relating to Trading Activities		(1,843)	(740)	(1,599)	(472)	-	(2,235)	1,167	(5,722)
EBITDA from Trading Activities		(489)	(304)	3,144	56	-	(1,220)	-	1,187
Operating costs relating to Investing Activities:									
R&D expenditure	14	(2,113)	-	(307)	-	-	-	-	(2,420)
Pre-operational expenses	14	(878)	(210)	-	-	-	-	-	(1,088)
Acquisition-related (expenses) / income	14	(84)	-	1,952	(16)	-	(1,732)	-	120
Exceptional items	8,14	-	-	-	-	-	(20)	-	(20)
EBITDA		(3,564)	(514)	4,789	40	-	(2,972)	-	(2,221)
Depreciation		(322)	(173)	(126)	(13)	-	(6)	-	(640)
Amortisation		(628)	-	(308)	(165)	-	-	-	(1,101)
Operating profit / (loss)		(4,514)	(687)	4,355	(138)	-	(2,978)	-	(3,962)
Finance cost									-
Finance income									125
Gross loss before tax									(3,837)

12 months ended 30 September 2015 (audited)

	Notes	Animal Health £000	Sustainability Science £000	Breeding and Genetics £000	Technical Publishing £000	Advanced Animal Nutrition £000	Corporate £000	Inter-segment sales £000	Total £000
Revenue		21,098	3,134	15,871	6,967	-	2,271	(5,142)	44,199
Cost of sales		(14,524)	(2,229)	(9,912)	(4,677)	-	(1,463)	4,703	(28,102)
Gross profit / (loss)		6,574	905	5,959	2,290	-	808	(439)	16,097
Operating costs relating to Trading Activities		(4,445)	(1,399)	(1,339)	(2,006)	-	(4,924)	439	(13,674)
EBITDA from Trading Activities		2,129	(494)	4,620	284	-	(4,116)	-	2,423
Operating costs relating to Investing Activities:									
R&D expenditure	14	(5,199)	-	(1,396)	-	-	-	-	(6,595)
Pre-operational expenses	14	(887)	(649)	-	-	-	(29)	-	(1,565)
Acquisition-related (expenses) / income	14	(65)	-	1,163	(18)	-	(2,414)	-	(1,334)
Exceptional items	8,14	-	509	(1)	-	-	(668)	-	(160)
EBITDA		(4,022)	(634)	4,386	266	-	(7,227)	-	(7,231)
Depreciation		(653)	(160)	(406)	(32)	-	(53)	-	(1,304)
Amortisation		(1,251)	(345)	(928)	(540)	-	-	-	(3,064)
Operating profit / (loss)		(5,926)	(1,139)	3,052	(306)	-	(7,280)	-	(11,599)
Finance cost									(34)
Finance income									274
Gross loss before tax									(11,359)

8. Exceptional items

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

	6 months ended 31 March 2016 (unaudited)	6 months ended 31 March 2015 (unaudited)	12 months ended 30 September 2015 (audited)
	£000	£000	£000
Exceptional IPO costs	-	20	24
Exceptional restructuring costs	294	-	136
Total exceptional costs	294	20	160

Restructuring costs of £294,000 were incurred within the Sustainability Science Division during the period.

All exceptional items are included within operating costs on the face of the income statement.

9. Taxation

	6 months ended 31 March 2016 (unaudited) £000	6 months ended 31 March 2015 (unaudited) £000	12 months ended 30 September 2015 (audited) £000
Analysis of charge in period			
Current tax:			
Current income tax expense on profits for the period	872	692	877
Adjustment in respect of prior periods	(336)	-	(23)
Total current tax	536	692	854
Deferred tax expense			
Origination and reversal of temporary differences	(1,798)	(174)	(284)
Deferred tax movements in respect of prior periods	-	-	(174)
Total deferred tax	(1,798)	(174)	(458)
Total tax (credit)/charge	(1,262)	518	396

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

	6 months ended 31 March 2016 (unaudited) £000	6 months ended 31 March 2015 (unaudited) £000	12 months ended 30 September 2015 (audited) £000
Accounting loss before income tax	(12,617)	(3,837)	(11,359)
Expected tax charge based on the standard rate of UK corporation tax at the domestic rate of 20% (31 March 2015: 20%, 2015: 20%)	(2,523)	(767)	(2,272)
Expenses not deductible for tax purposes	2,139	94	532
Research and development relief	(115)	(255)	(230)
Deferred tax not recognised	1,091	1,423	2,289
Adjustment to tax charge in respect of prior periods	(336)	-	(23)
Different tax rates in overseas jurisdictions	(1,518)	23	100
Total tax (credit)/charge	(1,262)	518	396

10. Earnings per share

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

	6 months ended 31 March 2016 (unaudited)	6 months ended 31 March 2015 (unaudited)	12 months ended 30 September 2015 (audited)
Net loss attributable to equity holders of the parent (£000)	(11,346)	(4,556)	(11,988)
Weighted average number of shares in issue (thousands)	367,017	183,131	201,280
Basic loss per share from continuing operations (pence)	(3.09)	(2.49)	(5.96)

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

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

	6 months ended 31 March 2016 (unaudited)	6 months ended 31 March 2015 (unaudited)	12 months ended 30 September 2015 (audited)
Net loss attributable to equity holders of the parent (£000)	(11,346)	(4,556)	(11,988)
Weighted average number of shares in issue (thousands)	367,017	183,131	201,280
Diluted loss per share from continuing operations (pence)	(3.09)	(2.49)	(5.96)

A total of 1,362,157 (H1 2015: 1,494,000; FY 2015: 2,401,186) potential ordinary shares have not been included within the calculation of statutory diluted earnings per share for the six months ended 31 March 2016 as they are antidilutive. However, these potential ordinary shares could dilute earnings per share in the future.

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Unaudited notes to the interim statement for the 6 months ended 31 March 2016

11. Property, plant and equipment

	Freehold Land and Buildings £000	Assets in the course of construction £000	Long Term Leasehold Property Improvements £000	Plant and Machinery £000	E commerce Infrastructure £000	Office Equipment and Fixtures £000	Total £000
Cost or valuation							
Balance at 1 October 2014	728	142	2,615	4,540	204	905	9,134
Additions	-	573	343	1,653	-	99	2,668
On acquisition	-	-	3	5,690	-	23	5,716
Exchange differences	-	-	-	(102)	-	-	(102)
Balance at 31 March 2015	728	715	2,961	11,781	204	1,027	17,416
Balance at 1 April 2015							
Additions	264	10,023	-	-	-	79	10,366
On acquisition	4,638	-	74	(4,160)	-	48	600
Reclassification	-	354	(215)	14	-	(153)	-
Exchange differences	-	-	(39)	133	-	(10)	84
Disposals	-	-	(60)	(211)	-	(1)	(272)
Balance at 30 September 2015	5,630	11,092	2,721	7,557	204	990	28,194
Balance at 1 October 2015							
Additions	-	6,375	1,458	3,217	-	142	11,192
On acquisition	-	555	1,986	2,164	-	312	5,017
Reclassification	(4,902)	(340)	(688)	6,299	-	(369)	-
Reclassified as intangible assets	-	-	-	(7)	-	(18)	(25)
Exchange differences	6	25	402	1,173	-	96	1,702
Disposals	-	-	(43)	(132)	-	(127)	(302)
Balance at 31 March 2016	734	17,707	5,836	20,271	204	1,026	45,778
Accumulated Depreciation							
Balance at 1 October 2014	-	-	234	1,151	145	362	1,892
Depreciation charge for the period	-	-	103	477	27	33	640
Exchange differences	-	-	-	(7)	-	-	(7)
Balance at 31 March 2015	-	-	337	1,621	172	395	2,525
Balance at 1 April 2015							
Depreciation charge for the period	175	-	150	259	6	74	664
Exchange differences	-	-	-	(33)	-	-	(33)
Disposals	-	-	(36)	(67)	-	-	(103)
Balance at 30 September 2015	175	-	451	1,780	178	469	3,053
Balance at 1 October 2015							
Depreciation charge for the period	-	-	231	740	13	80	1,064
Reclassification	(175)	-	5	480	1	(311)	-
Exchange differences	-	-	196	361	-	68	625
Disposals	-	-	-	(107)	-	(81)	(188)
Balance at 31 March 2016	-	-	883	3,254	192	225	4,554
Net book value							
At 31 March 2016 (unaudited)	734	17,707	4,953	17,017	12	801	41,224
At 30 September 2015 (audited)	5,455	11,092	2,270	5,777	26	521	25,141
At 31 March 2015 (unaudited)	728	715	2,624	10,160	32	632	14,891

Benchmark Holdings plc

Unaudited notes to the interim statement for the 6 months ended 31 March 2016

12. Intangible assets

	Websites	Goodwill	Patents and Trademarks	Intellectual Property	Customer Lists	Contracts / Licences	Genetics	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
Balance at 1 October 2014	517	2,701	590	1,678	-	5,025	-	10,511
Additions - on acquisition	-	21,136	-	3,024	1,000	5,273	21,846	52,279
Fair value adjustment	-	128	-	-	-	-	-	128
Additions - externally acquired	-	-	83	-	-	-	-	83
Balance at 31 March 2015 (unaudited)	517	23,965	673	4,702	1,000	10,298	21,846	63,001
Balance at 1 April 2015	517	23,965	673	4,702	1,000	10,298	21,846	63,001
Additions - on acquisition	-	6,795	-	50	327	1,950	275	9,397
Fair value adjustment	-	(128)	-	-	-	-	-	(128)
Additions - externally acquired	-	-	36	-	-	2,675	-	2,711
Exchange differences	-	(930)	-	(15)	-	(575)	(1,865)	(3,385)
Balance at 30 September 2015 (audited)	517	29,702	709	4,737	1,327	14,348	20,256	71,596
Balance at 1 October 2015	517	29,702	709	4,737	1,327	14,348	20,256	71,596
Additions - on acquisition	-	102,919	208	117,019	4,789	25,562	-	250,497
Reclassified from property, plant and equipment	-	-	25	-	-	-	-	25
Additions - externally acquired	-	-	9	-	-	-	-	9
Exchange differences	-	5,243	7	3,770	148	1,425	1,740	12,333
Balance at 31 March 2016 (unaudited)	517	137,864	958	125,526	6,264	41,335	21,996	334,460
Accumulated amortisation and impairment								
Balance at 1 October 2014	459	273	388	-	-	1,570	-	2,690
Amortisation charge for the period	47	-	16	102	33	745	158	1,101
Balance at 31 March 2015 (unaudited)	506	273	404	102	33	2,315	158	3,791
Balance at 1 April 2015	506	273	404	102	33	2,315	158	3,791
Amortisation charge for the period	9	-	45	159	100	1,078	227	1,618
Impairment	-	345	-	-	-	-	-	345
Exchange differences	-	-	-	-	-	(25)	(5)	(30)
Balance at 30 September 2015 (audited)	515	618	449	261	133	3,368	380	5,724
Balance at 1 October 2015	515	618	449	261	133	3,368	380	5,724
Amortisation charge for the period	1	-	31	3,136	148	1,407	270	4,993
Exchange differences	-	-	3	(45)	-	75	48	81
Balance at 31 March 2016 (unaudited)	516	618	483	3,352	281	4,850	698	10,798
Net book value								
At 31 March 2016 (unaudited)	1	137,246	475	122,174	5,983	36,485	21,298	323,662
At 30 September 2015 (audited)	2	29,084	260	4,476	1,194	10,980	19,876	65,872
At 31 March 2015 (unaudited)	11	23,692	269	4,600	967	7,983	21,688	59,210

Additions to goodwill, intellectual property and contracts are detailed further in note 15.

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

Goodwill	Indefinite
Patents	2 - 5 years
Websites	5 years
Trademarks	2 - 5 years
Contracts and licences	3 - 20 years
Customer lists	Up to 26 years
Intellectual property	Up to 20 years
Genetics	10 - 40 years

13. Loans and borrowings

On 30 December 2015 the Group entered into a committed revolving credit facility of up to \$70m, with a term of five years. Interest on drawn amounts is payable at a variable rate based on LIBOR plus a margin, which is dictated by the performance of the Group. As at 31 March 2016 the Group had drawn down \$55m against the facility. The facility is secured on certain of the Group's assets.

14. Trading and Investing Activities

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

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

- exceptional costs relating to the restructuring of the Sustainability Science Division;
- costs of acquiring new businesses (INVE Aquaculture Holdings B.V. in 2016; Salmobreed AS, Stofnfiskur HF, Improve International, Akvaforsk Genetic Center AS, Akvaforsk Genetic Center Inc, Ascomber Ltd and TomAlgae in 2015);
- pre-operational expenses for new ventures;
- expenditure on research and development, where the criteria for capitalising development costs has not been met.

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

Reconciliation of Reported Earnings to Earnings from Trading Activities – Six months ended 31 March 2016

	6 months ended 31 March 2016 (unaudited) £000	Investing Activities				Trading Activities £000
		Exceptional Items £000	Acquisition related costs £000	Pre-operational expenses for new ventures £000	R&D expenditure £000	
Revenue	47,965	-	-	-	-	47,965
Cost of sales	(27,012)	-	-	-	-	(27,012)
Gross profit	20,953					20,953
Operating costs	(30,048)	294	11,761	505	5,999	(11,489)
EBITDA	(9,095)	294	11,761	505	5,999	9,464
Depreciation	(1,064)	-	-	-	84	(980)
Amortisation	(4,993)	-	-	-	123	(4,870)
Operating (loss) / profit	(15,152)	294	11,761	505	6,206	3,614
Finance cost	(1,255)	-	-	-	1	(1,254)
Finance income	3,790	-	(3,731)	(12)	-	47
(Loss) / profit on ordinary activities before taxation	(12,617)	294	8,030	493	6,207	2,407
Tax on (loss) / profit on ordinary activities	1,262	-	-	-	(230)	1,032
(Loss) / profit for the period	(11,355)	294	8,031	493	5,977	3,439
Earnings per share (pence)	(3.09)	0.08	2.19	0.13	1.63	0.94
Weighted average number of shares (thousands)	367,017	367,017	367,017	367,017	367,017	367,017

The £3.7m gain in finance income in acquisition related costs relates to a gain made on a forward contract entered into to fix the exchange rate for the US dollar consideration paid on the INVE acquisition.

14. Trading and Investing Activities (continued)

Reconciliation of Reported Earnings to Earnings from Trading Activities – Six months ended 31 March 2015

	6 months ended 31 March 2015 (unaudited) £000	Investing Activities				Trading Activities £000
		Exceptional Items £000	Acquisition related costs £000	Pre- operational expenses for new ventures £000	R&D expenditure £000	
Revenue	19,779	-	-	-	-	19,779
Cost of sales	(12,870)	-	-	-	-	(12,870)
Gross profit	6,909	-	-	-	-	6,909
Operating costs	(9,130)	20	(120)	1,088	2,420	(5,722)
EBITDA	(2,221)	20	(120)	1,088	2,420	1,187
Depreciation	(640)	-	-	-	-	(640)
Amortisation	(1,101)	-	-	-	184	(917)
Operating (loss) / profit	(3,962)	20	(120)	1,088	2,604	(370)
Finance cost	125	-	-	-	-	125
(Loss) / profit on ordinary activities before taxation	(3,837)	20	(120)	1,088	2,604	(245)
Tax on (loss) / profit on ordinary activities	(518)	-	-	-	-	(518)
(Loss) / profit for the period	(4,355)	20	(120)	1,088	2,604	(763)
Earnings per share (pence)	(2.49)	0.01	(0.07)	0.59	1.43	(0.53)
Weighted average number of shares (thousands)	183,131	183,131	183,131	183,131	183,131	183,131

Reconciliation of Reported Earnings to Earnings from Trading Activities – 12 months ended 30 September 2015

	12 months ended 30 September 2015 (audited) £000	Investing Activities				Trading Activities £000
		Exceptional Items £000	Acquisition related costs £000	Pre- operational expenses for new ventures £000	R&D expenditure £000	
Revenue	44,199	-	-	-	-	44,199
Cost of sales	(28,102)	-	-	-	-	(28,102)
Gross profit	16,097	-	-	-	-	16,097
Operating costs	(23,328)	160	1,334	1,565	6,595	(13,674)
EBITDA	(7,231)	160	1,334	1,565	6,595	2,423
Depreciation	(1,304)	-	-	118	73	(1,113)
Amortisation	(3,064)	-	-	-	239	(2,825)
Operating (loss) / profit	(11,599)	160	1,334	1,683	6,907	(1,515)
Finance cost	(34)	-	-	-	-	(34)
Finance income	274	-	-	(2)	(12)	260
Loss on ordinary activities before taxation	(11,359)	160	1,334	1,681	6,895	(1,289)
Tax on loss on ordinary activities	(396)	-	-	(4)	(351)	(751)
(Loss) / profit for the period	(11,755)	160	1,334	1,677	6,544	(2,040)
Earnings per share (pence)	(5.96)	0.08	0.66	0.83	3.26	(1.13)
Weighted average number of shares (thousands)	201,280	201,280	201,280	201,280	201,280	201,280

15. Business combinations

On 30 December 2015, Benchmark Holdings plc completed the acquisition of 100% of INVE Aquaculture Holding B.V. ("INVE"), a leading specialist manufacturer of primary stage technically advanced nutrition and health products for aquaculture, for a total consideration of \$342 million (approximately £230.7 million).

In view of the size of the acquisition relative to the Group, the transaction was classified as a reverse takeover under the AIM rules. For accounting purposes, Benchmark Holdings plc has been identified as the acquirer and the transaction has been accounted for using the acquisition method. This is because Benchmark Holdings plc has obtained control over the operations of INVE as a result of the transaction.

Certain intangible assets have been separately identified and provisionally valued as shown in the table below. Related deferred tax has also been provided. The goodwill arising on the acquisition represents the synergies available from combining the two businesses, and the skills and technical talent of the INVE workforce.

Details of the provisional fair values recognised for the consideration paid and assets acquired during the period are shown below:

	INVE Aquaculture Holdings B.V. £000
Consideration	
Cost of investment	230,667
<i>Satisfied by:</i>	
Cash	197,440
Equity	33,227
Total consideration	230,667
Fair value of assets acquired	
Customer list	4,789
Patents and trademarks	208
Intellectual property	117,019
Contracts and Licences	25,562
Deferred tax on intangibles	(50,106)
Fixed assets	5,017
Investments	350
Inventories	16,686
Trade and other receivables	14,914
Cash and cash equivalents	6,647
Trade and other payables	(10,104)
Tax and social security	(2,373)
Loans and borrowings	(570)
Provisions	(291)
Total identifiable net assets	127,748
Goodwill	102,919

INVE contributed £20.6m to group revenue and £7.1 million to trading EBITDA in the six months ended 31 March 2016. If the acquisition had taken place at the start of the period Group revenue and trading EBITDA would have been higher by £14.2 million and £2.3million respectively.

In addition, during the period, the Group paid deferred consideration of £383,000 for Akvaforsk Genetics Center AS, which was acquired on 27 July 2015.