

BENCHMARK HOLDINGS PLC

("Benchmark" or the "Company" or the "Group")

Interim results for the six months ended 31 March 2019

Progress towards commercialisation of pipeline products and structural efficiencies

Benchmark (LSE:BMK), the aquaculture health, genetics and advanced nutrition business, announces its interim results for the six months ended 31 March 2019 (the "period").

£m	H1 2019	H1 2018	Change %	Constant Currency Change ⁵ %
Adjusted				
Revenue	78.3	75.7	3%	2%
Adjusted EBITDA ¹	7.5	6.0	25%	23%
Adjusted Operating Profit ²	2.7	2.9	(7%)	10%
Adjusted Profit Before Tax ³	0.7	3.6	(80%)	(86%)
Statutory				
Revenue	78.3	75.7	3%	2%
Loss before tax	(8.3)	(5.6)	(48%)	(50%)
(Loss)/Profit for the period	(9.1)	3.6	(353%)	(355%)
Basic (loss)/earnings per share (pence)	(1.71)	0.67	(355%)	
Net Debt ⁴	(65.5)	(41.3)	(59%)	

1 Adjusted EBITDA which reflects underlying profitability, is earnings before interest, tax, depreciation, amortisation, impairment, exceptional items and acquisition related expenditure as shown in the income statement.

2 Adjusted Operating Profit is operating loss before exceptional items including acquisition related items and amortisation of intangible assets excluding development costs as shown in note 16 to the condensed consolidated financial statements

3 Adjusted profit before tax is earnings before tax, amortisation and impairment of acquired intangibles, exceptional items and acquisition related expenditure as shown in note 16 to the condensed consolidated financial statements

4 Net debt is cash and cash equivalents less loans and borrowings as shown in note 16 to the condensed consolidated financial statements

5 Constant Currency change reflects the percentage change after retranslating 2019 figures using the same foreign exchange rates experienced in 2018.

H1 2019 Highlights:

Adjusted EBITDA growth driven by increased revenues and move towards higher value product mix

- Revenue increased by 3% to £78.3m (H1 2018 £75.7m) despite challenging conditions in the global shrimp markets, with growth in Genetics, Health and Knowledge Services more than offsetting a drop in advanced nutrition
- Adjusted EBITDA increased by 25% to £7.5m (H1 2018: £6.0m) reflecting the contribution of

higher value products, an increase in the value of biological assets as a result of growing sales and increasing capacity in Norway, and cost control

- Adjusted EBITDA margin increased to 9.6% (H1 2018: 8.0%)
- Loss for the period reflects increased depreciation following recent investments and higher finance costs (H1 2018 profit benefitted from one-off deferred tax credit of £9.2m)
- R&D investment of £8.5m (10.9% of sales) (H1 2018: £7.8m (10.3% of sales)), of which £2.9m was capitalised (H1 2018: £2.2m, 10.3%)⁶
- Net debt was £65.5m including £26m ringfenced non-recourse debt to fund the Salten salmon egg facility in Norway.

⁶ Capitalised R&D relates to trials and development work for products which have proven to be commercially viable and are close to launch, with the largest being the Group's next generation sea lice treatment.

Progress towards commercialisation of key products

- The regulatory process is on track for the market launch of our next generation sea lice treatment. Commercial scale trials continue to show c. 99% efficacy amid growing customer interest.
- Trials in Asia of our disease resistant shrimp continued to show good results for survivability, yield and consistency, demonstrating their commercial potential. Production of broodstock for export commenced at the new facility in Florida.
- Production at new land based salmon egg facility in Salten, Norway ramped up to plan, and commercial opening took place post period end

Delivering on structural and operational efficiency initiatives

- Streamlined Advanced Nutrition production facilities in Asia resulting in the sale of one site
- Closure of one of the Company's lumpfish operations
- Progress in developing alternatives for the commercialisation of companion animal products

Post period-end milestones

- Refinanced our USD\$90m credit facilities and increased flexibility through the issuance of a four year term, NOK850m (c.USD\$95m equivalent) bond listed in Oslo and a USD\$15m revolving credit facility
- Signed a joint venture in Thailand to commence construction of the first multiplication centre for the roll-out of our disease resistant shrimp in Asia
- Entered into an agreement to dissolve the salmon genetics joint venture with AquaChile. Decision to take control of a breeding facility owned by the JV to pursue an independent strategy in Chile

Commenting, Malcolm Pye, Chief Executive said:

"We have delivered growth in Adjusted EBITDA and made progress against our strategic priorities despite challenging conditions in the shrimp markets. We continue to implement operational and

structural efficiency initiatives and we expect the Group to deliver broadly in line with market expectations for the full year.

“We are starting to see benefits from the investments we have made into a number of areas including our new facility in Salten, Norway. These investments, combined with the successful completion of our refinancing, leaves us well placed to deliver on our five year strategy to drive future growth and profitability.”

ENDS

A presentation for analysts will be held today at 09.30 at the offices of Numis Securities, London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT. To register your interest, please contact benchmark@mhpc.com. The presentation will also be accessible via a live conference call for registered participants. To register for the call please contact MHP Communications on +44 (0)20 3128 8226 or by email on benchmark@mhpc.com.

This announcement will be available on our website (www.benchmarkplc.com)

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Interim Management Report

Overview

The Group delivered growth in revenue and Adjusted EBITDA despite difficult conditions in the global shrimp and Mediterranean seabass/bream markets. In addition, substantial progress was made against the Group’s strategic priorities including its next generation sea lice treatment, its specific pathogen / disease resistant (SPR) shrimp and the prioritised development of its pipeline of products. The Group is implementing a programme of structural and operational efficiencies to reallocate capital

towards its key aquaculture opportunities whilst maintaining strict cost control and active management of working capital in order to accelerate the path to profitability and free cashflow generation.

Conditions in our end markets

Global demand for salmon continued to grow in the period resulting in stable prices and a favourable environment for salmon producers and for our products. Global salmon production increased by c.5% during the period with strong growth in demand coming from the US and the Americas, China and South Korea.

In shrimp, the industry experienced low prices as a result of temporary overstocking following a record harvest in 2018. This led our customers to reduce and delay production with an impact on demand for our products.

In the Mediterranean, demand and prices for farmed sea bass and sea bream have been affected by the economic environment in Turkey, the major producing country, which has put pressure on farmers across the Mediterranean.

Trading performance

Genetics

The Company's Genetics division performed well with revenues and Adjusted EBITDA increasing by 8% and 73%, to £22.6m and £4.9m respectively. The result was driven by increased volumes in salmon eggs, particularly from the recently launched disease resistant eggs and from an increase in the value of biological assets as a result of growing sales and increasing capacity at the Group's new land based salmon egg facility in Norway.

The division also benefitted from an increase in sales to Chile from Iceland following the launch of Benchmark Genetics Chile (BGC) under our joint venture with AquaChile. In the short period since launch, BGC has achieved market recognition creating a good platform for it to pursue its future independent strategy. Following the agreement with AgroSuper to exit the JV, Benchmark will, in the coming weeks, wholly own a standalone and established breeding facility in Chile where it will continue its work to develop local broodstock with high value genetic traits. In the short term, the Group will continue to export salmon eggs from its operation in Iceland to satisfy demand in Chile as it continues to develop its position in this important market.

The opening of the Group's new state-of-the-art land-based facility in Salten, Norway has been well received by customers and will play an important role in the future growth and development of our genetics business.

Trials of our disease resistant shrimp continued to show good results in Asia and commercial scale trials are underway. During the period we commenced broodstock production at our facility in Florida. We continued to invest in our tilapia genetics programme.

There is significant under-penetration of professional genetics in shrimp and tilapia, and growing recognition of the potential of genetics to improve productivity without any environmental impact or animal welfare concerns.

Advanced Nutrition

As mentioned in our 2018 annual report, the year commenced with challenging conditions in the global shrimp markets which affected sales volumes in Advanced Nutrition. On the supply side, the market environment caused deep discounting of CIS artemia, affecting demand for our higher quality GSL artemia where we maintain a premium positioning. These conditions prevailed through the period resulting in a decrease in sales and Adjusted EBITDA of 7% and 15%, to £40.9m and £9.6m respectively mainly driven by a drop in artemia sales; sales of diet products were up by 1% versus H1 2018.

Animal Health

In Animal Health, revenues and Adjusted EBITDA improved by 73% and 23% respectively, reducing the Adjusted EBITDA loss in the division from (£7.9m) in H1 2018 to (£6.1m). The result reflects an increase in sales of Salmosan, our sea lice treatment which performed well in the period, and in toll manufacturing revenues at our vaccine facility in Braintree, where we are increasingly manufacturing vaccines for use in trials of our aqua vaccine programme.

Strategic Progress – 2019 Priorities

In January 2019, at the time of our full year results, we set out our strategic milestones for the year aligned to our five-year strategy. We are pleased to provide an update on progress against these milestones.

1. *Grow in established markets from existing capacity and through partnerships*

- The commercial opening of our state-of-the-art salmon egg facility in Norway took place on time in May 2019 and the ramp-up of production is progressing as planned
- We launched Benchmark Genetics Chile and are taking ownership of a local breeding facility to continue to build our presence in the market.

2. *Commercial delivery of pipeline products*

- We continued with trials in Norway for our next generation sea lice treatment as planned, which have consistently shown c.99% efficacy. Our regulatory approval process is on track

- Our programme of trials for our sea bass/bream vaccines continued to show good results and we have continued development of our salmon vaccine portfolio
- Options for the Group's companion animal products are still being evaluated, with the most likely outcome being the establishment of a commercialisation partnership

3. Focused investment in markets that leverage the Group platform

- Our shrimp genetics programme leverages our expertise in genetics and our position in the shrimp hatcheries market through Advanced Nutrition. We established a production facility in Florida and are investing to establish multiplication centres in Asia through joint ventures with local partners, starting with Thailand.

Financial Review

Group revenue for the period increased by 3.4% to £78.3m (H1 2018: £75.7m) driven by revenue growth in Animal Health, Genetics and all other segments (Knowledge Services) of 73%, 8% and 11% respectively. This was offset partially by revenue falling in Advanced Nutrition by 7%.

Adjusted EBITDA (earnings before interest, tax, depreciation, amortisation, impairment, exceptional items and acquisition related expenditure) which is used by management as the primary measure of financial performance as it provides a more meaningful measure of the underlying performance of the Group, increased to £7.5m (H1 2018: £6.0m). The increase arose principally from increased sales, positive movement in biological assets and a shift in mix towards higher margin products across the business. This was offset by the reduction in contribution from Advanced Nutrition as a result of challenging market conditions and by an increase in operating expenses related to the strengthening of management to ensure delivery of key strategic priorities.

Overall investment in R&D (expensed and capitalised) increased from £7.8m to £8.5m. The increase is a result of an increase in the level of capitalised development costs as the new products progress through the development phase, and expensed R&D was in line with the previous half year.

The Group's operating loss of £6.3m is the same as the prior period. Depreciation and Impairment during the period increased by £1.6m to £4.8m. £0.7m of the increase was a direct result of recent investment in production capacity and £0.6m relates to the closure of one of the Group's lumpfish sites. Loss before taxation increased to £8.3m (H1 2018: £5.6m). The period was impacted by higher net finance costs of £2.0m (H1 2018: net finance income £0.7m) resulting both from increased net debt during the year and from the impact of the foreign exchange gain of £1.6m arising from the revaluation of USD denominated debt in H1 2018; the comparative gain in H1 2019 was £0.1m.

The loss for the period was £9.1m (H1 2018: profit £3.6m). H1 2018 profit arose from an exceptional tax credit of £9.2m due to a decrease in the tax rates in Belgium from 34% to 25% which reduced the

deferred tax liability on the intangible assets from the INVE acquisition. Loss per share was 1.71p (H1 2018: earnings 0.67p).

Net debt increased to £65.5m (FY 2018: £55.7m; H1 2018: £41.3m). The movement in the half year arose as cashflow from operations of £4.1m was offset by a payment of USD8.75m relating to deferred consideration for the salmon genetics JV in Chile, investments in tangible and intangible capital expenditure of £3.7m and £3.1m respectively, tax payments of £1.2m and interest payments of £2.0m. Capital additions consisted largely of maintenance capital expenditure spread across the Group and intangible capital expenditure related to capitalised development costs mainly relating to the next generation sea lice treatment programme.

Outlook and Summary

Conditions in the Group's core markets remain mixed with salmon benefitting from growing demand and stable prices, while overstocking in the shrimp market has resulted in depressed prices and a decrease in production levels amongst our customers, affecting demand for our products.

Despite prevailing market conditions, we achieved revenue and Adjusted EBITDA growth in the first half. We will continue to implement operational and structural efficiency initiatives and we expect the Group to deliver broadly in line with market expectations for the full year.

The long term drivers and opportunities in our markets continue to be strong and we have made significant progress in the development of our major products, in the conversion of certain facilities from investment to commercial production phase, and in the implementation of key efficiency initiatives which bring further focus on the opportunities with the greatest potential returns.

Conclusion

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 2019 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.

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 2019 is not prepared, in all material respects, in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRSs) as adopted by the EU and the AIM Rules

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. We read the other information contained in the half-yearly report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) 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.

The impact of uncertainties due to the UK exiting the European Union on our review

Uncertainties related to the effects of Brexit are relevant to understanding our review of the condensed financial statements. Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. An interim review cannot be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report 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

The purpose of our review work and to whom we owe our responsibilities

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.

Frances Simpson
for and on behalf of KPMG LLP
Chartered Accountants

1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA
25 June 2019

Benchmark Holdings plc

Consolidated Income Statement
for the 6 months ended 31 March 2019

	Notes	6 months ended 31 March 2019 (unaudited) £000	6 months ended 31 March 2018 (unaudited) £000	12 months ended 30 September 2018 (audited) £000
Revenue	8	78,251	75,714	151,467
Cost of sales		(40,350)	(41,637)	(77,447)
Gross profit		37,901	34,077	74,020
Research and development costs		(5,619)	(5,621)	(12,040)
Other operating costs		(24,524)	(22,178)	(44,600)
Share of loss of equity-accounted investees, net of tax		(265)	(231)	(362)
Adjusted EBITDA²		7,493	6,047	17,018
Exceptional including acquisition related items	9	-	-	(1,239)
EBITDA¹		7,493	6,047	15,779
Depreciation and impairment	12	(4,778)	(3,148)	(6,841)
Amortisation and impairment	13	(9,003)	(9,153)	(18,002)
Operating loss		(6,288)	(6,254)	(9,064)
Finance cost		(2,451)	(1,069)	(4,927)
Finance income		409	1,730	332
Loss before taxation		(8,330)	(5,593)	(13,659)
Tax on loss	10	(752)	9,164	9,270
(Loss)/profit for the period		(9,082)	3,571	(4,389)
(Loss)/profit for the period attributable to:				
- Owners of the parent		(9,528)	3,492	(5,009)
- Non-controlling interest		446	79	620
		(9,082)	3,571	(4,389)
Basic (loss)/earnings per share (pence)	11	(1.71)	0.67	(0.94)
Diluted (loss)/earnings per share (pence)	11	(1.71)	0.66	(0.94)

1 EBITDA – Earnings before interest, tax, depreciation and amortisation

2 Adjusted EBITDA – EBITDA before exceptional and acquisition related items

Benchmark Holdings plc

Consolidated Statement of Comprehensive Income
for the 6 months ended 31 March 2019

	6 months ended 31 March 2019 (unaudited) £000	6 months ended 31 March 2018 (unaudited) £000	12 months ended 30 September 2018 (audited) £000
(Loss)/profit for the period	(9,082)	3,571	(4,389)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign exchange translation differences	(7,472)	(10,318)	7,624
Cash flow hedges - changes in fair value	(159)	-	-
Cash flow hedges - reclassified to profit or loss	12	-	-
Total comprehensive income for the period	(16,701)	(6,747)	3,235
Total comprehensive income for the period attributable to:			
- Owners of the parent	(16,732)	(6,864)	2,546
- Non-controlling interest	31	117	689
	(16,701)	(6,747)	3,235

Benchmark Holdings plc

Consolidated Balance Sheet
as at 31 March 2019

	Notes	As at 31 March 2019 (unaudited) £000	As at 31 March 2018 (unaudited) £000	As at 30 September 2018 (audited) £000
Assets				
Non-current assets				
Property, plant and equipment	12	94,392	89,961	99,527
Intangible assets	13	315,563	310,723	325,386
Equity-accounted investees		17,022	2,749	17,457
Other investments		34	112	29
Biological and agricultural assets		4,483	4,924	8,502
Trade and other receivables		4,140	-	4,145
Total non-current assets		435,634	408,469	455,046
Current assets				
Inventories		21,630	21,618	20,483
Biological and agricultural assets		17,709	13,612	11,892
Trade and other receivables		36,960	32,991	41,337
Cash and cash equivalents		23,832	21,869	24,090
Total current assets		100,131	90,090	97,802
Total assets		535,765	498,559	552,848
Liabilities				
Current liabilities				
Trade and other payables		(36,081)	(34,133)	(45,680)
Loans and borrowings	14	(1,685)	(558)	(898)
Corporation tax liability		(4,408)	(5,716)	(2,629)
Provisions		(70)	(429)	(70)
Total current liabilities		(42,244)	(40,836)	(49,277)
Non-current liabilities				
Loans and borrowings	14	(87,677)	(62,627)	(78,868)
Other payables		(1,202)	(1,232)	(1,219)
Deferred tax		(38,522)	(41,134)	(41,637)
Total non-current liabilities		(127,401)	(104,993)	(121,724)
Total liabilities		(169,645)	(145,829)	(171,001)
Net assets		366,120	352,730	381,847
Issued capital and reserves attributable to owners of the parent				
Share capital	3	558	522	557
Additional paid-in capital		358,044	339,431	357,894
Capital redemption reserve		5	5	5
Retained earnings		(36,958)	(20,376)	(28,240)
Hedging reserve		(147)	-	-
Foreign exchange reserve		38,896	28,042	45,953
Equity attributable to owners of the parent		360,398	347,624	376,169
Non-controlling interest		5,722	5,106	5,678
Total equity and reserves		366,120	352,730	381,847

The notes on the following pages are an integral part of this interim consolidated financial information

Benchmark Holdings plc

Consolidated Statement of Changes in Equity
for the 6 months ended 31 March 2019

	Share capital £000	Share premium reserve £000	Other reserves £000	Retained earnings £000	Total attributable to equity holders of parent £000	Non- controlling interest £000	Total equity £000
As at 30 September 2017 (audited)	522	339,431	38,403	(24,742)	353,614	4,971	358,585
Comprehensive income for the year							
(Loss)/profit for the year	-	-	-	(5,009)	(5,009)	620	(4,389)
Other comprehensive income	-	-	7,555	-	7,555	69	7,624
Total comprehensive income for the year	-	-	7,555	(5,009)	2,546	689	3,235
Contributions by and distributions to owners							
Share issue	35	18,463	-	-	18,498	-	18,498
Share based payment	-	-	-	1,511	1,511	-	1,511
Total contributions by and distributions to owners	35	18,463	-	1,511	20,009	-	20,009
Changes in ownership							
Acquisition of NCI without a change in control	-	-	-	-	-	18	18
Total changes in ownership interests	-	-	-	-	-	18	18
Total transactions with owners of the Company	35	18,463	-	1,511	20,009	18	20,027
As at 30 September 2018 (audited)	557	357,894	45,958	(28,240)	376,169	5,678	381,847
As at 30 September 2017 (audited)	522	339,431	38,403	(24,742)	353,614	4,971	358,585
Comprehensive income for the period							
Profit for the period	-	-	-	3,492	3,492	79	3,571
Other comprehensive income	-	-	(10,356)	-	(10,356)	38	(10,318)
Total comprehensive income for the period	-	-	(10,356)	3,492	(6,864)	117	(6,747)
Contributions by and distributions to owners							
Share based payment	-	-	-	874	874	-	874
Total contributions by and distributions to owners	-	-	-	874	874	-	874
Changes in ownership							
Acquisition of NCI without a change in control	-	-	-	-	-	18	18
Total changes in ownership interests	-	-	-	-	-	18	18
Total transactions with owners of the Company	-	-	-	874	874	18	892
As at 31 March 2018 (unaudited)	522	339,431	28,047	(20,376)	347,624	5,106	352,730
As at 30 September 2018 (audited)	557	357,894	45,958	(28,240)	376,169	5,678	381,847
Comprehensive income for the period							
(Loss)/profit for the period	-	-	-	(9,528)	(9,528)	446	(9,082)
Other comprehensive income	-	-	(7,204)	-	(7,204)	(415)	(7,619)
Total comprehensive income for the period	-	-	(7,204)	(9,528)	(16,732)	31	(16,701)
Contributions by and distributions to owners							
Share issue	1	150	-	-	151	-	151
Share based payment	-	-	-	810	810	-	810
Total contributions by and distributions to owners	1	150	-	810	961	-	961
Changes in ownership							
Disposal of subsidiary with NCI	-	-	-	-	-	13	13
Total changes in ownership interests	-	-	-	-	-	13	13
Total transactions with owners of the Company	1	150	-	810	961	13	974
As at 31 March 2019 (unaudited)	558	358,044	38,754	(36,958)	360,398	5,722	366,120

Other reserves in this statement is an aggregation of Capital redemption reserve, Hedging reserve and Foreign exchange reserve.

Benchmark Holdings plc

Consolidated Statement of Cash Flows
for the 6 months ended 31 March 2019

	Notes	6 months ended 31 March 2019 (unaudited) £000	6 months ended 31 March 2018 (unaudited) £000	12 months ended 30 September 2018 (audited) £000
Cash flows from operating activities				
(Loss)/profit for the period		(9,082)	3,571	(4,389)
Adjustments for:				
Depreciation and impairment of property, plant and equipment	12	4,778	3,148	6,841
Amortisation and impairment of intangible fixed assets	13	9,003	9,153	18,002
(Gain)/loss on sale of property, plant and equipment		(27)	5	8
Finance income		(409)	(1,730)	(332)
Finance costs		2,451	1,069	2,432
Other adjustments for non-cash items		68	-	(1,931)
Share of profit of equity-accounted investees, net of tax		265	231	362
Foreign exchange losses/(gains)		1,016	(1,314)	2,609
Share based payment expense		810	874	1,511
Tax charge/(credit)	10	752	(9,164)	(9,270)
		9,625	5,843	15,843
Decrease/(increase) in trade and other receivables		2,481	4,409	(4,355)
Increase in inventories		(1,548)	(1,819)	(815)
Increase in biological assets		(3,635)	(1,369)	(4,102)
Decrease in trade and other payables		(1,543)	(8,837)	(4,026)
Decrease in provisions		-	(29)	(388)
		5,380	(1,802)	2,157
Income taxes paid		(1,245)	(1,119)	(5,898)
Net cash flows from/(used) in operating activities		4,135	(2,921)	(3,741)
Investing activities				
Purchase of investments		(6,833)	(377)	(6,356)
Purchase of property, plant and equipment	12	(3,734)	(12,881)	(25,072)
Purchase of intangibles	13	(3,113)	(2,249)	(7,581)
Proceeds from sale of non-current assets		250	131	233
Interest received		178	94	261
Net cash flows used in investing activities		(13,252)	(15,282)	(38,515)
Financing activities				
Proceeds of share issues		1	-	18,498
Proceeds from bank or other borrowings		11,035	28,273	41,206
Acquisition of non-controlling interests		-	(32)	(33)
Repayment of bank borrowings		-	(5,840)	(5,815)
Cash advances and loans made to other parties		-	-	(4,076)
Interest and finance charges paid		(2,002)	(896)	(2,442)
Payments to finance lease creditors		(4)	(212)	(218)
Net cash inflow from financing activities		9,030	21,293	47,120
Net (decrease)/increase in cash and cash equivalents		(87)	3,090	4,864
Cash and cash equivalents at beginning of year		24,090	18,779	18,779
Effects of movements in exchange rate on cash held		(171)	-	447
Cash and cash equivalents at end of year		23,832	21,869	24,090

Benchmark Holdings plc

Consolidated Statement of Cash Flows for the 6 months ended 31 March 2019

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 2018 were approved by the Directors on 24 January 2019 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 2019 and the comparative figures for the six months ended 31 March 2018 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 2018, 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 2019. 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 the 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.

This is the first set of the Group's financial statements where IFRS 9 and IFRS 15 have been applied. These are described in Note 5.

The following adopted IFRSs have been issued but have not been applied by the Group in these financial statements.

IFRS 16 Leases introduces a single, on-balance sheet accounting model for lessees which has an effective date of 1 January 2019. The Group will adopt IFRS 16 on 1 October 2019.

As the Group reported £11.3m of undiscounted operating lease commitments at 30 September 2018, it is anticipated that the new standard will have a significant impact on the Group's reported assets and liabilities. In addition, the implementation of the standard will affect the Consolidated Income Statement and classification of cash flows. The Group has not yet quantified the potential impact of this standard. A reliable estimate of the effect is dependent on several unresolved issues and will depend on the circumstances at the time of adoption. Work is ongoing to assess the full impact of this standard and this will be provided in the Annual Report for the year ended 30 September 2019.

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

Benchmark Holdings plc

Consolidated Statement of Cash Flows for the 6 months ended 31 March 2019

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

3. Share capital

During the 6 months to 31 March 2019, the Company issued a total of 532,536 shares of 0.1p each to certain employees of the Group relating to share options granted in March 2015, July 2015 and March 2016.

On 2 October 2018 the Company issued 246,700 shares at 0.1p each at 60.8p as part consideration for the acquisition of Videntis AS.

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.

As at 31 March 2019 the Group had net assets of £366.1m (30 September 2018: £381.8m), including cash of £23.8m (30 September 2018: £24.1m) as set out in the consolidated balance sheet. The Group made a loss for the period of £9.1m (12 months ending 30 September 2018: £4.4m).

On 24 June 2019, the Company completed a successful refinance of the existing banking facility replacing facilities of USD90m with Norwegian listed bonds valuing NOK850m (cUSD95m, c£75m) with an expiry date of 2023 and an associated \$15m (c£12m) revolving credit facility available until 2022. As part of the process certain financial covenant requirements have been revised.

As at 24 June 2019, the existing banking facilities have been repaid in full with proceeds from the bond issue and drawings against the revolving credit facility were £nil. The most recent month end cash reserves at 31 May 2019 were £21.2m.

The Directors have prepared trading and cash flow forecasts for the Group covering the period to September 2020, including forecast compliance with the revised covenants. These forecasts include a number of assumptions in relation to trading performance across the Group including supply, demand and pricing of key raw materials and products, and the out-licensing of certain products in development. The forecasts also contain a number of board approved initiatives ("Structural Efficiencies programme") relating to structural and operational efficiencies to reallocate capital, reduce costs, grow margins, prioritise R&D spend, and exit from non-core activities.

The Directors have considered reasonably possible downside sensitivity scenarios, including mitigating actions within their control should these occur around deferring and reducing non-essential capital and revenue expenditure. These forecast cashflows, considering the ability and intention of the directors to implement mitigating actions should they need to, provide sufficient headroom in the forecast period.

The Directors have considered all of the factors noted above and are confident that the Group has adequate resources to continue to meet its liabilities as and when they fall due the period of 12 months from the date of approval of these interim condensed financial statements. Accordingly, the interim condensed financial statements have been prepared on a going concern basis.

5. Accounting policies

Except as described below, the accounting policies adopted are consistent with those used in preparing the consolidated financial statements for the financial year ended 30 September 2018.

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

IFRS 9 Financial Instruments is effective for periods beginning on or after 1 January 2018 and so has been adopted with effect from 1 October 2018. The standard introduced a new impairment model for financial assets and new rules for hedge accounting. For trade and other receivables, the carrying values were shown net of a provision for impairment which equate to fair value, under IFRS 9 they are carried at amortised cost less impairment due to their purpose being the collection of contract cash flows. In determining the impairment, the group has applied the simplified approach permitted. This change in measurement has had no material impact on the group's financial position.

Benchmark Holdings plc

Consolidated Statement of Cash Flows for the 6 months ended 31 March 2019

5. Accounting policies (continued)

The group has elected to adopt the new general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. The Group uses forward foreign exchange contracts to hedge the variability in cash flows arising from changes in foreign exchange rates relating to certain foreign currency borrowings. The Group designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserves as a separate component of equity.

IFRS 15 Revenue from Contracts with Customers, is effective for periods beginning on or after 1 January 2018 and so has been adopted with effect from 1 October 2018. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services. Following a detailed assessment and based on the nature of the Group's revenue streams, the adoption of the IFRS 15 did not have a material impact on the Group revenue recognition or profit.

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 2018.

Benchmark Holdings plc

Consolidated Statement of Cash Flows
for the 6 months ended 31 March 2019

8. Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

The nature and effect of initially applying IFRS 15 on the Group's interim financial statements are disclosed in note 5.

Disaggregation of revenue

In the following tables, revenue is disaggregated by primary geographical market and by sales of goods and services. The table includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 7).

Sale of goods and provision of services

6 months ended 31 March 2019 (unaudited)							
	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total
	£000	£000	£000	£000	£000	£000	£000
Sale of goods	4,120	20,692	40,871	642	-	-	66,325
Provision of services	2,787	1,807	-	7,259	73	-	11,926
Inter-segment sales	243	103	29	363	3,517	(4,255)	-
	7,150	22,602	40,900	8,264	3,590	(4,255)	78,251

6 months ended 31 March 2018 (unaudited)							
	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total
	£000	£000	£000	£000	£000	£000	£000
Sale of goods	1,994	19,326	44,065	876	-	-	66,261
Provision of services	2,032	1,475	-	5,868	78	-	9,453
Inter-segment sales	100	177	31	706	2,217	(3,231)	-
	4,126	20,978	44,096	7,450	2,295	(3,231)	75,714

12 months ended 30 September 2018 (audited)							
	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total
	£000	£000	£000	£000	£000	£000	£000
Sale of goods	11,093	29,578	85,581	2,036	-	-	128,288
Provision of services	4,855	5,856	-	12,320	148	-	23,179
Inter-segment sales	205	321	165	1,430	5,129	(7,250)	-
	16,153	35,755	85,746	15,786	5,277	(7,250)	151,467

Benchmark Holdings plc

Consolidated Statement of Cash Flows
for the 6 months ended 31 March 2019

8. Revenue (continued)

Primary geographical markets

6 months ended 31 March 2019 (unaudited)							
	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total
	£000	£000	£000	£000	£000	£000	£000
Faroe Islands	126	4,416	1	-	-	-	4,543
Greece	17	44	4,132	-	-	-	4,193
Norway	961	11,439	205	-	-	-	12,605
India	-	-	9,645	-	-	-	9,645
UK	1,328	2,426	129	4,731	73	-	8,687
Singapore	17	-	5,449	-	-	-	5,466
Ecuador	-	-	4,342	-	-	-	4,342
Rest of Europe	1,466	1,839	5,047	2,437	-	-	10,789
Rest of World	2,992	2,334	11,921	734	-	-	17,981
Inter-segment sales	243	104	29	362	3,517	(4,255)	-
	7,150	22,602	40,900	8,264	3,590	(4,255)	78,251

6 months ended 31 March 2018 (unaudited)							
	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total
	£000	£000	£000	£000	£000	£000	£000
Faroe Islands	154	3,252	2	-	-	-	3,408
Greece	-	74	3,991	3	-	-	4,068
Norway	(676)	11,859	324	-	-	-	11,507
India	7	-	10,266	-	-	-	10,273
UK	1,197	2,482	74	4,070	78	-	7,901
Singapore	2	-	5,276	-	-	-	5,278
Ecuador	-	-	4,312	-	-	-	4,312
Rest of Europe	1,163	2,105	6,013	2,188	-	-	11,469
Rest of World	2,179	1,029	13,807	483	-	-	17,498
Inter-segment sales	100	177	31	706	2,217	(3,231)	-
	4,126	20,978	44,096	7,450	2,295	(3,231)	75,714

12 months ended 30 September 2018 (audited)							
	Animal Health	Genetics	Advanced Animal Nutrition	All other segments	Corporate	Inter-segment sales	Total
	£000	£000	£000	£000	£000	£000	£000
Faroe Islands	158	6,778	7	-	-	-	6,943
Greece	205	118	7,894	3	-	-	8,220
Norway	2,264	16,277	698	44	-	-	19,283
India	10	-	18,180	-	-	-	18,190
UK	2,941	2,733	238	8,684	148	-	14,744
Singapore	2	-	11,746	-	-	-	11,748
Ecuador	-	-	9,253	-	-	-	9,253
Rest of Europe	3,071	4,717	9,535	4,193	-	-	21,516
Rest of World	7,297	4,811	28,030	1,432	-	-	41,570
Inter-segment sales	205	321	165	1,430	5,129	(7,250)	-
	16,153	35,755	85,746	15,786	5,277	(7,250)	151,467

Benchmark Holdings plc

Consolidated Statement of Cash Flows
for the 6 months ended 31 March 2019

9. Exceptional including acquisition related 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 2019 (unaudited) £000	6 months ended 31 March 2018 (unaudited) £000	12 months ended 30 September 2018 (audited) £000
Acquisition related items	-	-	1,239
Total exceptional items	-	-	1,239

Acquisition related items are costs incurred in investigating and acquiring new businesses. During the 12 months ended 30 September 2018, the contingent consideration element of the provision for deferred consideration held for previous acquisitions was recalculated considering up to date performance of those acquisitions and the projected performance for the final 3 months of the earn out period (which ended on 31 December 2017) against the relevant sales volumes and revenue targets. As a result, £206,000 was released in the year.

Benchmark Holdings plc

Consolidated Statement of Cash Flows
for the 6 months ended 31 March 2019

10. Taxation

	6 months ended 31 March 2019 (unaudited) £000	6 months ended 31 March 2018 (unaudited) £000	12 months ended 30 September 2018 (audited) £000
Current tax expense			
Analysis of charge in period			
Current tax:			
Current income tax expense on profits for the period	3,239	3,950	6,041
Adjustment in respect of prior periods	-	-	(309)
Total current tax	3,239	3,950	5,732
Deferred tax expense			
Origination and reversal of temporary differences	(2,487)	(13,114)	(14,990)
Deferred tax movements in respect of prior periods	-	-	(12)
Total deferred tax	(2,487)	(13,114)	(15,002)
Total tax charge/(credit)	752	(9,164)	(9,270)

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 2019 (unaudited) £000	6 months ended 31 March 2018 (unaudited) £000	12 months ended 30 September 2018 (audited) £000
Accounting loss before income tax	(8,330)	(5,593)	(13,659)
Expected tax credit based on the standard rate of UK corporation tax at the domestic rate of 19% (2018: 19%)	(1,583)	(1,063)	(2,595)
Income not taxable	-	-	(155)
Expenses not deductible for tax purposes	305	186	686
Deferred tax not recognised	2,890	2,245	4,788
Adjustment to tax charge in respect of prior periods	-	-	(321)
Effects of changes in tax rates	-	(10,496)	(10,496)
Different tax rates in overseas jurisdictions	(860)	(36)	(1,177)
Total tax charge/(credit)	752	(9,164)	(9,270)

Deferred tax is calculated at the substantively enacted rates, at which the temporary differences and tax losses are expected to reverse, in the territories in which they arose. Reductions in the corporation tax rate in Belgium were substantively enacted in the previous year. The main rate of corporation tax was reduced from 34% to 29.58% effective from 1 January 2018 and to 25% from 1 January 2020.

Benchmark Holdings plc

Consolidated Statement of Cash Flows
for the 6 months ended 31 March 2019

11. Earnings/loss per share

Basic earnings/loss per share is calculated by dividing the profit or loss 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 2019 (unaudited)	6 months ended 31 March 2018 (unaudited)	12 months ended 30 September 2018 (audited)
Loss/(profit) attributable to equity holders of the parent (£000)	(9,528)	3,492	(5,009)
Weighted average number of shares in issue (thousands)	557,522	522,371	531,651
Basic (loss)/earnings per share (pence)	(1.71)	0.67	(0.94)

Diluted earnings/loss 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 2019 (unaudited)	6 months ended 31 March 2018 (unaudited)	12 months ended 30 September 2018 (audited)
(Loss)/profit attributable to equity holders of the parent (£000)	(9,528)	3,492	(5,009)
Weighted average number of shares in issue (thousands) - basic	557,522	522,371	531,651
Adjustment for share options and awards (thousands)	-	2,848	-
Weighted average number of shares in issue (thousands) - diluted	557,522	525,219	531,651
Diluted (loss)/earnings per share (pence)	(1.71)	0.66	(0.94)

Benchmark Holdings plc

Consolidated Statement of Cash Flows
for the 6 months ended 31 March 2019

12. 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 Infra- structure £000	Office Equipment and Fixtures £000	Total £000
Cost							
Balance at 1 October 2017	32,956	27,152	4,281	25,591	247	1,227	91,454
Additions	954	8,776	736	2,046	-	369	12,881
Reclassification	(2,450)	-	(99)	2,610	-	(61)	-
Increase /(decrease) through transfers from assets in the course of construction	71	(5,057)	3,534	1,452	-	-	-
Exchange differences	385	(609)	(107)	138	-	13	(180)
Disposals	-	(10)	(61)	(492)	-	(113)	(676)
Balance at 31 March 2018	31,916	30,252	8,284	31,345	247	1,435	103,479
Balance at 1 April 2018	31,916	30,252	8,284	31,345	247	1,435	103,479
Additions	724	8,929	138	1,547	-	853	12,191
Increase /(decrease) through transfers from assets in the course of construction	-	(3)	-	3	-	-	-
Exchange differences	(189)	1,182	117	337	-	104	1,551
Disposals	(23)	-	(2)	(144)	-	(111)	(280)
Balance at 30 September 2018	32,428	40,360	8,537	33,088	247	2,281	116,941
Balance at 1 October 2018	32,428	40,360	8,537	33,088	247	2,281	116,941
Additions	870	340	65	2,162	-	297	3,734
Increase /(decrease) through transfers from assets in the course of construction	117	(341)	2	215	-	7	-
Exchange differences	(1,542)	(2,210)	(86)	(644)	-	(51)	(4,533)
Disposals	-	(146)	(121)	(1,019)	-	(56)	(1,342)
Balance at 31 March 2019	31,873	38,003	8,397	33,802	247	2,478	114,800
Accumulated Depreciation							
Balance at 1 October 2017	2,414	-	1,211	6,388	244	352	10,609
Depreciation charge for the year	666	-	413	1,923	1	145	3,148
Reclassification	-	-	(5)	25	-	(20)	-
Exchange differences	180	-	(47)	150	-	18	301
Disposals	-	-	(96)	(436)	-	(8)	(540)
Balance at 31 March 2018	3,260	-	1,476	8,050	245	487	13,518
Balance at 1 April 2018	3,260	-	1,476	8,050	245	487	13,518
Depreciation charge for the year	603	-	430	2,487	1	172	3,693
Exchange differences	13	-	81	209	-	75	378
Disposals	(21)	-	2	(79)	-	(77)	(175)
Balance at 30 September 2018	3,855	-	1,989	10,667	246	657	17,414
Balance at 1 October 2018	3,855	-	1,989	10,667	246	657	17,414
Depreciation charge for the period	1,146	-	446	2,340	1	227	4,160
Impairment charge for the period	-	-	-	618	-	-	618
Exchange differences	(427)	-	(22)	(318)	-	2	(765)
Disposals	-	-	(24)	(935)	-	(60)	(1,019)
Balance at 31 March 2019	4,574	-	2,389	12,372	247	826	20,408
Net book value							
At 31 March 2019	27,299	38,003	6,008	21,430	-	1,652	94,392
At 30 September 2018	28,573	40,360	6,548	22,421	1	1,624	99,527
At 31 March 2018	28,656	30,252	6,808	23,295	2	948	89,961

The impairment in plant and machinery assets relates to a facility at FAI Aquaculture Limited following a decision to close one of its operating sites.

Benchmark Holdings plc

Consolidated Statement of Cash Flows
for the 6 months ended 31 March 2019

13. Intangible assets

	Websites £000	Goodwill £000	Patents and Trade- marks £000	Intell- ectual Property £000	Customer Lists £000	Contracts £000	Licences £000	Genetics £000	Devel- opment costs £000	Total £000
Cost or valuation										
Balance at 1 October 2017	597	149,941	811	134,638	6,784	9,510	34,664	26,245	3,531	366,721
Additions - on acquisition	-	51	-	-	-	-	-	-	-	51
Additions - externally acquired	19	-	10	44	-	-	-	-	-	73
Additions - internally developed	-	-	-	-	-	-	-	-	2,176	2,176
Exchange differences	-	(5,286)	(3)	(5,685)	(233)	(170)	(1,654)	(57)	(61)	(13,149)
Balance at 31 March 2018	616	144,706	818	128,997	6,551	9,340	33,010	26,188	5,646	355,872
Balance at 1 April 2018	616	144,706	818	128,997	6,551	9,340	33,010	26,188	5,646	355,872
Additions - externally acquired	67	-	20	74	-	-	-	-	139	300
Additions - internally developed	-	-	-	-	-	-	-	-	5,002	5,002
Disposals	-	(447)	-	-	-	-	-	-	-	(447)
Exchange differences	2	8,457	9	9,364	382	190	2,672	(2)	118	21,192
Balance at 30 September 2018	685	152,716	847	138,435	6,933	9,530	35,682	26,186	10,905	381,919
Balance at 1 October 2018	685	152,716	847	138,435	6,933	9,530	35,682	26,186	10,905	381,919
Additions - on acquisition	-	-	-	318	-	-	-	-	-	318
Additions - externally acquired	35	-	36	61	-	-	38	-	-	170
Additions - internally developed	-	-	-	-	-	-	-	-	2,943	2,943
Disposals	-	(84)	-	-	-	-	-	-	-	(84)
Exchange differences	(4)	(2,383)	(5)	(213)	(6)	(323)	(417)	(1,940)	(3)	(5,294)
Balance at 31 March 2019	716	150,249	878	138,601	6,927	9,207	35,303	24,246	13,845	379,972
Accumulated amortisation and impairment										
Balance at 1 October 2017	531	276	631	22,902	1,028	5,506	4,899	1,811	-	37,584
Amortisation charge for the period	9	-	47	6,303	200	696	1,062	389	-	8,706
Impairment loss	-	447	-	-	-	-	-	-	-	447
Exchange differences	-	-	(1)	(1,099)	(18)	(79)	(387)	(4)	-	(1,588)
Balance at 31 March 2018	540	723	677	28,106	1,210	6,123	5,574	2,196	-	45,149
Balance at 1 April 2018	540	723	677	28,106	1,210	6,123	5,574	2,196	-	45,149
Amortisation charge for the period	12	-	111	6,328	203	703	1,099	393	-	8,849
Disposals	-	(447)	-	-	-	-	-	-	-	(447)
Exchange differences	-	1	12	2,136	35	114	681	3	-	2,982
Balance at 30 September 2018	552	277	800	36,570	1,448	6,940	7,354	2,592	-	56,533
Balance at 1 October 2018	552	277	800	36,570	1,448	6,940	7,354	2,592	-	56,533
Amortisation charge for the period	15	-	(261)	6,942	350	691	923	343	-	9,003
Exchange differences	-	-	(31)	(78)	(1)	(215)	(609)	(193)	-	(1,127)
Balance at 31 March 2019	567	277	508	43,434	1,797	7,416	7,668	2,742	-	64,409
Net book value										
At 31 March 2019 (unaudited)	149	149,972	370	95,167	5,130	1,791	27,635	21,504	13,845	315,563
At 30 September 2018 (audited)	133	152,439	47	101,865	5,485	2,590	28,328	23,594	10,905	325,386
At 31 March 2018 (unaudited)	76	143,983	141	100,891	5,341	3,217	27,436	23,992	5,646	310,723

The impairment loss in 2018 arose following an impairment review which showed that an amount of Goodwill, held within a subsidiary 5M Enterprises Limited for the previously acquired Old Pond business is no longer supported by discounted future cash flow projections.

Benchmark Holdings plc

Consolidated Statement of Cash Flows for the 6 months ended 31 March 2019

13. Intangible assets (continued)

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	3 - 20 years
Licences	3 - 20 years
Customer lists	Up to 26 years
Intellectual property	Up to 20 years
Genetic material and breeding nuclei	10 - 40 years
Development costs	Up to 10 years

14. Loans and borrowings

On 30 December 2015, the Group entered into facilities consisting of a five-year revolving credit facility (expiring on 11 December 2020) of up to USD 70m secured on the assets of the parent company, UK subsidiary companies and certain overseas subsidiary companies. On 7 January 2019, the accordion facility within the Group's existing bank facility was activated raising the total facility from USD 70m to USD 90m. At 31 March 2019, USD 83.1m was drawn down on the facility. Liabilities under this facility were settled on 24 June 2019 (note 15).

At 31 March 2019 SalmoBreed Salten AS, a subsidiary company, had a loan of NOK 216 million provided by Nordea Bank Norge ASA. The loan is a five-year term loan ending November 2023 at an interest rate of 2.65% above 3-month NIBOR. In addition, SalmoBreed Salten AS has a loan of NOK 55 million provided by Innovasjon Norge. The loan is a twelve-and-a-half-year term loan ending March 2031 at an interest rate of 4.2% above Norges Bank base rate. Salmobreed Salten AS has a loan of NOK 16.75 million provided by Salten Aqua ASA (the minority shareholder) this loan attracts interest at 2.5% above 3-month NIBOR and is repayable in a minimum of 6 years but not before the bank loans.

15. Events after the reporting date

On 10 June 2019, the Group completed the dissolution of its joint venture with AquaChile in which it had a 49% ownership interest. The Group will receive back its original cash investment of USD 16.25 million (approximately £12.77m) in two instalments; a first payment of USD 7.5 million 10 days after completion, and the balance of USD 8.75 million to be paid six months after completion. The Group also received the IP rights, genetics material and biomass in the joint venture, and will, in the coming weeks, wholly own a standalone and established breeding facility.

On 24 June 2019, the Group completed a new senior secured floating rate listed bond issue of NOK 850 million. The bond which matures in June 2023, has a coupon of 5.25% above three months NIBOR with quarterly interest payments. On the same day the Group repaid the outstanding borrowings under its \$90m five-year facility (note 14). In addition, the Group entered into new borrowing facilities, a three-and-a-half-year revolving credit facility of up to USD 15.0 million secured on assets of certain group companies. The interest rate on the facility is between 3% to 3.5% above Libor depending on leverage.

16. Alternative performance measures

Management has presented the performance measures Adjusted EBITDA, Adjusted Operating Profit and Adjusted Profit Before Tax because it monitors performance at a consolidated level and believes that these measures are relevant to an understanding of the Group's financial performance.

Adjusted EBITDA which reflects underlying profitability, is earnings before interest, tax, depreciation, amortisation, impairment, exceptional items and acquisition related expenditure and is shown on the Income Statement.

Adjusted Operating Profit is operating loss before exceptional items including acquisition related items and amortisation of intangible assets excluding development costs as reconciled below.

Adjusted Profit Before Tax is earnings before tax, amortisation and impairment of acquired intangibles, exceptional items and acquisition related expenditure as reconciled below. These measures are not defined performance measure in IFRS. The

Benchmark Holdings plc

Consolidated Statement of Cash Flows
for the 6 months ended 31 March 2019

16. Alternative Profit Measures (continued)

Group's definition of these measures may not be comparable with similarly titled performance measures and disclosures by other entities.

Reconciliation of Adjusted Operating Profit to Operating Loss

	6 months ended 31 March 2019 (unaudited) £000	6 months ended 31 March 2018 (unaudited) £000	12 months ended 30 September 2018 (audited) £000
Revenue	78,251	75,714	151,467
Cost of sales	(40,350)	(41,637)	(77,447)
Gross profit	37,901	34,077	74,020
Research and development costs	(5,619)	(5,621)	(12,040)
Other operating costs	(24,524)	(22,178)	(44,600)
Depreciation	(4,778)	(3,148)	(6,841)
Amortisation of capitalised development costs	-	-	-
Share of profit of equity accounted investees net of tax	(265)	(231)	(362)
Adjusted operating profit	2,715	2,899	10,177
Exceptional including acquisition related items	-	-	(1,239)
Amortisation of intangible assets excluding development costs	(9,003)	(9,153)	(18,002)
Operating loss	(6,288)	(6,254)	(9,064)

Reconciliation of Loss Before Taxation to Adjusted Profit Before Tax

	6 months ended 31 March 2019 (unaudited) £000	6 months ended 31 March 2018 (unaudited) £000	12 months ended 30 September 2018 (audited) £000
Loss before taxation	(8,330)	(5,593)	(13,659)
Exceptional including acquisition related items	-	-	1,239
Amortisation of intangible assets excluding development costs	9,003	9,153	18,002
Adjusted profit before tax	673	3,560	5,582

17. Net debt

Net debt is cash and cash equivalents less loans and borrowings.

	6 months ended 31 March 2019 (unaudited) £000	6 months ended 31 March 2018 (unaudited) £000	12 months ended 30 September 2018 (audited) £000
Cash and cash equivalents	23,832	21,869	24,090
Loans and borrowings – current	(1,685)	(558)	(898)
Loans and borrowings – non-current	(87,677)	(62,627)	(78,868)
	(65,530)	(41,316)	(55,676)

Benchmark Holdings plc

Consolidated Statement of Cash Flows
for the 6 months ended 31 March 2019