Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	983 506 925
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	BENCHMARK GENETICS NORWAY AS
Forretningsadresse:	Bradbenken 1 5003 BERGEN

Regnskapsår

Årsregnskapets periode:	01.10.2019 - 30.09.2020

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jan-Emil Johannessen
Dato for fastsettelse av årsregnskapet:	17.12.2020

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert

År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 08.03.2022

Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	14	239 056 148	235 080 621
Annen driftsinntekt		1 226 449	2 110 663
Sum inntekter	11	**240 282 597**	**237 191 284**
Kostnader			
Varekostnad	14	151 343 395	149 173 927
Lønnskostnad	9, 12	35 802 866	33 516 380
Avskrivning	1	2 387 558	2 327 314
Nedskrivning av varige driftsmidler og immaterielle eiendeler	1		1 189 151
Annen driftskostnad	12, 14	24 675 447	28 001 829
Sum kostnader		**214 209 266**	**214 208 601**
Driftsresultat		**26 073 331**	**22 982 683**
Finansinntekter og finanskostnader			
Annen renteinntekt		1 758 799	2 035 705
Annen finansinntekt		442 119	533 573
Sum finansinntekter		**2 200 918**	**2 569 278**
Annen rentekostnad		6 183 847	6 515 234
Annen finanskostnad		898 004	294 619
Sum finanskostnader		**7 081 851**	**6 809 853**
Netto finans	16	**-4 880 933**	**-4 240 575**
Ordinært resultat før skattekostnad		**21 192 398**	**18 742 108**
Skattekostnad på ordinært resultat	10	4 118 626	3 772 502
Ordinært resultat etter skattekostnad		**17 073 772**	**14 969 606**
Årsresultat		**17 073 772**	**14 969 606**
Overføringer og disponeringer			
Overføring til/fra annen egenkapital		17 073 772	14 969 606
Sum overføringer og disponeringer	7	**17 073 772**	**14 969 606**

Resultatregnskap

Beløp i: NOK	Note	2020	2019

Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	1		4 635
Utsatt skattefordel	10	698 476	865 244
Sum immaterielle eiendeler		**698 476**	**869 879**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom		6 894 547	7 233 671
Maskiner og anlegg		11 936 382	9 564 545
Driftsløsøre, inventar, verktøy, kontormaskiner		165 342	180 262
Sum varige driftsmidler	1	**18 996 271**	**16 978 478**
Finansielle anleggsmidler			
Investering i datterselskap	2	112 584 000	112 584 000
Lån til foretak i samme konsern	13	70 000 000	64 000 000
Investeringer i tilknyttet selskap	2	26 304 350	26 304 350
Investeringer i aksjer og andeler	3	273 222	273 222
Andre fordringer		118 569	10 000
Sum finansielle anleggsmidler		**209 280 141**	**203 171 572**
Sum anleggsmidler		**228 974 888**	**221 019 929**
Omløpsmidler			
Varer			
Varer	4	8 261 631	4 067 717
Sum varer		**8 261 631**	**4 067 717**
Fordringer			
Kundefordringer	5, 13	27 606 396	30 474 171
Andre fordringer		11 833 174	13 911 208
Sum fordringer		**39 439 570**	**44 385 379**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	6, 17	22 982 430	8 691 959
Sum bankinnskudd, kontanter og lignende		**22 982 430**	**8 691 959**

Balanse

Beløp i: NOK	Note	2020	2019
Sum omløpsmidler		**70 683 631**	**57 145 055**
SUM EIENDELER	15	**299 658 519**	**278 164 984**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	7,8	9 000 000	9 000 000
Overkurs	7	3 092 202	3 092 202
Sum innskutt egenkapital		**12 092 202**	**12 092 202**
Opptjent egenkapital			
Annen egenkapital	7	54 409 751	37 258 246
Sum opptjent egenkapital		**54 409 751**	**37 258 246**
Sum egenkapital		**66 501 953**	**49 350 448**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	9		2 938 088
Sum avsetninger for forpliktelser			**2 938 088**
Annen langsiktig gjeld			
Langsiktig konserngjeld	13	187 892 021	153 595 180
Sum annen langsiktig gjeld		**187 892 021**	**153 595 180**
Sum langsiktig gjeld		**187 892 021**	**156 533 268**
Kortsiktig gjeld			
Leverandørgjeld	13	24 796 480	18 883 851
Betalbar skatt	10	8 130 884	5 601 865
Skyldige offentlige avgifter		5 142 597	8 386 236
Kortsiktig konserngjeld	13		29 182 005
Annen kortsiktig gjeld		7 194 584	10 227 311
Sum kortsiktig gjeld		**45 264 545**	**72 281 268**

Balanse

Beløp i: NOK	Note	2020	2019
Sum gjeld		**233 156 566**	**228 814 536**
SUM EGENKAPITAL OG GJELD		**299 658 519**	**278 164 984**

Årsregnskap 2020
Benchmark Genetics Norway AS

Org. nr.: 983 506 925

Benchmark SalmoBreed

STYRETS BERETNING FOR 2020

Org.nr. 983 506 925

Virksomhetens art og hvor den drives:
Benchmark Genetics Norway AS sin hovedoppgave er utvikling, produksjon og omsetning av genetisk foredlet materiale for bruk i oppdrett, levering av spesialiserte avlstjenester til nasjonal og internasjonal akvakultur, samt annen akvakultur relatert virksomhet.

Virksomheten til Benchmark Genetics Norway AS ledes fra Bergen med avdelingskontorer på Sunndalsøra og Ås. Benchmark Genetics Norway AS eier ca. 75% av datterselskapet SalmoBreed Salten AS i Sørfold kommune og et avlssenter for laks i Lønningdal i Os kommune. Det avlagte regnskap og beretning gjelder for perioden 01.10.19 – 30.09.20.

Benchmark Genetics Norway AS eier 2 FoU konsesjoner for oppdrett av laks. Disse drives i samarbeid med norske oppdrettsbedrifter.

Selskapets stilling:
Selskapet er en aktiv og kunnskapsbasert leverandør av lakserogn og avlstjenester. Samspillet mellom produsenter, fagmiljø og markedsavdelingen har utviklet seg positivt gjennom 2020. Selskapet forventer en fortsatt utvikling mot stadig mer avanserte produkter som vil gi høyere marginer. Landbasert rognproduksjon vil også gi grunnlag før økt verdiskapning i årene fremover. Sammen med nye store inngåtte genetikkavtaler vil dette gi grunnlag for økt omsetning og inntjening.

Forskning og utvikling:
Benchmark Genetics Norway AS er alene og sammen med samarbeidspartnere involvert i et betydelig antall forsknings- og utviklingsprosjekter som er rettet inn mot å styrke konsernets avlsmateriale, både for laks, reke, tilapia og andre arter. Selskapet er en attraktiv partner i ulike FoU-prosjekter. FoU kostnadsføres fortløpende.

Fortsatt drift:
I samsvar med regnskapsloven §3-3a bekreftes det at forutsetningene om fortsatt drift er til stede. Til grunn for antakelsen ligger balansen pr. 30.09.20 og budsjett for 2021 samt selskapets langsiktige strategiske prognoser for årene fremover.

Regnskap for 2020:
Årsregnskapet viser et resultat før skattekostnad på NOK 21 192 398. Egenkapitalen pr.30.09.20 er på NOK 66 501 953. Dette utgjør 22,19 % av totalkapitalen.

Bedriften har ingen ekstern finansiering. All gjeld er til konsernselskaper. Selskapets aksjer er pantsatt i forbindelse med obligasjonslånet i Benchmark Holdings plc.

SalmoBreed AS – Sandviksboder 3A, 5035 Bergen, Norway
www.salmobreed.no | post@salmobreed.no

Benchmark SalmoBreed

Bedriften har risiko knyttet til markedsprisen på rogn og rentenivå på interne lån. I tillegg er bedriften eksponert for endringer i lakseprisen som følge av inntekter fra FoU konsesjoner.

Arbeidsmiljø:
Arbeidsmiljøet ansees som godt og sykefraværet er lavt 5,72 %, hvorav langtidssykemeldt utgjør 3,79 %. Det har heller ikke forekommet skader eller ulykker på arbeidsplassen.

Likestilling:
Selskapet har pr. 30.09.20 33 fast ansatte hvorav 10 kvinner. Selskapet skiller ikke mellom kjønn i ansettelser, men legger vekt på kompetanse, erfaring, referanser og omgjengelighet.

Ytre miljø:
Virksomheten driver innenfor gjeldende lover og regler. Driften medfører ikke forurensing eller utslipp som kan være til skade for det ytre miljø.

Hendelser etter regnskapsårets slutt:
Ingen vesentlige hendelser etter regnskapsårets slutt.

Bergen, 14.desember 2020

Jan-Emil Johannessen
Styreleder og daglig leder

Håvard Bakke
Styremedlem

Jonathan Michael Crowther
Styremedlem

Morten Rye
Styremedlem

SalmoBreed AS – Sandviksboder 3A, 5035 Bergen, Norway
www.salmobreed.no post@salmobreed.no

RESULTATREGNSKAP

Benchmark Genetics Norway AS

DRIFTSINNTEKTER OG DRIFTSKOSTNADER	**Note**	**2020**	**2019**
Salgsinntekt	14	239 056 148	235 080 621
Annen driftsinntekt		1 226 449	2 110 663
Sum driftsinntekter	11	**240 282 597**	**237 191 284**
Varekostnad	14	151 343 395	149 173 927
Lønnskostnad	9, 12	35 802 866	33 516 380
Avskrivning av driftsmidler og immaterielle eiendeler	1	2 387 558	2 327 314
Nedskrivning av anleggsmidler	1		1 189 151
Annen driftskostnad	12, 14	24 675 447	28 001 829
Sum driftskostnader		**214 209 266**	**214 208 601**
Driftsresultat		**26 073 331**	**22 982 683**
FINANSINNTEKTER OG FINANSKOSTNADER			
Annen renteinntekt		1 758 799	2 035 705
Annen finansinntekt		442 119	533 573
Annen rentekostnad		6 183 847	6 515 234
Annen finanskostnad		898 003	294 619
Resultat av finansposter	16	- **4 880 933**	- **4 240 575**
Ordinært resultat før skattekostnad		21 192 398	18 742 108
Skattekostnad på ordinært resultat	10	4 118 626	3 772 502
Ordinært resultat		**17 073 772**	**14 969 606**
Årsresultat		17 073 772	14 969 606
OVERFØRINGER			
Overført til annen egenkapital		17 073 772	14 969 606
Sum overføringer	7	**17 073 772**	**14 969 606**

BALANSE

Benchmark Genetics Norway AS

EIENDELER	Note	2020	2019
ANLEGGSMIDLER			
IMMATERIELLE EIENDELER			
Forskning og utvikling	1		4 635
Utsatt skattefordel	10	698 476	865 244
Sum immateriell eiendeler		**698 476**	**869 879**
VARIGE DRIFTSMIDLER			
Tomter, bygninger o.a. fast eiendom		6 894 547	7 233 671
Maskiner		11 936 382	9 564 545
Driftsløsøre, inventar o.a. utstyr		165 342	180 262
Sum varige driftsmidler	1	**18 996 271**	**16 978 478**
FINANSIELLE ANLEGGSMIDLER			
Investeringer i datterselskap	2	112 584 000	112 584 000
Lån til foretak i samme konsern	13	70 000 000	64 000 000
Investering i felleskontrollert virksomhet	2	26 304 350	26 304 350
Investeringer i aksjer og andeler	3	273 222	273 222
Andre langsiktige fordringer		118 569	10 000
Sum finansielle anleggsmidler		**209 280 141**	**203 171 572**
Sum anleggsmidler		**228 974 888**	**221 019 929**
OMLØPSMIDLER			
Lager av varer og annen beholdning	4	8 261 631	4 067 717
FORDRINGER			
Kundefordringer	5, 13	27 606 396	30 474 171
Andre kortsiktige fordringer		11 833 174	13 911 208
Sum fordringer		**39 439 570**	**44 385 379**
Bankinnskudd, kontanter o.l.	6, 17	22 982 430	8 691 959
Sum omløpsmidler		**70 683 631**	**57 145 055**
Sum Eiendeler	15	**299 658 519**	**278 164 984**

BALANSE

Benchmark Genetics Norway AS

EGENKAPITAL OG GJELD	Note	2020	2019
INNSKUTT EGENKAPITAL			
Aksjekapital	7, 8	9 000 000	9 000 000
Overkurs	7	3 092 202	3 092 202
Sum innskutt egenkapital		12 092 202	12 092 202
OPPTJENT EGENKAPITAL			
Annen egenkapital	7	54 409 751	37 258 246
Sum opptjent egenkapital		54 409 751	37 258 246
Sum egenkapital		66 501 953	49 350 448
GJELD			
AVSETNING FOR FORPLIKTELSER			
Pensjonsforpliktelser	9	-	2 938 088
Gjeld til selskap i samme konsern	13	187 892 021	153 595 180
Sum annen langsiktig gjeld		187 892 021	153 595 180
KORTSIKTIG GJELD			
Leverandørgjeld	13	24 796 480	18 883 851
Betalbar skatt	10	8 130 884	5 601 865
Skyldig offentlige avgifter		5 142 597	8 386 236
Gjeld til selskap i samme konsern	13	-	29 182 005
Annen kortsiktig gjeld		7 194 583	10 227 311
Sum kortsiktig gjeld		45 264 544	72 281 268
Sum gjeld		233 156 566	228 814 536
Sum egenkapital og gjeld		299 658 519	278 164 984

Bergen, 14/12-20
Styret i Benchmark Genetics Norway AS

Jan-Emil Johannessen
Styreleder/daglig leder

Jonathan Michael Crowther
Styremedlem

Håvard Bakke
Styremedlem

Morten Rye
Styremedlem

Kontantstrømanalyse

(NRS - Indirekte modell)

		Årets tall	Fjorårets tall
	Kontantstrømmer fra operasjonelle aktiviteter		
	Resultat før skattekostnad	21 192 398	18 742 108
-	Periodens betalte skatter		0
+/-	(Gevinst)/tap ved salg av driftsmidler		20 000
+	Ordinære avskrivninger	2 387 558	2 327 314
+	Nedskrivninger	0	1 189 151
+/-	Endring i varelager	-4 193 914	-1 191 108
+/-	Endring i kundefordringer	2 867 775	-12 722 639
+/-	Endring i leverandørgjeld	5 912 629	905 505
+/-	Forskjell mellom kostn.ført pensj. og inn-/utbet i p-ordn.	-2 938 088	
+/-	Poster klassifisert som inv/fin.aktiviteter	0	0
+/-	Endring i andre tidsavgrensningsposter	-5 543 438	12 644 601
=	**Netto kontantstrøm fra operasjonelle aktiviteter**	**19 684 920**	**21 914 932**
	Kontantstrømmer fra investeringsaktiviteter		
+	Innbetalinger ved salg av varige driftsmidler	0	80 000
-	Utbetalinger ved kjøp av varige driftsmidler	-4 400 716	-1 199 911
+	Innbetalinger ved salg av aksjer og andeler	0	0
+	Innbetalinger ved salg av andre investeringer	0	0
-	Utbetaling ved kjøp av aksjer og andeler	-108 569	-10 500
-	Utbetalinger ved lån til datterselskap og til andre investeringer.	-6 000 000	-9 000 000
=	**Netto kontantstrøm fra investeringsaktiviteter**	**-10 509 285**	**-10 130 411**
	Kontantstømmer fra finansieringsaktiviter		
+	Innbetalinger ved opptak av ny langsiktig gjeld	0	0
+	Innbetalinger ved opptak av ny kortsiktig gjeld	5 114 836	12 709 303
-	Utbetaling ved nedbetaling av langsiktig gjeld	0	-26 858 105
-	Utbetalinger ved nedbetaling av kortsiktig gjeld	0	216 000
+	Innbetaling egenkapital	0	0
=	**Netto kontantstrøm fra finansieringsaktiviteter**	**5 114 836**	**-13 932 802**
+	**Tilgang bank som følge av fusjon**	**0**	**4 874 161**
=	**Netto endring i kontanter og kontantekvivalenter**	**14 290 471**	**2 725 880**
+	Beholdning av kontanter og kontantekvivalenter ved periodens begynnelse	8 691 957	5 966 077
=	**Beholdning av kontanter og kontantekvivalenter ved periodens slutt**	**22 982 428**	**8 691 957**

Benchmark Genetics Norway AS

Noter til regnskapet for 01.10.19-30.09.2020

Note 1 Varige driftsmidler

Varige driftsmidler	Programvare, ervervet	Bygninger og tomter	Maskiner og anlegg	Driftsløsøre	Sum
Anskaffelseskost 01.10.	83 432	8 447 191	15 685 295	1 302 037	25 517 955
Tilgang			3 261 090	1 139 625	4 400 715
Avgang					-
Anskaffelseskost pr. 30.09	83 432	8 447 191	18 946 385	2 441 662	29 918 670
Akk. avs/nedskr. pr. 01.10	78 797	1 213 520	6 120 749	1 121 775	8 534 841
+ Ordinære avskrivninger		339 124	2 034 347	14 087	2 387 558
Akk. Av/nedskr. Pr. 30.09	78 797	1 552 644	8 155 096	1 135 862	10 922 399
Balanseført verdi pr. 30.09	4 635	6 894 547	10 791 289	1 305 800	18 996 271
Forventet økonomisk levetid	3 år	0-50 år	5-10 år	3 år	
Avskrivningsplan	Lineær	Lineær	Lineær	Lineær	

Note 2 Investering i datterselskap og felleskontrollert virksomhet

Investeringene i datterselskap og tilknyttet selskap regnskapsføres etter kostmetoden.
Investeringene i felleskontrollert virksomhet regnskapsføres etter kostmetoden

Datterselskap	Forretnings-kontor	Eier-/stemme-andel	Egenkap. Siste år (100%)	Resultat siste år (100%)	Balanseført verdi
Salmobreed Salten AS	Sørfold	74,97 %	140 089 950	15 005 776	112 584 000
Balanseført verdi 30.09					112 584 000

Salmobreed Salten AS ble stiftet 13.08.2015. Selskapets regnskapsår er 01.10.19-30.09.20

Felleskontrollert virksomhet	Forretnings-kontor	Eier-/stemme-andel	Bokført verdi Egenkap. Siste år (100%)	Resultat siste år (100%)	Bokført verdi av aksjer
Salmar Genetics AS	Kverva	50 %	45 252 060	397 887	26 304 350
Balanseført verdi 30.09.					26 304 350

Salmar Genetics AS ble stiftet 10.10.2016. Selskapetsregnskapsår er 01.01.2020-31.12.2020.
Tallene baserer seg på foreløpig og urevidert regnskap for Salmar Genetics per. 30.09.2020

Note 3 Andre langsiktige aksjer og andeler

	Eierandel	Balanseført verdi
Xelect Limited	5,05 %	273 222
Balanseført verdi 30.09.		273 222

Benchmark Genetics Norway AS Noter til regnskapet for 01.10.19-30.09.2020

Note 4 Biologiske eiendeler

	2020	2019
Rogn/melke	3 871 000	754 317
For	58 561	136 172
Frøfisk	432 450	
Yngel og smolt	3 899 720	3 177 228
Sum	**8 261 731**	**4 067 717**

Varebeholdning vurdert til anskaffelseskost	4 362 011	890 489
Varebeholdning vurdert til full tilvirkningskost	3 899 720	3 177 228
Sum	**8 261 731**	**4 067 717**

Note 5 Fordringer

	2020	2019
Kundefordringer pålydende	31 144 728	32 622 917
Avsetning til tap på kundefordring	- 3 538 333	- 2 148 746
Kundefordringer i balansen	**27 606 396**	**30 474 171**

Note 6 Bundne bankinnskudd

Bundne bankinnskudd	**2020**	**2019**
Skattetrekksmidler	1 143 994	995 386

Note 7 Egenkapital

Årets endring i egenkapital	**Aksjekapital**	**Overkurs**	**Annen egenkapital**	**Sum**
Egenkapital 01.10	9 000 000	3 092 202	37 258 246	49 350 448
Andre endringer i EK			77 733	77 733
Årets resultat			17 073 772	17 073 772
Egenkapital 30.09.	**9 000 000**	**3 092 202**	**54 409 752**	**66 501 954**

Benchmark Genetics Norway AS Noter til regnskapet for 01.10.19-30.09.2020

Note 8 Aksjekapital og aksjonærinformasjon

Morselskapet Benchmark Genetics Limited er et britisk selskap hjemmehørende i Storbritannia.
Morselskapet er eiet av ultimat mor Benchmark Holdings Plc og konsernregnskap utarbeides på dette nivået.
Konsernregnskapet er tilgjengelig på selskapets hjemmeside.

Aksjekapitalen på kr. 9 000 000 består av 90 000 aksjer á kr. 100.

Oversik over aksjonærene 30.09.20

	Antall	Eierandel
Benchmark Genetics Limited	90 000	100 %
Sum	90 000	100 %
Total antall aksjer	90 000	100 %

Note 9 Pensjoner

Selskapets pensjonsordninger tilfredsstiller kravene i lov om obligatorisk tjenestepensjon.
Pensjonspremien er regnskapsført som lønnskostnad.

Note 10 - Skattekostnad på ordinært resultat

Spesifikasjon av årets skattegrunnlag	**2020**	**2019**
Resultat før skattekostnad	21 192 399	18 742 108
Permanente andre forskjeller	-2 316 097	-1 809 657
Endring i midlertidige forskjeller	-758 040	2 612 752
Anvendt skattemessig framførbart underskudd		-
Grunnlag betalbar skatt	**18 118 262**	**19 545 203**
Ytet konsernbidrag		-
Inntekt	**18 118 262**	**19 545 203**

Spesifikasjon av årets skattekostnad	**2020**	**2019**
Beregnet skatt av årets resultat	3 986 018	4 334 105
Overprovisjon for FY2019	-34 159	
= Sum Betalbar skatt	**3 951 859**	**4 334 105**
+ endring i utsatt skattefordel (bokført)	166 768	-561 603
= Ordinær skattekostnad	**4 118 627**	**3 772 502**
Betalbar skatt i balansen består av:		
Bergenet skatt av årets resultat	3 986 018	4 334 105
Skyldig skatt 2019	4 299 945	
Estimert skatt 2019	-155 079	
+/- effekt av skatt på konsernbidrag		
= Betalbar skatt i balansen	**8 130 884**	**4 334 105**

Midlertidige forskjeller og balanseført utsatt skatt

	2 020	**2 019**	**Endring**
+ Driftsmidler inkl. goodwill	799 842	1 153 903	- 354 061
Varelager	-436 400		- 436 400
Utestående fordringer	-3 538 333	-2 148 746	- 1 389 587
Netto balanseført pensjonsforpliktelser		-2 938 088	2 938 088
Sum negative skatteøkende forskjeller	**-3 174 891**	**-3 932 931**	**758 040**
Grunnlag for beregning av utsatt skatt /skattefordel	**-3 174 891**	**-3 932 931**	**758 040**
Balanseført skattefordel	-698 476	-865 245	166 769

Benchmark Genetics Norway AS Noter til regnskapet for 01.10.19-30.09.2020

Note 11 Driftsinntekter

	2020	2019
Driftsinntekter	239 056 148	235 080 621
Andre driftsinntekter	1 226 449	2 110 663
Sum	240 282 597	237 191 284

Fordeling på virksomhetsområder	2020	2019
Salg av rogn	180 503 292	181 471 504
Salg av smolt og stamfisk	7 061 690	10 644 257
Andre tjenester	39 196 430	26 480 804
Andre	13 521 185	18 594 719
Sum	240 282 597	237 191 284

Geografisk fordeling - driftsinntekt	2020	2019
Norge	218 836 190	210 584 769
EFTA	9 876 972	4 318 199
EU	2 082 801	15 438 162
Utenfor EU	9 486 634	6 850 154
Sum	240 282 597	237 191 284

Note 12 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte mm.

Lønnskostnader	2020	2019
Lønninger	30 063 549	27 522 593
Arbeidsgiver avgift	4 914 692	4 364 686
Pensjonskostnader	3 113 253,00	1 627 052
Tilbakeført tidl avsatt pensjonskostnad	-2 938 088,00	-
Andre ytelser	649 460	2 049
Sum	35 802 866	33 516 380
Gjennomsnittlig antall årsverk	33,00	32,47

Ytelser til ledende personer	Daglig leder	Styret
Lønn/styrehonorar	2 159 794	
Andre ytelser	4 392	

Det er ikke utbetalt styrehonorar i regnskapsperioden
Det er ikke stilt sikkerhet eller ytt lån til ledende personer i selskapet

Kostnadsført godtgjørelse til revisor	2020	2019
Lovpålagt revisjon (inkl. teknisk bistand med årsregnskap)	839 169	511 025
Attestasjon	27 300	50 920
Andre tjenester	70 918	
Sum godtgjørelse til revisor	937 387	561 945

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Benchmark Genetics Norway AS

Noter til regnskapet for 01.10.19-30.09.2020

Note 13 Mellomværende med selskap i samme konsern m.v.

	Kundefordringer		Andre fordringer	
	2020	**2019**	**2020**	**2019**
Foretak i samme konsern	2 334 989	531 197	-	-
Datterselskap	1 773 312	2 698 305	70 000 000	64 000 000
Sum	**4 108 301**	**3 229 502**	**70 000 000**	**64 000 000**

Fordringen til SBS AS, vil forfalle om mer enn ett år. Det er ikke fastsatt når fordringen forfaller.

	Øvrig langsiktig gjeld		Leverandørgjeld/Annen kortsiktig gjeld	
	2020	**2019**	**2020**	**2019**
Foretak i samme konsern	187 892 021	153 595 180	44 461	34 255 755
Datterselskap			17 344 413	9 196 813
Sum	**187 892 021**	**153 595 180**	**17 388 874**	**43 452 568**

Gjeld til PLC og BGL, vil forfalle om mer enn ett år. Det er ikke fastsatt når gjelden forfaller.

Note 14 Transaksjoner med nærstående parter

Ytelser til ledende ansatte er omtalt i note 12, og mellomværende med konsernselskaper er omtalt i note 13.

	2020
a) Salg av varer og tjenester til selskap i samme konsern	5 958 358
b) Kjøp av varer og tjenester av selskap i samme konsern	110 213 807

Note 15 Betingede forpliktelser - sikkerhetsstillelse til nærstående parter

Sammen med en rekke andre selskaper i Benchmark-konsernet er selskapet garantist for et fireårig seniorsikret børsnotert obligasjonslån med flytende rente på maksimum 850 millioner NOK (obligasjonslånet). Obligasjonslånet forfaller i juni 2023.
DNB Bank ASA (50%) og HSBC UK Bank PLC (50%) har gitt en løpende kreditt på USD 15 millioner.
Denne kreditten var ubrukt per 30.september 2020.

Betingelser for avtalene:
(i) Selskapet er garantist for punktlig ytelse av avtalen, både vedrørende obligasjonslånet og kredittfasiliteten.
(ii) Dersom en av de øvrige skyldnerne ikke foretar nedbetaling ved forfall så skal selskapet når påkrevd, foreta en nedbetaling av det relevante beløp som selskapet selv var hovedskyldner
(iii) Selskapet har gitt långiver sikkerhet i form av pant tilknyttet selskapets eiendeler.

Benchmark Genetics Norway AS

Noter til regnskapet for 01.10.19-30.09.2020

Note 16 Spesifikasjon av finansinntekter og finanskostnader

Finansinntekter	**2020**	**2019**
Renteinntekt fra andre foretak i samme konsern	1 746 712	2 020 450
Annen finansinntekt	454 205	548 828
Sum finansinntekter	**2 200 917**	**2 569 278**

Finanskostnader	**2020**	**2019**
Rentekostnad fra andre foretak i samme konsern	6 168 729	6 409 748
Annen finanskostnad	16 721	400 150
Sum finanskostnad	**6 185 450**	**6 809 898**

Note 17 Kontantstrøm

Endring i andre tidsavgrensningsposter består av:		
Endring andre kortsiktige fordringer og forskuddbetalte kostnader		2 078 034
Endring i annen ek		77 733
Endring i betalbar skatt	-	1 422 839
Endring i skyldige offentlige avgifter	-	3 243 639
Endring annen kortsiktig gjeld ved påløpte kostnader	-	3 032 725
Sum endring i andre tidsavgrensningsposter	-	**5 543 436**

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5822 Bergen

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Enterprise 935 174 627 MVA

Til generalforsamlingen i Benchmark Genetics Norway AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Benchmark Genetics Norway AS' årsregnskap som viser et overskudd på kr 17 073 772. Årsregnskapet består av balanse per 30. september 2020, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noteopplysninger til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av selskapets finansielle stilling per 30. september 2020, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.

- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.

- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.

- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av regnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i regnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon om årsregnskapet og årsberetningen. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.

- evaluerer vi den samlede presentasjonen, strukturen og innholdet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet representerer de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

KPMG

Revisors beretning - 2020
Benchmark Genetics Norway AS

Uttalelse om andre lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet og forutsetningen om fortsatt drift er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Bergen, 17. desember 2020
KPMG AS

Anfinn Fardal
Statsautorisert revisor

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

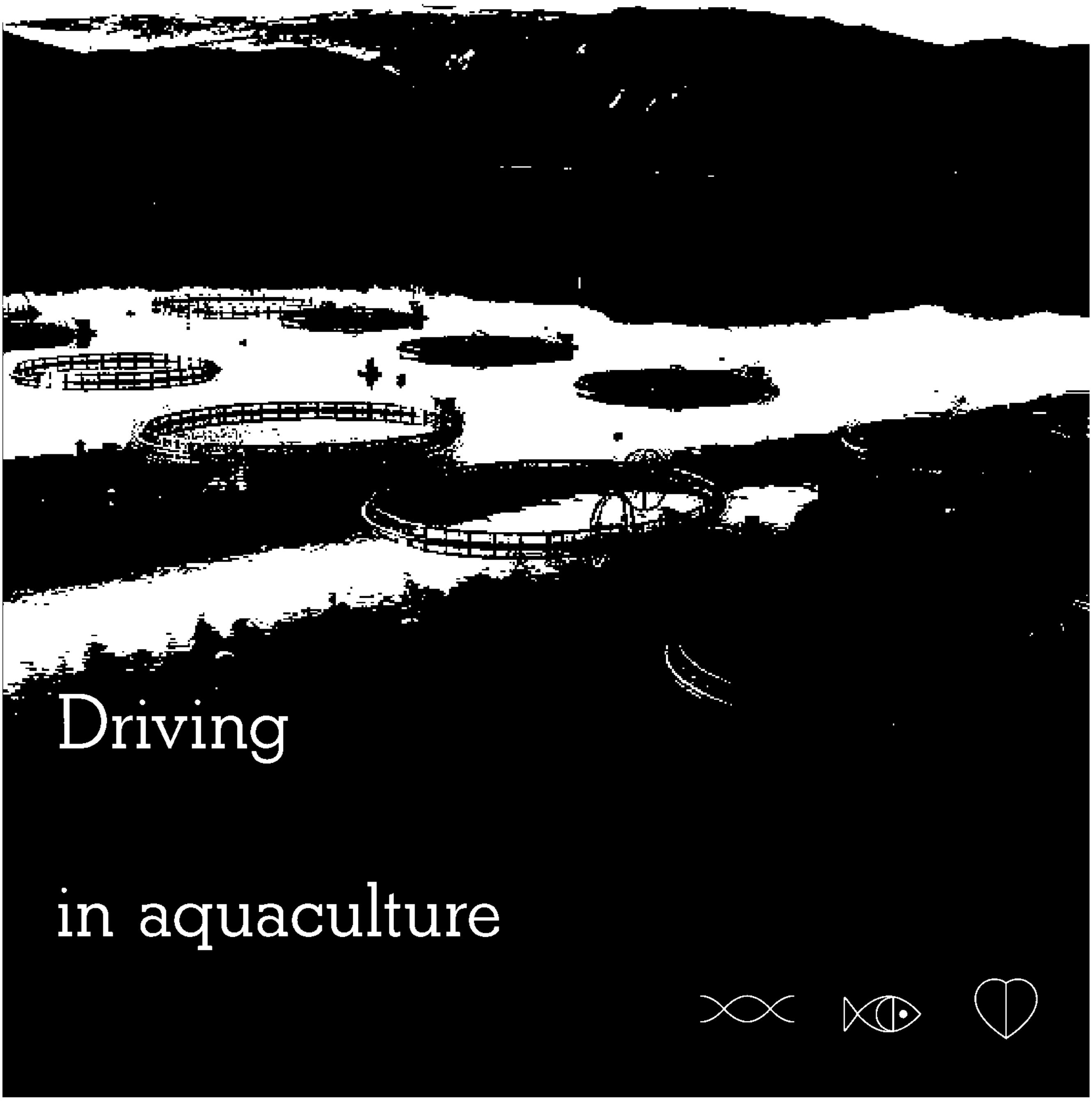
"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Anfinn Bøthun Fardal
Partner
På vegne av: KPMG AS
Serienummer: 9578-5992-4-3044839
IP: 80.232.xxx.xxx
2020-12-17 16:58:45Z
bank ID

Anfinn Bøthun Fardal
Statsautorisert revisor
På vegne av: KPMG AS
Serienummer: 9578-5992-4-3044839
IP: 80.232.xxx.xxx
2020-12-17 16:58:45Z
bank ID

Penneo Dokumentnøkkel: IGID7-VCD6E-B6XMY-3J3NC-OBCUH-HB7Z1

Benchmark®



Directors' Report continued

Next steps
All our sites have been challenged to reduce their carbon footprint however, over the coming year we will be working with specific sites to reduce our environmental impact in each of the key impact areas. Those sites that collectively contribute 80% or more to one of the impact areas will be developing an understanding of their impact and setting reduction targets.

Environmental protection
Net zero carbon by 2050
Establishing our emissions during this baseline year has given us a clear view of our carbon impacts. This year we have set out our ambition to be a net zero organisation for Scope 1 and 2 related emissions by 2030 and for all emissions by 2050.

Environmental compliance
Compliance with all relevant environmental legislation in countries where the Group operates is the baseline from which we drive our improvements. There have been no breaches of environmental legislation during the reporting period.

Waste
We aim to divert as much waste from landfill as possible by segregating waste streams where we can. Wherever possible waste is recycled, used in biodigestion processes or sent to waste incinerator sites to be burned to produce energy. It is our ambition to be a 'zero waste to landfill' company and will be setting out goals to achieve this aim.

	UK	Global (excluding UK)
Waste to landfill	21 tonnes	233 tonnes

As a result of a programme of donating out of specification product to communities local to our Thailand facility,126 tonnes of waste have been diverted from landfill.

Potable water
Water scarcity is impacting every continent and at Benchmark we want to be certain that our operations do not impact on people's ability to access potable water. We have conducted a risk assessment to establish whether we operate in water stressed areas and we measure potable water consumption at our sites. None of our sites is currently in a water stressed area. Our potable water consumption was 58,022m³.

Disclosure of information to auditor
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
In accordance with section 489 of the Companies Act 2006, a resolution for the reappointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Branches outside the UK
The Company has a branch in Switzerland for the purposes of engaging an employee who is resident in Switzerland.

Information elsewhere in the report
The information set out below is contained in other areas of this report.

		Pages of this report
Financial instruments	Details of the Group's financial risk management objectives and policies including the Group's policy for hedging, and the exposure of the Company and its subsidiaries to price risk, credit risk, liquidity risk and cashflow risk.	116 to 120
Important events	Particulars of important events affecting the Company or its subsidiaries.	2-3, 10-11, 20-21
Post-balance sheet events	Description of post-balance sheet events.	None
Future developments	Likely future developments in the business of the Company or its subsidiaries.	10-11, 20-21
R&D	Details of R&D activities of the Company and its subsidiaries.	31, 33, 35
Risk management	Details of the Company's risk management framework, activities in the year and principal risks and uncertainties.	56 to 61
Directors' remuneration and interests	Details of Directors' remuneration, interests in shares of the Company, share options and pension arrangements.	77 to 83
Principal activities and business review	Business review, details of 2020 results, key performance indicators, outlook for future years.	2 to 3, 4 to 55
Financial risk management	Objectives and policies for management of financial risk.	73 to 76
Share capital	Details of the issued share capital and movements during the year.	151

This report was approved by the Board on 27 November 2020 and signed on its behalf.

Jennifer Haddouk
Company Secretary
27 November 2020

Directors' Responsibilities

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRSs as adopted by the EU') and applicable law and they have elected to prepare the Parent Company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors have decided to prepare voluntarily a Directors' Remuneration Report in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 made under the Companies Act 2006, as if those requirements applied to the Company. The Directors have also decided to prepare voluntarily a Corporate Governance Statement as if the Company were required to comply with the Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in relation to those matters.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Signed on behalf of the Board.

Trond Williksen
Chief Executive Officer
27 November 2020

Independent Auditor's Report

to the members of Benchmark Holdings plc

1. Our opinion is unmodified
We have audited the financial statements of Benchmark Holdings plc ("the Company") for the year ended 30 September 2020 which comprise the Consolidated Income Statement, Consolidated Statement of Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Cash Flows, and the related notes, including the accounting policies in Note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality: group financial statements as a whole		£995,000 (2019: £1,070,000) 0.8% (2019: 0.7%) of group revenue
Coverage		83% (2019: 81%) of group revenue
Key audit matters		**vs 2019**
Recurring risks	Valuation of group goodwill, intangibles and recoverability of parent company's investment in subsidiaries and group debtor balances	◀▶
	Valuation of biological assets	◀▶
	Going concern	▼

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

	The risk	Our response
Valuation/recoverability of group goodwill, intangibles and of parent's investment in subsidiaries/ intercompany indebtedness Goodwill: £101,245,000 (2019: £108,582,000) Intangibles: £145,758,000 (2019: £167,162,000) Investments (parent company): £250,031,000 (2019: £257,059,000) Intercompany indebtedness: group entities (parent company): £124,047,000 (2019: £124,458,000) Refer to page 73 (Audit Committee Report), page 112 to 114 (accounting policy) and page 134 to 136, 141 to 142 and 144 (financial disclosures).	**Forecast based valuation:** The carrying value of goodwill and intangibles, and the recoverability of parent company investments in subsidiaries and intercompany indebtedness, depend on assumptions of future financial performance which inherently contain an element of estimation uncertainty. In addition, certain cash generating units of the group are at risk of impairment as they contain immature products or markets, or are not trading in line with expectations. Significant areas of judgement include sales growth rates, operating margins and the discount rate applied to future cash flows. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of certain of the CGUs, and the recoverability of the parent company investment in subsidiaries/intercompany indebtedness, have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (Note 17 and 19) disclose the sensitivity estimated by the Group.	Our procedures included: • **Data comparisons:** Assessing the Group's impairment model for mathematical accuracy as well as internal consistency with board approved budgets and forecast; • **Benchmarking assumptions:** With the assistance of our valuation specialists in respect of the discount rate applied to forecasts, we challenged the Group's assumptions in relation to key inputs such as projected growth and discount rates to externally derived data; • **Sensitivity analysis:** We performed analysis of changes in key assumptions, such as reducing forecasted revenue from the Group's latest sea lice treatment, limiting the forecasted recovery in the global shrimp market and assessing the impact of a change in discount rates used to understand the sensitivity of the value in use calculation to changes in these key assumptions; • **Historical comparison:** We compared the prior periods' prospective financial information against the prior periods' actual results and compared the current period's prospective financial information with the post-year end actual results to assess historical reliability of the forecasting; • **Comparing valuations:** Comparing the sum of the discounted cash flows for all CGUs and the parent company's net assets position to the group's market capitalisation to assess the reasonableness of those cash flows and their ability to support the carrying value of those assets; • **Assessing transparency:** We also assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill, intangibles and investments/ indebtedness.

Independent Auditor's Report (continued)

to the members of Benchmark Holdings plc

	The risk	Our response
Valuation of biological assets; Broodstock, eggs and fingerlings Broodstock, eggs and fingerlings: £31,702,000; (2019: £27,892,000) Refer to page 73 (Audit Committee Report), page 114 (accounting policy) and page 142 and 143 (financial disclosures).	**Subjective valuation:** The group holds significant biological assets, held mainly at Stofnfiskur in Iceland and Salmobreed Salten in Norway. Under relevant accounting standards these are required to be held at fair value less cost to sell. The calculations of fair value include a number of assumptions relating to the future (e.g. egg sales prices, sales volumes). Significant areas of estimation uncertainty include the future yield from the broodstock, the future sales prices and volumes. The effect of these matters is that, as part of our risk assessment, we determined that fair value of the biological assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (Note 21) disclose the sensitivity estimated by the Group.	Our procedures included: • **Data comparisons:** We assessed the group's valuation model for mathematical accuracy and internal consistency with board approved budgets and forecasts; • **Benchmarking assumptions:** We compared the group's assumptions in relation to key inputs such as selling price to externally derived data; • **Assessing transparency:** We considered the adequacy of the group's disclosures in respect of the valuation of biological assets; • **Alternative methods:** We considered an alternative valuation basis to that used by management to corroborate the reasonableness of the directors approach.
Going concern Refer to page 73 (Audit Committee Report) and page 106 (accounting policy)	**Disclosure quality:** The financial statements explain how the directors have formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Parent company. The judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group and Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. The risk most likely to adversely affect the Group and Company's available financial resources over this period is: • The ability of the group to meet management forecasts given the impacts of the Covid-19 pandemic There are also less predictable but realistic second order impacts, such as the erosion of customer or supplier confidence, which could result in a rapid reduction of available financial resources. The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.	Our procedures included: • **Our sector experience:** With the assistance of our restructuring specialists we assessed and challenged the key assumptions in the prospective financial information prepared by the directors by reference to our knowledge of the business and general market conditions and assessed the potential risk of management bias in preparing the cash flow projections; • **Funding assessment:** We obtained and inspected the financing agreements to ascertain the committed level of financing, its duration and related covenant requirements; • **Historical comparisons:** We compared the prior periods' prospective financial information against the prior periods' actual results and compared the current period's prospective financial information with the post-year end actual results to assess historical reliability of the forecasting; • **Sensitivity analysis:** We performed analysis of changes in key assumptions. This included assuming a delay in the timing of the forecast recovery in the global shrimp market and pushing back the timing of obtaining the Marketing Authority for commercialisation of the Group's latest sea lice treatment to understand the sensitivity of the cash flow forecasts in relation to available facility headroom and covenant compliance; • **Assessing transparency:** We assessed the completeness and accuracy of the matters covered in the going concern disclosure by comparing them to the outcome of our procedures detailed above.

We continue to perform procedures over the impact of uncertainties due to UK exiting the European Union on our audit. However, following the business divestments made, which has resulted in the UK operations being less significant than in previous years, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

We also continue to perform procedures over the classification and measurement of discontinued operations and assets held for sale. Following the divestments made in the year, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

3. Our application of materiality and an overview of the scope of our audit
Materiality for the group financial statements as a whole was set at £995,000 (2019: £1,070,000), determined with reference to a benchmark of Group revenue, of which it represents 0.8% (2019: 0.7% of Group revenue). We consider revenue to be the most appropriate benchmark as it provides a more stable measure year on year than Group profit before tax.

Materiality for the parent company financial statements as a whole was set at £500,000 (2019: £500,000), determined with reference to a benchmark of company total assets, of which it represents 0.2% (2019: 0.2%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £50,000 (2019: £53,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

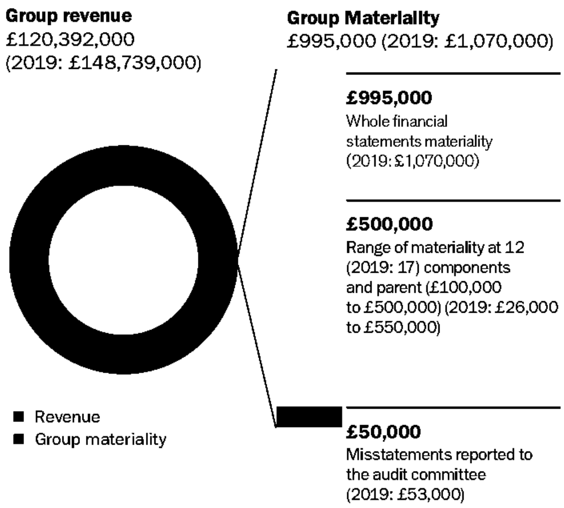
Of the group's 71 (2019: 71) reporting components, we subjected 10 (2019: 16) to full scope audits for group purposes and 2 (2019: 1) to specified risk-focused audit procedures. The latter were not individually financially significant enough to require a full scope audit for group purposes, but did present specific individual risks that needed to be addressed. For the residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

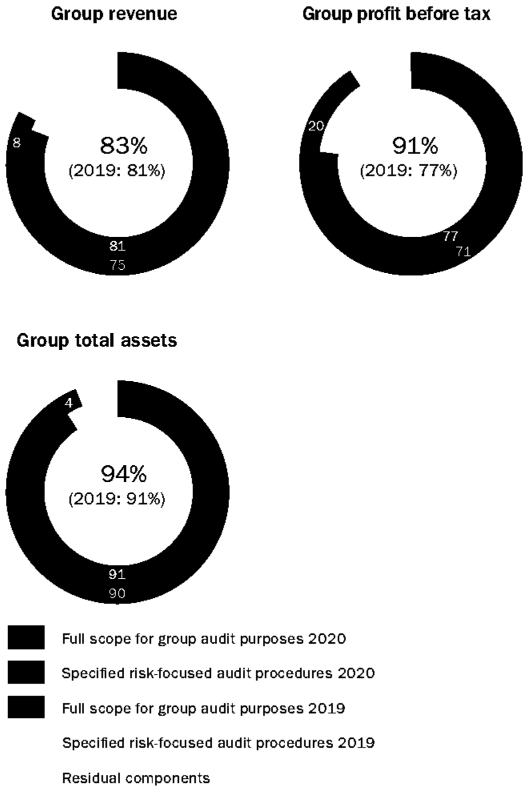
The components within the scope of our work accounted for the percentages illustrated opposite.

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materialities, which ranged from £100,000 to £500,000 (2019: £26,000 to £550,000), having regard to the mix of size and risk profile of the Group across the components. The work on 10 of the 12 components (2019: 9 of the 17 components) was performed by component auditors and the rest, including the audit of the parent company, was performed by the Group team.

The Group team held calls with all full scope component auditors to assess the audit risk and strategy as part of the planning process. During these, the audit approach to key risk areas were discussed.

The Group audit team had planned to visit component locations in Norway, Belgium and Iceland. However, these visits were prevented by movement restrictions relating to the COVID-19 pandemic. Instead, the Group team attended the clearance meetings held by all components in scope. During these, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor. The Group team reviewed the audit work papers covering the significant risk areas of all full scope component auditors.





Independent Auditor's Report (continued)

to the members of Benchmark Holdings plc

4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease their operations, and as they have concluded that the Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

We identified going concern as a key audit matter (see section 2 of this report). Based on the work described in our response to that key audit matter, we are required to report to you if:

- We have anything material to add or draw attention to in relation to the directors' statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability statement (page 86) that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the Viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have nothing to report in these respects.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

7. Respective responsibilities
Directors' responsibilities
As explained more fully in their statement set out on page 91, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

Johnathan Pass
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

27 November 2020

Consolidated Income Statement

for the year ended 30 September 2020

	Notes	2020 £000	2019 Restated* £000
Continuing operations			
Revenue	4	**105,565**	124,006
Cost of sales		**(50,603)**	(55,064)
Gross profit		**54,962**	68,942
Research and development costs		**(7,282)**	(9,481)
Other operating costs		**(33,337)**	(37,706)
Share of profit/(loss) of equity-accounted investees, net of tax		**150**	(414)
Adjusted EBITDA[2]		**14,493**	21,341
Exceptional – restructuring/acquisition related items	10	**(2,114)**	(581)
EBITDA[1]		**12,379**	20,760
Depreciation and impairment	12	**(6,640)**	(5,054)
Amortisation and impairment	12	**(16,613)**	(62,133)
Operating loss		**(10,874)**	(46,427)
Finance cost	9	**(12,779)**	(12,422)
Finance income	9	**1,082**	368
Loss before taxation		**(22,571)**	(58,481)
Tax on loss	11	**(204)**	(640)
Loss from continuing operations		**(22,775)**	(59,121)
Discontinued operations			
Loss from discontinued operations, net of tax	12	**(9,174)**	(23,959)
		(31,949)	(83,080)
Loss for the year attributable to:			
– Owners of the parent		**(32,923)**	(83,857)
– Non-controlling interest		**974**	777
		(31,949)	(83,080)
Earnings per share			
Basic loss per share (pence)	13	**(5.26)**	(15.03)
Diluted loss per share (pence)	13	**(5.26)**	(15.03)
Earnings per share – continuing operations			
Basic loss per share (pence)	13	**(3.80)**	(10.74)
Diluted loss per share (pence)	13	**(3.80)**	(10.74)

	£000	£000
Adjusted EBITDA from continuing operations	**14,493**	21,341
Adjusted EBITDA from discontinued operations	**(8,726)**	(7,616)
Total Adjusted EBITDA	**5,767**	13,725

1 EBITDA – earnings before interest, tax, depreciation, amortisation and impairment
2 Adjusted EBITDA – EBITDA before exceptional and acquisition related items
* 2019 numbers have been restated to reflect further operations of the Group that have been classified as discontinued operations during the year in line with IFRS 5 (see Note 12).

The accompanying notes form part of the financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2020

	2020 £000	2019 Restated £000
Loss for the year	**(31,949)**	(83,080)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign exchange translation differences	**(20,327)**	13,919
Cash flow hedges – changes in fair value	**(5,932)**	(3,549)
Cash flow hedges – reclassified to profit or loss	**(153)**	(17)
Total comprehensive income for the period	**(58,361)**	(72,727)
Total comprehensive income for the period attributable to:		
– Owners of the parent	**(58,532)**	(73,174)
– Non-controlling interest	**171**	447
	(58,361)	(72,727)
Total comprehensive income for the period attributable to owners of the parent:		
– Continuing operations	**(50,604)**	(49,017)
– Discontinued operations*	**(7,928)**	(24,157)
	(58,532)	(73,174)

* Total comprehensive income for the period relating to discontinued operations for FY20 includes the loss of £9,174,000 (2019: £23,959,000) and foreign exchange gain of £1,246,000 (2019: loss of £198,000).

The accompanying notes form part of the financial statements.

Consolidated Balance Sheet

as at 30 September 2020

	Notes	2020 £000	2019 £000
Assets			
Property, plant and equipment	14	**65,601**	88,900
Right-of-use assets	15	**10,347**	–
Intangible assets	16	**247,003**	275,744
Equity-accounted investees	18	**3,690**	3,453
Other investments		**23**	25
Biological and agricultural assets	21	**16,621**	12,469
Non-current assets		**343,285**	380,591
Inventories	20	**18,926**	22,609
Biological and agricultural assets	21	**15,848**	16,024
Trade and other receivables	22	**39,371**	52,136
Cash and cash equivalents	37	**71,605**	16,051
		145,750	106,820
Assets held for sale	23	**–**	15,970
Current assets		**145,750**	122,790
Total assets		**489,035**	503,381
Liabilities			
Trade and other payables	24	**(45,692)**	(35,235)
Loans and borrowings	25	**(5,339)**	(3,231)
Corporation tax liability		**(4,344)**	(2,703)
Provisions	26	**–**	(404)
		(55,375)	(41,573)
Liabilities directly associated with the assets held for sale	23	**–**	(10,634)
Current liabilities		**(55,375)**	(52,207)
Loans and borrowings	25	**(103,819)**	(99,961)
Other payables	24	**(1,754)**	(2,004)
Deferred tax	27	**(32,647)**	(38,743)
Non-current liabilities		**(138,220)**	(140,708)
Total liabilities		**(193,595)**	(192,915)
Net assets		**295,440**	310,466
Issued capital and reserves attributable to owners of the parent			
Share capital	28	**668**	559
Additional paid-in capital*	28	**399,601**	358,044
Capital redemption reserve	29	**5**	5
Retained earnings	29	**(142,170)**	(110,916)
Hedging reserve	29	**(9,651)**	(3,566)
Foreign exchange reserve	29	**40,678**	60,202
Equity attributable to owners of the parent		**289,131**	304,328
Non-controlling interest	30	**6,309**	6,138
Total equity and reserves		**295,440**	310,466

* See Note 29.

The financial statements on pages 98 to 158 were approved and authorised for issue by the Board of Directors on 27 November 2020 and were signed on its behalf by:

S Maguire
Chief Financial Officer

Company number: 04115910

The accompanying notes form part of the financial statements.

Company Balance Sheet
as at 30 September 2020

	Notes	2020 £000	2019 £000
Assets			
Non-current assets			
Property, plant and equipment	14	**784**	161
Right-of-use assets	15	**252**	–
Investments	19	**250,031**	257,059
Total non-current assets		**251,067**	257,220
Current assets			
Trade and other receivables	22	**163,794**	180,558
Cash and cash equivalents	37	**47,825**	840
Total current assets		**211,619**	181,398
Total assets		**462,686**	438,618
Liabilities			
Current liabilities			
Trade and other payables	24	**(52,047)**	(58,475)
Loans and borrowings	25	**(182)**	–
Total current liabilities		**(52,229)**	(58,475)
Non-current liabilities			
Loans and borrowings	25	**(75,563)**	(75,924)
Total non-current liabilities		**(75,563)**	(75,924)
Total liabilities		**(127,792)**	(134,399)
Net assets		**334,894**	304,219
Issued capital and reserves attributable to owners of the parent			
Share capital	28	**668**	559
Additional paid-in capital*	28	**399,601**	358,044
Capital redemption reserve	29	**5**	5
Hedging reserve	29	**(9,013)**	(3,333)
Retained earnings	29	**(56,367)**	(51,056)
Total equity and reserves		**334,894**	304,219

* See Note 29.

The financial statements on pages 98 to 158 were approved and authorised for issue by the Board of Directors on 27 November 2020 and were signed on its behalf by:

S Maguire
Chief Financial Officer

Company number: 04115910

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 September 2020

	Share capital £000	Additional paid-in share capital* £000	Other reserves £000	Hedging reserve £000	Retained earnings £000	Total attributable to equity holders of parent £000	Non-controlling interest £000	Total equity £000
As at 1 October 2018	557	357,894	45,958	–	(28,240)	376,169	5,678	381,847
Comprehensive income for the period								
(Loss) for the period	–	–	–	–	(83,857)	(83,857)	777	(83,080)
Other comprehensive income	–	–	14,249	(3,566)	–	10,683	(330)	10,353
Total comprehensive income for the period	–	–	14,249	(3,566)	(83,857)	(73,174)	447	(72,727)
Contributions by and distributions to owners								
Share issue	2	150	–	–	–	152	–	152
Share-based payment	–	–	–	–	1,181	1,181	–	1,181
Total contributions by and distributions to owners	2	150	–	–	1,181	1,333	–	1,333
Changes in ownership								
Disposal of subsidiary with NCI	–	–	–	–	–	–	13	13
Total changes in ownership interests	–	–	–	–	–	–	13	13
Total transactions with owners of the Company	2	150	–	–	1,181	1,333	13	1,346
As at 30 September 2019	559	358,044	60,207	(3,566)	(110,916)	304,328	6,138	310,466
Comprehensive income for the period								
(Loss) for the period	**–**	**–**	**–**	**–**	**(32,923)**	**(32,923)**	**974**	**(31,949)**
Other comprehensive income	**–**	**–**	**(19,524)**	**(6,085)**	**–**	**(25,609)**	**(803)**	**(26,412)**
Total comprehensive income for the period	**–**	**–**	**(19,524)**	**(6,085)**	**(32,923)**	**(58,532)**	**171**	**(58,361)**
Contributions by and distributions to owners								
Share issue	**109**	**42,869**	**–**	**–**	**–**	**42,978**	**–**	**42,978**
Share issue costs recognised through equity	**–**	**(1,312)**	**–**	**–**	**–**	**(1,312)**	**–**	**(1,312)**
Share-based payment	**–**	**–**	**–**	**–**	**1,669**	**1,669**	**–**	**1,669**
Total contributions by and distributions to owners	**109**	**41,557**	**–**	**–**	**1,669**	**43,335**	**–**	**43,335**
Total transactions with owners of the Company	**109**	**41,557**	**–**	**–**	**1,669**	**43,335**	**–**	**43,335**
As at 30 September 2020	**668**	**399,601**	**40,683**	**(9,651)**	**(142,170)**	**289,131**	**6,309**	**295,440**

* See Note 29.

The accompanying notes form part of the financial statements.

Company Statement of Changes in Equity

for the year ended 30 September 2020

	Share capital £000	Share premium reserve £000	Capital redemption reserve £000	Hedging reserve £000	Retained earnings* £000	Total attributable to equity holders £000
At 1 October 2018	557	357,894	5	–	(16,990)	341,466
Comprehensive income for the year						
Loss for the year	–	–	–	–	(35,247)	(35,247)
Other comprehensive income	–	–	–	(3,333)	–	(3,333)
Total comprehensive income for the year	–	–	–	(3,333)	(35,247)	(38,580)
Contributions by and distributions to owners						
Share-based payment	–	–	–	–	1,181	1,181
Share issue	2	150	–	–	–	152
Total contributions by and distributions to owners	2	150	–	–	1,181	1,333
At 30 September 2019	559	358,044	5	(3,333)	(51,056)	304,219
Comprehensive income for the year						
Loss for the year	**–**	**–**	**–**	**–**	**(6,980)**	**(6,980)**
Other comprehensive income	**–**	**–**	**–**	**(5,680)**	**–**	**(5,680)**
Total comprehensive income for the year	**–**	**–**	**–**	**(5,680)**	**(6,980)**	**(12,660)**
Contributions by and distributions to owners						
Share-based payment	**–**	**–**	**–**	**–**	**1,669**	**1,669**
Share issue	**109**	**42,869**	**–**	**–**	**–**	**42,978**
Share issue costs recognised though equity	**–**	**(1,312)**	**–**	**–**	**–**	**(1,312)**
Total contributions by and distributions to owners	**109**	**41,557**	**–**	**–**	**1,669**	**43,335**
At 30 September 2020	**668**	**399,601**	**5**	**(9,013)**	**(56,367)**	**334,894**

* See Note 29.

The accompanying notes form part of the financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 September 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Loss for the year		**(31,949)**	(83,080)
Adjustments for:			
Depreciation and impairment of property, plant and equipment	12	**9,138**	17,227
Amortisation and impairment of intangible fixed assets	12	**19,402**	66,087
Gain on sales of property, plant and equipment		**(1,140)**	(838)
Gain on sales of subsidiaries		**(14,120)**	–
Finance income		**(111)**	(368)
Finance costs		**9,695**	7,773
Other adjustments for non-cash items		**200**	68
Share of profit of equity-accounted investees, net of tax		**(150)**	414
Foreign exchange (gains)/losses		**(132)**	5,620
Share-based payment expense	34	**1,669**	1,181
Tax credit	12	**314**	111
		(7,184)	14,195
Decrease/(increase) in trade and other receivables		**4,202**	(12,516)
Decrease/(increase) in inventories		**3,741**	(2,273)
Increase in biological and agricultural assets		**(7,474)**	(8,593)
Increase in trade and other payables		**5,006**	3,968
(Decrease)/increase in provisions		**(260)**	261
		(1,969)	(4,958)
Income taxes paid		**(2,087)**	(4,253)
Net cash flows used in operating activities		**(4,056)**	(9,211)
Investing activities			
Proceeds from sales of subsidiaries, net of cash disposed of		**17,487**	–
Acquisition of subsidiaries, net of cash acquired		**–**	(7)
Purchases of investments		**(522)**	(7,020)
Receipts from disposal of investments		**6,932**	5,942
Purchases of property, plant and equipment		**(5,851)**	(7,850)
Proceeds from sales of intangible assets		**261**	–
Purchases of intangibles		**(5,563)**	(7,964)
Purchases of held for sale assets		**(402)**	–
Proceeds from sales of property, plant and equipment		**16,147**	1,131
Proceeds from sales of other long-term assets		**1,776**	–
Interest received		**111**	447
Net cash flows generated from/(used in) investing activities		**30,376**	(15,321)
Financing activities			
Proceeds of share issues		**42,978**	2
Share-issue costs recognised through equity		**(1,312)**	–
Proceeds from bank or other borrowings		**8,387**	92,578
Repayment of bank or other borrowings		**(10,141)**	(71,224)
Interest and finance charges paid		**(7,659)**	(5,366)
Repayments of lease liabilities		**(2,120)**	(5)
Net cash inflow from financing activities		**30,133**	15,985
Net increase/(decrease) in cash and cash equivalents		**56,453**	(8,547)
Cash and cash equivalents at beginning of year		**16,051**	24,090
Effect of movements in exchange rate		**(899)**	508
Cash and cash equivalents at end of year	37	**71,605**	16,051

The accompanying notes form part of the financial statements.

Company Statement of Cash Flows

for the year ended 30 September 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
(Loss) for the year		**(6,980)**	(35,247)
Adjustments for:			
Depreciation of property, plant and equipment		**259**	115
Provision for impairment of investments	19	**3,660**	8,338
Profit of disposal of subsidiaries		**(48)**	–
Loss on sale of property, plant and equipment		**–**	1
Finance income		**(3,755)**	(699)
Finance expense		**9,342**	8,433
Foreign exchange (gains)/losses		**(1,437)**	4,351
Share-based payment expense		**383**	255
		1,424	(14,453)
(Increase)/decrease in trade and other receivables		**(5,955)**	11,640
(Decrease)/increase in trade and other payables		**(1,095)**	1,786
Net cash flows from operating activities		**(5,626)**	(1,027)
Investing activities			
Proceeds from disposal of subsidiaries		**10,298**	–
Loans to subsidiary undertakings		**11,107**	(17,182)
Investment in subsidiary undertakings		**(6,535)**	–
Purchases of property, plant and equipment	14	**(718)**	(51)
Interest received		**5**	549
Dividends received		**3,226**	–
Net cash generated from/(used in) investing activities		**17,383**	(16,684)
Financing activities			
Proceeds of share issue		**42,978**	2
Share issue costs recognised through equity		**(1,312)**	–
Proceeds from bank borrowings		**7,733**	91,021
Payment of lease liabilities		**(156)**	–
Repayment of bank borrowings		**(8,060)**	(70,265)
Interest paid		**(5,932)**	(4,701)
Net cash flows generated from financing activities		**35,251**	16,057
Net increase/(decrease) in cash and cash equivalents		**47,008**	(1,654)
Cash and cash equivalents at beginning of period		**840**	2,309
Effect of movements in exchange rate		**(23)**	185
Cash and cash equivalents at end of period	37	**47,825**	840

The accompanying notes form part of the financial statements.

Notes Forming Part of the Financial Statements

for the year ended 30 September 2020

1 Accounting policies

Corporate information

Benchmark Holdings plc (the Company) is a public limited company, which is listed on the Alternative Investment Market ("AIM"), a sub-market of the London Stock Exchange. The Company is incorporated and domiciled in England and Wales. The registered company number is 04115910 and the registered office is at Benchmark House, 8 Smithy Wood Drive, Sheffield S35 1QN.

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

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The 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 Strategic Report, the FY20 Financial Review and the Audit Committee Report.

Going concern

As at 30 September 2020 the Group had net assets of £295.4m (2019: £310.5m), including cash of £71.6m (2019: £16.1m) as set out in the consolidated balance sheet on page 100. The Group made a loss for the year of £31.9m (2019: £83.1m). As at 30 September 2020 the Company had net assets of £334.9m (2019: £304.2m), including cash of £47.8m (2019: £0.8m) as set out on the Company balance sheet on page 101. The Company made a loss for the year of £7.0m (2019: £35.2m).

As noted in the Strategic Report, the impact of the Covid-19 pandemic has affected parts of the Group's businesses to varying degrees. The ultimate impact of the pandemic on industry, the economy, Benchmark's markets and its businesses remains to some extent uncertain. Our main markets have experienced mixed fortunes, with weak shrimp markets, resilient salmon markets and sea bass/bream markets which have experienced modest impact from Covid-19. The Directors monitor available market analysis and believe this situation will continue into 2021. Whilst the outlook for the shrimp market retains some uncertainty, the outlook for the salmon sector (underpinning the Genetics and Health businesses) remains positive and the Directors therefore believe that large parts of the Group are well placed to deal with the uncertain global economic future ahead.

The Directors have prepared cash flow projections covering the period to September 2022 to assess the Group's trading and cash flow forecasts and the forecast compliance with the covenants included within the Group's financing arrangements. Cash resources have been boosted by a number of non-core business disposals during the year, including the successful disposal of the Improve International group, the FVG group, the vaccines manufacturing business and FAI Farms Limited during the period, and the ongoing cost base following these transactions has been significantly reduced.

The uncertainty relating to the future impact on the Group of the virus outbreak has been considered as part of the Directors' assessment of the going concern assumption. The positive preventative measures implemented by the Directors at an early stage in response to the pandemic continue to be in force where necessary. In the downside scenario analysis performed, the Directors have considered the severe but plausible impacts of Covid-19 on the Group's trading and cash flow forecasts, modelling reductions in the revenues and cash flows in Advanced Nutrition, being the segment most impacted by Covid-19 because of its exposure to global shrimp markets, alongside modelling delays to new product launches in the Health business area. Key downside sensitivities modelled include assumptions that there is no recovery in global shrimp markets until quarter three of FY21, affecting demand for Advanced Nutrition products and a three month potential delay in the launch of BMK08, pushing commercial launch back to September 2021. Mitigating measures within the control of management were implemented early in the pandemic and remain in place and have been factored into the downside analysis performed. These measures include reductions in areas of discretionary spend, temporary furlough of certain staff or reduced working hours, deferral of capital projects and temporary hold on R&D for non-imminent products.

It is difficult to predict the overall outcome and impact of the pandemic, but under the severe but plausible downside scenarios modelled, the Group has sufficient liquidity and resources throughout the period under review whilst still maintaining adequate headroom against the borrowing covenants. The Directors therefore remain confident that the Group and the Company have adequate resources to continue to meet its liabilities as and when they fall due within the period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively 'IFRSs') issued by the International Accounting Standards Board ('IASB') as adopted by the European Union ('adopted IFRSs') and those parts of the Companies Act 2006 that are applicable to companies that prepare financial statements in accordance with IFRSs. The Group reports earnings before interest, depreciation and amortisation ('EBITDA') and EBITDA before exceptional and acquisition related items ('Adjusted EBITDA') to enable a better understanding of the investment being made in the Group's future growth and provide a better measure of our underlying performance.

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

1 Accounting policies (continued)
Basis of consolidation
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 30 September 2020. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and continue to be consolidated until the date when such control ceases.

Where the Company has power, either directly or indirectly, over another entity or business and the ability to use this power to affect the amount of returns, as well as exposure or rights to variable returns from its involvement with the investee, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries (the 'Group') as if they formed a single entity. Inter-company transactions, balances, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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

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

A separate income statement for the Company is not presented, in accordance with section 408 of the Companies Act 2006. The loss for the year for the Company was £6,980,000 (2019: £35,247,000).

Standards issued but not effective
A number of new standards, amendments to standards and interpretations are not yet effective, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below.

At 31 December 2019, the following standards and interpretations were in issue but not yet effective (and in some cases have not been adopted by the EU):

- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IFRS 3: Definition of a Business and Reference to the Conceptual Framework
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- Amendment to IFRS 16: Covid-19-Related Rent Concessions
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use
- IFRS 17: Insurance Contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IFRS 10 and IAS 2: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Directors do not expect that the adoption of the above standards and interpretations will have a material impact on the financial statements of the Group in future periods.

New standards and interpretations applied for the first time
The following standards which are effective for periods beginning on or after 1 January 2019 have been adopted and, with the exception of IFRS 16: Leases, without any significant impact on the amounts reported in these financial statements:

- IFRS 16: Leases
- IFRIC 23: Uncertainty over Income Tax Treatments
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Annual Improvements to IFRS Standards 2015–2017 Cycle

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

1 Accounting policies (continued)
IFRS 16: Leases
The Group has adopted IFRS 16: Leases from 1 October 2019.

IFRS 16 superseded the previous lease guidance including IAS 17: Leases and related interpretations. It requires all leases to be recognised on the balance sheet, with certain exceptions for low-value leases and leases with a term of less than 12 months.

The impact of IFRS 16 on the Group has been to recognise a lease liability representing its obligation to make lease payments and a corresponding right-of-use asset representing its right to use the underlying asset in the balance sheet for leases currently classified as operating leases, except for short-term leases and leases of low value assets. The nature of expenses related to these leases has now changed because the Group now recognises a depreciation charge for right-of-use assets and interest expense on lease liabilities.

IFRS 16 has been adopted for the year ending 30 September 2020 using the modified retrospective approach. The right-of-use asset recognised on transition has been measured at an amount materially equal to the lease liability, which has been measured at the present value of the future lease payments discounted using the discount rate implicit in the lease (or if that rate could not be readily determined, the lessee's incremental borrowing rate). Therefore, no adjustment to the opening balance of retained earnings at 1 October 2019 has been necessary along with no restatement of comparative information.

The impact of IFRS 16 on the Income Statement for the year ended 30 September 2020 for continuing operations has been an improvement to operating loss of £0.9m, an increase in finance costs of £0.6m, and in increase in depreciation of £1.2m and a £0.2m improvement in loss on discontinued operations.

For arrangements previously classified as finance leases, where the Group is a lessee, as the Group had already recognised an asset and a related finance lease liability for the lease arrangement, there has been no impact on the amounts recognised in the Group's consolidated financial statements, at 1 October 2019.

When measuring lease liabilities that were previously classified as operating leases, the Group discounted lease payments using relevant incremental borrowing rates at 1 October 2019. The weighted average applied is 5.6%.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review.
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 October 2019 as short-term leases.
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4: Determining Whether an Arrangement contains a Lease.

Reconciliation of right-of-use assets and liabilities

All figures in £000s	
Operating lease commitments disclosed at 30 September 2019	11,754
Overstatement of commitments at 30 September 2019	(607)
Recognition exemption for leases of low-value assets	(57)
Recognition exemption for leases with less than 12 months of lease term remaining at transition	(891)
Break clauses reasonably certain to be exercised	(355)
New leases committed to but not started at transition date	(316)
Discounted using the incremental borrowing rate at 1 October 2019	(2,524)
Finance lease liabilities recognised at 30 September 2019	590
Recognised within liabilities directly associated with the assets held for sale	(2,517)
Lease liabilities recognised at 1 October 2019	5,077

Of which are:

All figures in £000s	
Current	1,284
Non-current	3,793
Total	5,077

The Group leases various properties, plant, equipment and vehicles with a wide range of rental periods.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

1 Accounting policies (continued)
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the Group under residual value guarantees.
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received.
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the lessee, which do not have recent third-party financing.
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets, such as IT equipment, are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

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

Sale of goods
Within Genetics, revenue from the sale of eggs is recognised when the control of the goods has transferred to the customer or distributor, in line with the commercial terms governing the transaction, usually on despatch.

Within Advanced Nutrition, revenue of advanced nutrition and health products is recognised when the control of the goods has transferred to the customer or distributor, in line with the commercial terms of the transaction, usually on despatch.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

1 Accounting policies (continued)
Within Health, revenue from the sale of licensed veterinary vaccines and vaccine components is recognised when the control of the goods has transferred to the customer or distributor, usually on despatch. Where the buyer has a right of return, revenue and cost of sales are adjusted for the value of the expected returns based on historical results, taking into consideration the specifics of each arrangement.

Within Knowledge Services (all within discontinued operations), revenue from the sale of agricultural produce is recognised when the control of the goods has transferred to the customer or distributor, usually on delivery. Where the buyer has a right of return, revenue and cost of sales are adjusted for the value of the expected returns based on historical results, taking into consideration the specifics of each arrangement. Revenue from the sales of books and publications is recognised when the control of the goods has transferred to the customer or distributor, usually on despatch.

Rendering of services
Services including sustainable food production consultancy, technical consultancy and assurance services are provided by Genetics, Advanced Nutrition, Health and Knowledge Services. During the year, Knowledge Services also provided online news, marketing and technical publications, book publishing, online shops, online distance learning programs and other training courses. Genetics also licenses production of its genetic lines to certain salmon farmers and receives royalties based on the number of eggs produced by those farmers.

Within each contract, judgement is applied to determine the extent to which activities within the contract represent distinct performance obligations to be delivered. Judgement is applied to determine first whether control passes over time and if not, then the point in time at which control passes. Where control transfers over time, revenue is recognised based on the extent of progress towards completion of the performance obligation. Where control passes at a point in time then revenue is recognised at that point. For all the services currently provided by the Group, control passes at a point in time upon delivery of the service and revenue is recognised at that point. Royalty income from the licensed production of the Group's genetic lines is recognised at the point in time the farmer declares the number of eggs produced in the period.

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

Transaction costs, other than share and debt issue costs, are expensed as incurred. In accordance with IFRS 3: Business Combinations, the Group has a 12-month period in which to finalise the fair values allocated to assets and liabilities determined provisionally on acquisition.

Contingent consideration is measured at fair value based on an estimate of the expected future payments. Deferred consideration is measured at the present value of the obligation.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated income statement.

Foreign currency
The Group's consolidated financial statements are presented in UK Pounds Sterling, which is also the Parent Company's functional currency. The Group determines the functional currency of each of its subsidiaries and items included in the financial statements of each of those entities are measured using that functional currency.

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

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

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

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

1 Accounting policies (continued)
Financial assets
The Group has measured all of its financial assets (trade receivables and cash and cash equivalents), except for contingent consideration receivable, at amortised cost.

Financial assets fair value through profit and loss
Contingent consideration receivable is recognised at fair value with movements recognised in the consolidated income statement.

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

Impairment provisions for receivables, following the adoption of IFRS 9 for the previous financial year are calculated using an expected credit loss model. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within operating costs in the consolidated income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

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

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

Financial liabilities fair value through profit and loss
Contingent consideration is recognised at fair value with movements recognised in the consolidated income statement.

For financial contracts which are designated as a fair value hedge, the ineffective portion of changes in the fair value of the derivative is recognised in the consolidated income statement.

Financial liabilities fair value through hedging reserve
For financial contracts which are designated as a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in the Statement of Other Comprehensive Income ('OCI') and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

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

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

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

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

Where equity settled share options are awarded to employees of subsidiaries, in the Company accounts a credit is made to equity which is equal to the expense that should be recognised in the relevant subsidiary's (and Group's) accounts and an equal increase in Investments in subsidiaries is made. The credit to equity in the parent will not be a realised profit and will not therefore be available for distribution.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

1 Accounting policies (continued)

Goodwill

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

Externally acquired intangible assets

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

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

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

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

Intangible asset	Useful economic life	Valuation method
Websites	5 years	Assessment of estimated revenues and profits
Patents	2–5 years	Cost to acquire
Trademarks	2–5 years	Cost to acquire
Contracts	3–20 years	Assessment of estimated revenues and profits
Licences	3–20 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits
Intellectual property	Up to 20 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits
Customer lists	Up to 26 years	Assessment of estimated revenues and profits
Genetic material and breeding nuclei	10–40 years	Cost to acquire, or if not separately identifiable, assessment of estimated revenues and profits
Development costs	Up to 10 years	Cost to acquire

Impairment of non-financial assets (excluding inventories)

The carrying values of all non-current assets are reviewed for impairment, either on a stand-alone basis or as part of a larger cash generating unit ('CGUs'), when there is an indication that the assets might be impaired. Additionally, goodwill, intangible assets with indefinite useful lives and intangible assets which are not yet available for use are tested for impairment annually. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

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

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

1 Accounting policies (continued)

Internally generated intangible assets (development costs)
Expenditure on internally developed products is capitalised if it can be demonstrated that:

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

Capitalised development costs are recognised at cost, less accumulated amortisation and impairment losses and are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within the cost of sales line in the consolidated income statement.

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

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

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

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

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

Freehold land is not depreciated. Assets in the course of construction which have not yet been brought into use are not depreciated until fully commissioned and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold property	– 2%–10% per annum straight line
Long-term leasehold property improvements	– 2%–10% per annum straight line
Plant and machinery	– 15% per annum reducing balance
Motor vehicles	– 25% per annum reducing balance
E commerce infrastructure	– 10% per annum straight line
Other fixed assets	– 15%–33% per annum straight line

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

The recoverability of the cost of inventories is assessed every reporting period, by considering the expected net realisable value of inventory compared to its carrying value. Management considers the nature and condition of the inventory and considers expected sales of work in progress, finished goods and goods for resale and future usage of raw materials. Where the net realisable value is lower than the carrying value, a provision is recorded.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

1 Accounting policies (continued)

Biological assets

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

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

Fish, fish eggs and frozen milt are, in accordance with IAS 41: Agriculture, measured at fair value, unless the fair value cannot be measured reliably. These are categorised within Level 3 of the fair value hierarchy set out in IFRS 13. The principal components of fish, fish eggs and frozen milt within the business are:

- Salmon eggs, broodstock and milt
- Lumpfish
- Tilapia and shrimp

For any biological assets where fair value cannot be measured reliably, the assets shall be measured at cost less any accumulated depreciation and any accumulated impairment losses.

Non-current biological assets are those biological assets which will not produce saleable progeny within 12 months of the balance sheet date. Further details of the valuation of fish, fish eggs and frozen milt are given in Note 21.

Government grants

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

Provisions

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

Investments in subsidiary undertakings

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

Investments in equity-accounted investees

A joint venture is an entity over which the Group has joint control, under a contractual agreement. An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of joint ventures and associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in joint ventures and associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture or associate, less any impairment in the value of the investment. Losses of a joint venture or associate in excess of the Group's interest in that entity are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture or associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

Cash and cash equivalents

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

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the Directors. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting ('AGM').

1 Accounting policies (continued)
Assets held for sale
Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Discontinued operations
A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is represented as if the operation had been discontinued from the start of the comparative year.

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

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

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

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

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

The key sources of estimation uncertainty in items the Group measures at fair value are in biological assets (Note 21), these are the estimation of sales volumes and sales prices for uncontracted future sales of salmon eggs. This applies to salmon eggs and broodstock with a fair value of £6,235,000.

(b) Impairment of goodwill
The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. More information including carrying values is included in Note 17.

(c) Valuation of intangible assets
Where the cost of intangible assets acquired as part of business combinations is not separately identifiable or does not represent the fair value, the valuation is calculated based upon value in use which requires the use of a discount rate in order to calculate the present value of cash flows. Additionally, intangible assets arise from the capitalisation of development costs which are not yet ready for use. These intangibles are reviewed annually for impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. The assumptions used in the assessment of the recoverable amount are consistent with those used in the impairment review for goodwill as outlined in Note 17. This applies to capitalised development costs with a carrying value of £15.3m in the Health business area (see Note 17).

Judgements
Recognition of deferred tax
Deferred tax is provided in full on temporary differences under the liability method using substantively enacted rates to the extent that they are expected to reverse. Provision is made in full where the temporary differences result in liabilities, but deferred tax assets are only recognised where the Directors believe it is probable that the assets will be recovered. Judgement is required to determine the likelihood of reversal of the temporary differences in establishing whether an asset should be recognised.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

3 Financial instruments – risk management

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

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

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

Principal financial instruments

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

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans
- Floating rate NOK Bond ('FRN')
- Cross-currency swap ('CCS')
- Contingent consideration

Following the issue of the FRN a CCS was entered which fully matches the timing and tenor of the underlying FRN.

The CCS will be carried at its fair value on the balance sheet. The effective portion of changes in fair value of the CCS will be taken directly to equity within the hedging reserve and recycled to profit or loss as the hedged FRN impacts the profit or loss. To the extent that any ineffectiveness results the ineffective portion of the gain or loss will be recognised in profit or loss within finance expense. To measure actual ineffectiveness the change in fair value of the hedged item is calculated using a hypothetical derivative method.

The main sources of ineffectiveness relating to interest rate risk hedges are differences in the critical terms, differences in repricing dates and credit risk.

The summary of the amounts relating to the hedging instruments and any related ineffectiveness in the period is presented in the table below.

As at 30 September 2020	**Notional Value of contracts thousands**	**Average fixed rate**	**Change in fair value of hedging instrument during reporting period used for measuring ineffectiveness £000**	**Fair value recognised in balance sheet (Assets) £000**	**Fair value recognised in balance sheet (Liabilities) £000**	**Change in fair value of hedged item during reporting period used for measuring effectiveness £000**	**Ineffectiveness recognised in the period £000**
Interest rate risk – NOK	**NOK 108,000**	**2.01%**	**(407)**	**–**	**(639)**	**407**	**–**
Cross-currency risk – GBP	**NOK 637,500**	**6.42%**	**(5,680)**	**–**	**(9,013)**	**5,680**	**–**
Cross-currency risk – USD	**NOK 212,500**	**7.28%**	**(1,339)**	**–**	**(3,035)**	**1,339**	**–**

As at 30 September 2019	Notional Value of contracts thousands	Average fixed rate	Change in fair value of hedging instrument during reporting period used for measuring ineffectiveness £000	Fair value recognised in balance sheet (Assets) £000	Fair value recognised in balance sheet (Liabilities) £000	Change in fair value of hedged item during reporting period used for measuring effectiveness £000	Ineffectiveness recognised in the period £000
Interest rate risk – NOK	NOK 108,000	2.01%	(232)	–	(232)	232	–
Cross-currency risk – GBP	NOK 637,500	6.42%	(3,333)	–	(3,333)	3,333	–
Cross-currency risk –-USD	NOK 212,500	7.28%	(1,696)	–	(1,696)	1,696	–

The line item in the balance sheet the above hedging instruments are included in is trade and other payables. The item in the profit and loss account that includes the recognised hedge ineffectiveness is finance cost.

Further information is shown in Note 24.

3 Financial instruments – risk management (continued)
The contingent consideration held within other payables is classified as financial liabilities at fair value through profit and loss. In accordance with IFRS 13: Fair Value Measurement, the measurement of the fair value of contingent consideration is categorised into Level 3 in the fair value hierarchy, as the inputs are primarily unobservable. The amounts payable for all of the outstanding amounts depend on sales volumes or sales revenue targets. Management uses the actual performance against these targets together with relevant budgets and forecasts to derive the fair value of the contingent consideration. Where the level of contingent consideration payable is known with a reasonable level of certainty, as the underlying performance against target levels is well established, the contingent consideration is adjusted accordingly. This has resulted in an income statement credit in the period as shown in Note 10. The contingent consideration for Akvaforsk Genetic Center Inc is dependent on a longer-term target and is recorded in these financial statements at management's best estimate. An increased level of performance for Akvaforsk Genetic Center Inc would increase the amount payable. A reduction in the level of performance would significantly reduce the amounts payable.

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

Group
Financial assets

	2020 £000	2019 £000
Financial assets not measured at fair value		
Cash and cash equivalents (Note 37)	**71,605**	16,051
Trade and other receivables (Note 22)	**13,836**	37,637
	85,441	53,688
Financial assets at fair value through profit and loss		
Other receivables – contingent consideration (Note 22)	**1,028**	–
Total financial assets	**86,469**	53,688

Financial liabilities

	2020 £000	2019 £000
Financial liabilities measured at amortised cost		
Trade and other payables (Note 24)	**33,083**	29,970
Loans and borrowings (Note 25)	**109,158**	103,192
Financial liabilities at fair value through hedging reserve	**142,241**	133,162
Financial contracts – hedging instrument (Note 24)	**9,653**	3,565
	9,653	3,565
Financial liabilities at fair value through profit and loss		
Other payables – contingent consideration (Note 24)	**825**	895
Financial contracts – hedging instrument (Note 24)	**3,035**	1,696
Total financial liabilities	**155,754**	139,318

Company
Financial assets

	2020 £000	2019 £000
Financial assets not measured at fair value		
Cash and cash equivalents (Note 37)	**47,825**	840
Trade and other receivables (Note 22)	**162,148**	179,575
	209,973	180,415
Financial assets at fair value through profit and loss		
Other receivables – contingent consideration (Note 22)	**1,028**	–
Total financial assets	**211,001**	180,415

Financial liabilities

	2020 £000	2019 £000
Financial liabilities at amortised cost		
Trade and other payables (Note 24)	**39,766**	53,263
Loans and borrowings (Note 25)	**75,745**	75,924
	115,511	129,187
Financial liabilities at fair value through hedging reserve		
Finance contracts – hedging instrument (Note 24)	**9,013**	3,333
	9,013	3,333
Financial liabilities at fair value through profit and loss		
Financial contracts - hedging instrument (Note 24)	**3,035**	1,696
Total financial liabilities	**127,559**	134,216

There were no financial instruments classified as available for sale.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

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

The Board receives monthly reports from the Group's Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

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

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group for debts past due. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics, and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 30 September 2020 and the corresponding historical losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. During the year, there has been a change in the global economic environment as a result of the global Covid-19 pandemic and the Group has adjusted expected credit loss rate to reflect the increased credit risk.

The loss allowance provision as at 30 September 2020 and 30 September 2019 is determined as follows:

30 September 2020	**Not due £000**	**Past due (up to one month) £000**	**Past due (one to three months) £000**	**Past due (three to 12 months) £000**	**Past due (over 12 months) £000**	**Total £000**
Expected loss rate	**0.50%**	**1.72%**	**6.39%**	**22.42%**	**100.00%**	
Gross carrying amount – trade receivables	**10,041**	**1,833**	**1,510**	**1,267**	**2,401**	**17,052**
Loss allowance	**(50)**	**(31)**	**(97)**	**(284)**	**(2,401)**	**(2,863)**
Specific loss allowance	**–**	**–**	**–**	**(353)**	**–**	**(353)**
Total loss allowance	**(50)**	**(31)**	**(97)**	**(637)**	**(2,401)**	**(3,216)**

30 September 2019	Not due £000	Past due (up to one month) £000	Past due (one to three months) £000	Past due (three to 12 months) £000	Past due (over 12 months) £000	Total £000
Expected loss rate	0.29%	1.11%	3.39%	15.42%	100.00%	
Gross carrying amount – trade receivables	34,608	3,774	1,534	3,254	1,969	45,139
Loss allowance	(100)	(42)	(52)	(502)	(1,969)	(2,665)
Specific loss allowance	–	–	(10)	(857)	–	(867)
Total loss allowance	(100)	(42)	(62)	(1,359)	(1,969)	(3,532)

The above analysis for year ended 30 September 2019 includes £4,054,000 trade receivables and £84,000 loss allowances classified as assets held for sale.

The movement in Group provision for impairment of trade receivables is shown in Note 22.

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

Fair value and cash flow interest rate risk
During the year the Group had borrowings denominated in Sterling, US Dollars and Norwegian Krone, if interest rates on Sterling, US Dollar and Norwegian Krone denominated borrowings had been 100 basis points higher/lower with all other variables held constant, loss after tax for the year ended 30 September 2020 would be £1,013,000 higher/lower (2019: £925,000 higher/lower). The Directors consider that 100 basis points is the maximum likely change in the relevant interest rates over the next year, being the period up to the next point at which the Group expects to make these disclosures.

3 Financial instruments – risk management (continued)
A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark interbank offered rates ('IBORs') with alternative rates. As a result of these uncertainties, significant accounting judgement is involved in determining whether certain hedge accounting relationships that hedge the variability of foreign exchange and interest rate risk due to expected changes in IBORs continue to qualify for hedge accounting as at 30 September 2019. IBOR continues to be used as a reference rate in financial markets and is used in the valuation of instruments with maturities that exceed the expected end date for IBOR. Therefore, the Group believes the current market structure supports the continuation of hedge accounting as at 30 September 2019. The Group intends to carry out an impact assessment on the effect of IBOR transition in the current year.

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

The table below shows the impact of a 10% increase and reduction in Sterling against the relevant foreign currencies, with all other variables held constant, on the Group's profit before tax and equity. A greater or smaller change would have a pro rata effect. The movements in profit arise from retranslation of foreign currency denominated monetary items held at the year-end, including the foreign currency revolving credit facility, foreign currency bank accounts, trade receivables, trade and other payables. The movements in equity arise from the retranslation of the net assets of overseas subsidiaries and the intangible assets arising on consolidation in accordance with IFRS 10: Consolidated Financial Statements.

Foreign exchange risk

	£/$		£/€		£/NOK		£/ISK		£/THB	
Increase/(decrease)	Profit £000	Equity £000	Profit £000	Equity £000	Profit £000	Equity £000	Profit £000	Equity £000	Profit £000	Equity £000
2020 10% increase in rate	**31**	**(18,069)**	**(168)**	**(2,241)**	**6,934**	**(452)**	**–**	**(2,182)**	**33**	**(1,973)**
2020 10% reduction in rate	**(37)**	**22,085**	**206**	**2,739**	**(8,475)**	**553**	**–**	**2,667**	**(40)**	**2,411**
2019 10% increase in rate	(128)	(21,019)	(420)	(2,161)	6,906	(3,295)	–	(4,430)	(616)	(1,982)
2019 10% reduction in rate	157	25,690	513	2,641	(8,441)	4,027	–	5,414	753	2,422

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

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Group seeks to maintain cash balances (or agreed facilities) sufficient to meet expected requirements detailed in rolling three-month cash flow forecasts, and in longer-term cash flow forecasts.

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

As at September 2020	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	27,344	4,810	–	821	933
Financial contracts - hedging instruments	310	906	1,155	10,317	–
Loan notes and bank borrowings	1,571	5,962	6,246	90,246	2,178
Lease liabilities	690	1,874	1,987	5,975	1,418
Total	29,915	13,552	9,388	107,359	4,529

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

3 Financial instruments – risk management (continued)

As at September 2019	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	25,073	3,786	–	895	1,109
Financial contracts – hedging instruments	69	207	274	4,711	–
Loan notes, bank borrowings and other loans	1,742	6,976	6,924	106,587	2,829
Lease liabilities	39	116	154	346	–
Total	26,923	11,085	7,352	112,539	3,938

Company

As at September 2020	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	**39,766**	**–**	**–**	**–**	**–**
Financial contracts	**310**	**906**	**1,155**	**9,678**	**–**
Loan notes	**1,179**	**3,498**	**4,677**	**73,627**	**–**
Lease liabilities	**47**	**140**	**50**	**20**	**–**
Total	**41,302**	**4,544**	**5,882**	**83,325**	**–**

As at September 2019	Up to 3 months £000	Between 3 and 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Trade and other payables	52,145	1,118	–	–	–
Financial contracts – hedging instruments	69	207	274	4,479	–
Loan notes and other loans	1,317	3,922	5,225	87,479	60
Total	53,532	5,247	5,499	91,958	60

Capital management

The capital structure of the Group consists of debt, as analysed in Note 25, and equity attributable to the equity holders of the Parent Company, comprising share capital, share premium, merger reserve, capital redemption reserve, hedging reserve, foreign exchange reserve, retained earnings, and share-based payment reserve, and non-controlling interest as shown in the consolidated statement of changes in equity. The Group manages its capital with the objective that all entities within the Group continue as going concerns while maintaining an efficient structure to minimise the cost of capital and ensuring that the Group complies with the banking covenants associated with the external borrowing facilities. These covenants are related to minimum liquidity, equity and borrowing ratios. The Group is not restricted by any externally imposed capital requirements.

4 Revenue

The Group's operations and main revenue streams are those described in Note 1. The Group's revenue is derived from contracts with customers.

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 8).

Sales of goods and provision of services

Year ended 30 September 2020	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000	Discontinued £000	Continuing £000
Sale of goods	**37,555**	**59,301**	**6,529**	**547**	**–**	**–**	**103,932**	**2,551**	**101,381**
Provision of services	**3,909**	**–**	**3,846**	**8,683**	**22**	**–**	**16,460**	**12,276**	**4,184**
Inter-segment sales	**40**	**61**	**424**	**27**	**4,917**	**(5,469)**	**–**	**–**	**–**
	41,504	**59,362**	**10,799**	**9,257**	**4,939**	**(5,469)**	**120,392**	**14,827**	**105,565**

Year ended 30 September 2019	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000	Discontinued Restated £000	Continuing Restated £000
Sale of goods	36,270	76,707	10,582	1,168	–	–	124,727	4,154	120,573
Provision of services	3,285	–	6,582	13,978	167	–	24,012	20,579	3,433
Inter-segment sales	141	69	578	735	6,367	(7,890)	–	–	–
	39,696	76,776	17,742	15,881	6,534	(7,890)	148,739	24,733	124,006

4 Revenue (continued)

Primary geographical markets

Year ended 30 September 2020	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000	Discontinued £000	Continuing £000
Norway	**19,709**	**633**	**1,608**	**–**	**–**	**–**	**21,950**	**1,145**	**20,805**
UK	**6,402**	**124**	**1,951**	**6,149**	**22**	**–**	**14,648**	**7,506**	**7,142**
Faroe Islands	**6,961**	**3**	**114**	**–**	**–**	**–**	**7,078**	**–**	**7,078**
Ecuador	**–**	**6,822**	**–**	**–**	**–**	**–**	**6,822**	**–**	**6,822**
India	**–**	**6,452**	**6**	**–**	**–**	**–**	**6,458**	**3**	**6,455**
Greece	**61**	**5,666**	**–**	**–**	**–**	**–**	**5,727**	**–**	**5,727**
Singapore	**–**	**5,356**	**7**	**–**	**–**	**–**	**5,363**	**7**	**5,356**
Chile	**119**	**21**	**4,083**	**–**	**–**	**–**	**4,223**	**1,159**	**3,064**
Rest of Europe	**5,421**	**4,554**	**1,566**	**2,549**	**–**	**–**	**14,090**	**4,071**	**10,019**
Rest of World	**2,791**	**29,670**	**1,040**	**532**	**–**	**–**	**34,033**	**936**	**33,097**
Inter-segment sales	**40**	**61**	**424**	**27**	**4,917**	**(5,469)**	**–**	**–**	**–**
	41,504	**59,362**	**10,799**	**9,257**	**4,939**	**(5,469)**	**120,392**	**14,827**	**105,565**

Year ended 30 September 2019	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000	Discontinued Restated £000	Continuing Restated £000
Norway	19,074	466	2,656	8	–	–	22,204	1,548	20,656
UK	3,397	255	2,831	8,544	167	–	15,194	10,735	4,459
Faroe Islands	8,248	2	126	–	–	–	8,376	–	8,376
Ecuador	–	9,555	–	–	–	–	9,555	–	9,555
India	–	12,798	–	–	–	–	12,798	–	12,798
Greece	114	7,214	20	4	–	–	7,352	3	7,349
Singapore	–	9,062	17	–	–	–	9,079	17	9,062
Chile	1,969	33	5,392	–	–	–	7,394	1,619	5,775
Rest of Europe	4,943	3,946	3,024	4,733	–	–	16,646	7,757	8,889
Rest of World	1,810	33,376	3,098	1,857	–	–	40,141	3,054	37,087
Inter-segment sales	141	69	578	735	6,367	(7,890)	–	–	–
	39,696	76,776	17,742	15,881	6,534	(7,890)	148,739	24,733	124,006

In 2019 and 2020 no customer accounted for more than 10% of revenue.

5 Expenses by nature

Continuing operations

	2020 £000	2019 Restated £000
Changes in inventories of finished goods and work in progress	**(492)**	(1,369)
Changes in biological assets	**(6,488)**	(9,506)
Write-down of inventory to net realisable value	**150**	243
Raw materials and consumables used	**44,217**	55,484
Transportation expenses	**3,105**	2,836
Staff costs (see Note 7)	**33,022**	33,013
Motor, travel and entertainment	**1,974**	4,268
Premises costs	**5,497**	7,565
Advertising and marketing	**770**	967
Professional fees	**5,154**	6,349
Losses on disposal of property, plant and equipment	**(18)**	(837)
Exceptional – restructuring/acquisition related items (see Note 10)	**2,114**	581
Other research and development costs	**1,145**	576
Depreciation and impairment of PPE (see Note 12)	**6,640**	5,054
Amortisation and impairment of intangible assets (see Note 12)	**16,613**	62,133
Other costs	**4,960**	4,489
	118,363	171,846
Other income – included within operating costs	**(1,774)**	(1,827)
Total cost of sales, operating costs, exceptional costs, depreciation, amortisation and impairment	**116,589**	170,019

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

5 Expenses by nature (continued)

Other income

	2020 £000	2019 Restated £000
Research and development expenditure credit	**468**	958
Grant	**188**	105
Royalties and compensation	**555**	529
Freight	**365**	203
Other	**198**	32
	1,774	1,827

6 Auditor's remuneration

	2020 £000	2019 £000
Audit of these financial statements	**364**	120
Additional charges relating to the audit of the FY19 financial statements	**184**	–
Amounts receivable by the auditor and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**413**	469
Audit related assurance services	**2**	49
All other services	**18**	40
	981	678

7 Staff costs

Continuing operations

	2020 £000	2019 Restated £000
Staff costs (including Directors) comprise:		
Wages and salaries	**26,334**	26,692
Social security contributions and similar taxes	**2,945**	3,039
Defined contribution pension cost	**2,696**	2,339
Share-based payment expense (Note 34)	**1,047**	943
	33,022	33,013

	2020 Number	2019 Number
The average monthly number of employees, including Directors, during the year was as follows:		
Production	**784**	777
Administration	**151**	164
Management	**95**	101
	1,030	1,042

This includes an average number of 203 (2019 restated: 301) employees within discontinued operations.

Directors' remuneration

	Salary £000	Bonus £000	Taxable benefits £000	Payment in lieu of notice £000	Long-term incentive £000	Pension £000	Fees £000	2020 £000	2019 £000
Trond Williksen	107	–	–	–	–	10	–	**117**	–
Septima Maguire	276	–	1	–	–	20	–	**297**	–
Alex Raeber	199	–	7	183	–	24	–	**413**	281
Mark Plampin	70	–	1	–	–	3	–	**74**	286
Malcolm Pye	54	–	–	–	–	38	–	**92**	716
Kristian Eikre	–	–	–	–	–	–	–	**–**	–
Susan Searle	–	–	–	–	–	–	41	**41**	45
Kevin Quinn	–	–	–	–	–	–	41	**41**	45
Peter George	–	–	–	–	–	–	108	**108**	120
Hugo Wahnish	–	–	–	–	–	–	41	**41**	45
Yngve Myhre	–	–	–	–	–	–	41	**41**	45
Total	706	–	9	183	–	95	272	**1,265**	1,583

7 Staff costs (continued)
In 2019 a settlement agreement was reached with Malcolm Pye as a result of him stepping down as CEO. The agreement provided for payment in lieu of his contractual notice period (£325,000) and pension contributions (£32,000) for that period. The Remuneration Committee approved that existing share options will be retained whilst he remains an officer of the Group and shall be exercisable for a period of six months after he ceases to hold office.

During the year retirement benefits were accruing to five Directors (2019: three) in respect of defined contribution pension schemes. The cost of employer National Insurance contributions in relation to the Directors was £90,000 (2019: £106,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £20,000 (2019: £65,000).

In addition to the above, there was an accounting charge for share-based payments in respect of the Directors £304,000 (2019: £95,000). During the year 124,585 options were exercised by the Directors (2019: nil).

Directors' interests under the Company's employee share plans

Director	Share option scheme	Options held at 30 September 2019	Options exercised in year	Options forfeited in year	Options granted in year	Options held at 30 September 2020	Exercise price	Grant date	Date from which exercisable
Mark Plampin	CSOP II	67,647	(67,647)*	–	–	–	0.1p	9 March 2015	8 March 2018
Mark Plampin	CSOP II	56,938	(56,938)*	–	–	–	0.1p	6 March 2017	5 March 2020
Mark Plampin	CSOP I	43,165	–	(43,165)	–	–	69.5p	24 January 2018	23 January 2021
Mark Plampin	CSOP II	356,835	–	(356,835)	–	–	69.5p	24 January 2018	23 January 2021
Mark Plampin	CSOP II	447,600	–	(447,600)	–	–	58.5p	25 January 2019	24 January 2022
Malcolm Pye	CSOP I	43,165	–	(43,165)	–	–	69.5p	24 January 2018	23 January 2021
Malcolm Pye	CSOP II	456,835	–	(456,835)	–	–	69.5p	24 January 2018	23 January 2021
Malcolm Pye	CSOP II	555,100	–	(555,100)	–	–	58.5p	25 January 2019	24 January 2022
Alex Raeber	CSOP II	400,000	–	–	–	400,000	58.5p	25 January 2019	24 January 2022
Alex Raeber	CSOP II	–	–	(153,000)	275,000	122,000	42.5p	21 February 2020	20 February 2023
Septima Maguire	CSOP I	–	–	–	70,588	70,588	42.5p	21 February 2020	20 February 2023
Septima Maguire	CSOP II	–	–	–	329,412	329,412	42.5p	21 February 2020	20 February 2023
Septima Maguire	CSOP II	–	–	–	600,000	600,000	31.5p	2 June 2020	1 June 2023
Trond Williksen	CSOP II	–	–	–	1,500,000	1,500,000	31.5p	2 June 2020	1 June 2023

* The exercise of these options resulted in a total gain on exercise of £39,743.

Further details of Directors' remuneration are provided in the Remuneration Report on pages 77 to 83.

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

8 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 based on the following business areas:

- **Genetics** – 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.
- **Advanced Nutrition** – manufactures and provides technically advanced nutrition and health products to the global aquaculture industry.
- **Health** – provided veterinary services, environmental services diagnostics and health products to the global aquaculture market, and manufactures licensed veterinary vaccines and vaccine components; following the divestment programme the segment now focuses on providing health products to the global aquaculture market.

In addition to the above, reported as 'all other segments' is the Knowledge Services business area, the operations of which were disposed of or discontinued in the current and previous years. The business area provided sustainable food production consultancy, technical consultancy and assurance services and 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.

In order to reconcile the segmental analysis to the consolidated income statement, corporate and inter-segment sales are also shown. Corporate sales represent revenues earned from recharging certain central costs to the operating business areas, together with unallocated central costs.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

8 Segment information (continued)

Measurement of operating segment profit or loss

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.

Year ended 30 September 2020	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000
Revenue	**41,504**	**59,362**	**10,799**	**9,257**	**4,939**	**(5,469)**	**120,392**
Cost of sales	**(14,886)**	**(32,162)**	**(12,437)**	**(4,476)**	**(139)**	**497**	**(63,603)**
Gross profit/(loss)	**26,618**	**27,200**	**(1,638)**	**4,781**	**4,800**	**(4,972)**	**56,789**
Research and development costs	**(3,827)**	**(1,525)**	**(4,655)**	**-**	**-**	**-**	**(10,007)**
Operating costs	**(8,499)**	**(19,409)**	**(6,593)**	**(4,537)**	**(7,099)**	**4,972**	**(41,165)**
Share of profit of equity-accounted investees, net of tax	**150**	**–**	**–**	**–**	**–**	**–**	**150**
Adjusted EBITDA	**14,442**	**6,266**	**(12,886)**	**244**	**(2,299)**	**–**	**5,767**
Exceptional – restructuring/acquisition related items	**–**	**(727)**	**764**	**4,448**	**(1,513)**	**–**	**2,972**
EBITDA	**14,442**	**5,539**	**(12,122)**	**4,692**	**(3,812)**	**–**	**8,739**
Depreciation and impairment	**(3,341)**	**(2,080)**	**(2,747)**	**(711)**	**(259)**	**–**	**(9,138)**
Amortisation and impairment	**(1,494)**	**(14,800)**	**(2,728)**	**(380)**	**–**	**–**	**(19,402)**
Operating profit/(loss)	**9,607**	**(11,341)**	**(17,597)**	**3,601**	**(4,071)**	**–**	**(19,801)**
Finance cost							**(11,945)**
Finance income							**111**
Loss before tax							**(31,635)**

Year ended 30 September 2019	Genetics £000	Advanced Nutrition £000	Health £000	All other segments £000	Corporate £000	Inter-segment sales £000	Total £000
Revenue	39,696	76,776	17,742	15,881	6,534	(7,890)	148,739
Cost of sales	(14,376)	(37,502)	(14,112)	(8,059)	(394)	1,515	(72,928)
Gross profit/(loss)	25,320	39,274	3,630	7,822	6,140	(6,375)	75,811
Research and development costs	(3,986)	(3,173)	(5,691)	–	–	–	(12,850)
Operating costs	(10,845)	(20,695)	(8,136)	(6,558)	(8,963)	6,375	(48,822)
Share of profit of equity-accounted investees, net of tax	(414)	–	–	–	–	–	(414)
Adjusted EBITDA	10,075	15,406	(10,197)	1,264	(2,823)	–	13,725
Exceptional – restructuring/acquisition related items	(58)	–	–	(745)	(523)	–	(1,326)
EBITDA	10,017	15,406	(10,197)	519	(3,346)	–	12,399
Depreciation	(2,807)	(1,878)	(4,400)	(8,025)	(117)	–	(17,227)
Amortisation and impairment	(2,079)	(61,959)	(216)	(1,833)	–	–	(66,087)
Operating profit/(loss)	5,131	(48,431)	(14,813)	(9,339)	(3,463)	–	(70,915)
Finance cost							(12,422)
Finance income							368
Loss before tax							(82,969)

Reconciliation of segmental information to IFRS measures – revenue and loss before tax

Revenue

	2020 £000	2019 Restated £000
Total revenue per segmental information	**120,392**	148,739
Less: revenue from discontinued operations	**(14,827)**	(24,733)
Consolidated revenue	**105,565**	124,006

Loss before tax

	2020 £000	2019 Restated £000
Loss before tax per segmental information	**(31,635)**	(82,969)
Less: loss before tax from discontinued operations	**9,064**	24,488
Consolidated loss before tax	**(22,571)**	(58,481)

8 Segment information (continued)
Non-current assets by location of assets

	2020 £000	2019 £000
Belgium	**186,956**	201,418
UK	**25,278**	40,663
Rest of Europe	**57,006**	121,783
Rest of world	**74,045**	16,727
	343,285	380,591

9 Net finance costs
Continuing operations

	2020 £000	2019 £000
Interest received on bank deposits	**98**	366
Foreign exchange gains on financing activities	**971**	–
Dividend income	**13**	2
Finance income	**1,082**	368
Finance leases (interest portion)	**(503)**	(65)
Foreign exchange losses on financing activities	**–**	(1,594)
Foreign exchange losses on operating activities	**(3,221)**	(3,055)
Cash flow hedges – reclassified from other comprehensive income	**153**	17
Cash flow hedges – ineffective portion of changes in fair value	**(1,338)**	(1,696)
Interest expense on financial liabilities measured at amortised cost	**(7,870)**	(6,029)
Finance costs	**(12,779)**	(12,422)
Net finance costs recognised in profit or loss	**(11,697)**	(12,054)

10 Exceptional items – restructuring/acquisition related items
Items that are material because of their nature, non-recurring or 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.

	2020 £000	2019 £000
Acquisition related items	**586**	(82)
Exceptional restructuring costs	**1,528**	663
Total exceptional items	**2,114**	581

Acquisition related items are costs incurred in investigating and acquiring new businesses. During the year £233,000 was expensed in relation to a loan provided to a potential acquisition target and which has now been provided for, and £353,000 for professional fees in relation to investigating the potential of a partnership in the Health business area which was not pursued.

In 2019 the contingent consideration element of the provision for deferred consideration held for previous acquisitions was recalculated considering up to date performance of those acquisitions. As a result £86,000 was released in 2019 and included in acquisition related items.

Exceptional expenses include: £52,000 of legal fees (2019: £214,000) and £1,244,000 of staff costs (2019: £391,000) relating to the Board's decision to make significant changes to the Group's management team and bring in new management and £232,000 (2019: £58,000) of other restructuring items.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

11 Taxation

Amounts recognised in profit or loss

	2020 £000	2019 Restated £000
Current tax expense		
Analysis of charge in period		
Current tax:		
Current income tax expense on profits for the period	**3,141**	4,258
Adjustment in respect of prior periods	**836**	76
Total current tax	**3,977**	4,334
Deferred tax expense		
Origination and reversal of temporary differences	**(3,490)**	(4,499)
Deferred tax movements in respect of prior periods	**(283)**	805
Total deferred tax credit (Note 27)	**(3,773)**	(3,694)
Total tax charge on continuing operations	**204**	640

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

	2020 £000	2019 Restated £000
Accounting loss before income tax	**(22,571)**	(58,481)
Expected tax credit based on the standard rate of UK corporation tax at the domestic rate of 19.0% (2019: 19.0%)	**(4,289)**	(11,111)
Income not taxable	**(3,393)**	(135)
Expenses not deductible for tax purposes	**4,116**	8,748
Amounts chargeable on controlled foreign companies	**37**	213
Deferred tax not recognised	**4,150**	4,488
Adjustment to tax charge in respect of prior periods	**553**	881
Effects of changes in tax rates	**–**	(684)
Different tax rates in overseas jurisdictions	**(970)**	(1,760)
Total tax charge on continuing operations	**204**	640

Adjustment to tax charge in respect of prior periods, includes £283,000 credit (2019: tax charge £805,000) relating to deferred tax on intangible assets that should have been recognised at 30 September 2019.

The above excludes a current tax expense of £110,000 (2019: tax credit £529,000) from discontinued operations, this has been included in loss from discontinued operations, net of tax (Note 12).

Changes in tax rates and factors affecting the future tax charge
A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the Company's future current tax charge accordingly. The deferred tax liability at 30 September 2020 has been calculated at 19% (2019: 17%). 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 prior 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, this change is reflected in the 'Effects of changes in tax rates' item in 2019 in the above reconciliation.

There was no deferred tax recognised in other comprehensive income.

12 Discontinued operations

In June 2019, the Group announced a programme of structural efficiencies which focused on the disposal and discontinuation of non-core activities. This programme primarily included the businesses within Knowledge Services (reported within 'all other segments') and the veterinary services business within Health. These operations were presented as discontinued in the prior year and the sales of the disposal group were completed during the current year (see below) and therefore continue to be shown as discontinued.

During the year, as a continuation of the above programme, a small non-core business within Advanced Nutrition was put up for sale and sold and a business within the Corporate category was closed. A restructuring of the Health business area saw the closure of the research and development operations at two sites, and the sale of the Group's vaccine manufacturing facility and exit from non-core vaccine development collaborations. Consequently, these operations have been classified as discontinued in the current year with a corresponding restatement of the consolidated income statement and consolidated statement of comprehensive income for the year ended 30 September 2019 to reflect these changes.

12 Discontinued operations (continued)

Summary of restatement of FY19 results as reported in FY19 financial statements

	Continuing operations				Discontinued operations	
All figures in £000s	Revenue	Adjusted EBITDA	Loss from continuing operations	Loss from total comprehensive income	Loss from discontinued operations	Loss from total comprehensive income
As stated in financial year 2019 financial statements	127,343	12,051	(73,291)	(63,188)	(9,789)	(9,986)
Reclassified in financial year 2020	(3,337)	9,290	14,170	14,171	(14,170)	(14,171)
As restated in financial year 2020 financial statements	124,006	21,341	(59,121)	(49,017)	(23,959)	(24,157)

	2020 £000	2019 Restated £000
Revenue	**14,827**	24,733
Cost of sales	**(13,000)**	(17,864)
Gross profit	**1,827**	6,869
Research and development costs	**(2,725)**	(3,369)
Other operating costs	**(7,828)**	(11,116)
Adjusted EBITDA	**(8,726)**	(7,616)
Exceptional items	**5,086**	(745)
EBITDA	**(3,640)**	(8,361)
Depreciation and impairment	**(2,498)**	(12,173)
Amortisation and impairment	**(2,789)**	(3,954)
Operating loss/Loss before taxation	**(8,927)**	(24,488)
Net finance costs	**(137)**	–
Loss before taxation	**(9,064)**	(24,488)
Tax on loss	**(110)**	529
Loss from discontinued operations	**(9,174)**	(23,959)

Exceptional items within discontinued operations

	2020 £000	2019 £000
Profit on disposal of subsidiaries	**14,120**	–
Loss on disposal of trade and assets	**(1,874)**	–
Profit on other asset disposals	**271**	–
Other costs relating to disposals	**(484)**	–
Provision for onerous lease	**–**	(349)
Staff costs[1]	**(1,603)**	(99)
Cost of sales (including inventory write-downs)	**(1,666)**	(297)
Legal and professional fees	**(3,513)**	–
Other	**(165)**	–
Total exceptional items	**5,086**	(745)

1 Staff costs relate to redundancies and divestment related bonuses.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

12 Discontinued operations (continued)

Cash flows from discontinued operations

	2020 £000	2019 Restated £000
Net cash flow from operating activities	**(16,887)**	(7,925)
Net cash flow from investing activities	**34,831**	(2,836)
Net cash flow from financing activities	**(581)**	–
Net cash flow from discontinued operations	**17,363**	(10,761)

Results from discontinued operations by segment

	Advanced Nutrition 2020 £000	Health 2020 £000	All Other Services 2020 £000	Corporate 2020 £000	Total discontinued 2020 £000	Advanced Nutrition 2019 Restated £000	Health 2019 Restated £000	All Other Services 2019 Restated £000	Corporate 2019 Restated £000	Total discontinued 2019 Restated £000
Revenue	**2**	**5,573**	**9,230**	**22**	**14,827**	400	9,025	15,141	167	24,733
Adjusted EBITDA	**(143)**	**(9,151)**	**749**	**(181)**	**(8,726)**	(609)	(8,102)	1,386	(291)	(7,616)
Operating (loss)/profit	**(394)**	**(11,914)**	**3,818**	**(437)**	**(8,927)**	(3,201)	(11,776)	(9,218)	(293)	(24,488)

Impact on the Group consolidated income statement for the year ended 30 September 2020

	2020 Continuing £000	2020 Discontinued £000	2020 Total £000
Revenue	**105,565**	**14,827**	**120,392**
Cost of sales	**(50,603)**	**(13,000)**	**(63,603)**
Gross profit	**54,962**	**1,827**	**56,789**
Research and development costs	**(7,282)**	**(2,725)**	**(10,007)**
Other operating costs	**(33,337)**	**(7,828)**	**(41,165)**
Share of profit of equity-accounted investees, net of tax	**150**	**–**	**150**
Adjusted EBITDA	**14,493**	**(8,726)**	**5,767**
Exceptional items	**(2,114)**	**5,086**	**2,972**
EBITDA	**12,379**	**(3,640)**	**8,739**
Depreciation and impairment (see below)	**(6,640)**	**(2,498)**	**(9,138)**
Amortisation and impairment (see below)	**(16,613)**	**(2,789)**	**(19,402)**
Operating loss	**(10,874)**	**(8,927)**	**(19,801)**
Net finance costs	**(11,697)**	**(137)**	**(11,834)**
Loss before taxation	**(22,571)**	**(9,064)**	**(31,635)**
Tax on loss	**(204)**	**(110)**	**(314)**
Loss after tax for the financial period	**(22,775)**	**(9,174)**	**(31,949)**

Impact on the Group consolidated income statement for the year ended 30 September 2019

	2019 Continuing Restated £000	2019 Discontinued Restated £000	2019 Total Restated £000
Revenue	124,006	24,733	148,739
Cost of sales	(55,064)	(17,864)	(72,928)
Gross profit	68,942	6,869	75,811
Research and development costs	(9,481)	(3,369)	(12,850)
Other operating costs	(37,706)	(11,116)	(48,822)
Share of profit of equity-accounted investees, net of tax	(414)	–	(414)
Adjusted EBITDA	21,341	(7,616)	13,725
Exceptional items	(581)	(745)	(1,326)
EBITDA	20,760	(8,361)	12,399
Depreciation and impairment (see below)	(5,054)	(12,173)	(17,227)
Amortisation and impairment (see below)	(62,133)	(3,954)	(66,087)
Operating loss	(46,427)	(24,488)	(70,915)
Net finance costs	(12,054)	–	(12,054)
Loss before taxation	(58,481)	(24,488)	(82,969)
Tax on loss	(640)	529	(111)
Loss after tax for the financial period	(59,121)	(23,959)	(83,080)

12 Discontinued operations (continued)
Depreciation and impairment of £9,138,000 (2019: £17,227,000) includes depreciation of £7,414,000 which comprises of £5,489,000 in Note 14 property, plant and equipment (2019: £8,557,000), £1,545,000 in Note 15 Leases for the IFRS 16 adjustment, and a lease adjustment of £380,000 in Note 23 assets and liabilities held for sale. Impairment totals £1,724,000 which comprises of £753,000 in Note 14 property, plant and equipment (2019: £8,097,000), £273,000 in Note 15 Leases for the IFRS 16 adjustment, and a fair value adjustment of £698,000 shown in Note 23 assets and liabilities held for sale (2019: £573,000).

Amortisation and impairment of £19,402,000 (2019: £66,087,000) includes amortisation of £16,891,000 (2019: £18,246,000) and impairment of £2,133,000 (2019: £47,555,000) in Note 16 intangible assets, and a fair value adjustment of £378,000 (2019: £286,000) in Note 23 assets and liabilities held for sale.

Disposals of subsidiaries
On 1 January 2020, the Group divested its TomAlgae BV subsidiary for nominal proceeds. The business was in the R&D phase and required significant further investment to bring a commercial product to market.

On 23 June 2020, the Group divested its global provider of continuing professional development training for veterinary professionals, Improve International Limited and its subsidiaries ('Improve'). Total consideration for Improve could be up to £12.8m of which £11.8m has been recognised at fair value (see table below). This included contingent consideration with a fair value of £1.8m relating to the successful renewal of a contract (£0.8m) and the delivery of certain future revenues in financial years ended 30 September 2021 and 30 September 2022 (£1.0m). The renewal of the contract has since occurred and the £0.8m contingent consideration was received on 31 July 2020.

On 1 July 2020, the Group completed the sale of FVG Limited and its subsidiaries ('FVG') to Pharmaq, part of the global animal health company Zoetis, for a total cash consideration of £14.5m. The sale comprises Benchmark's veterinary and diagnostic services activities in the UK, Ireland, Norway and Chile.

On 10 August 2020, the Group completed the sale of its subsidiary FAI Farms Limited ('FAI') whose activities include consultancy in the food and farming sectors, research and development in sustainable food production, and commercial farming. The business was sold to members of its management team for cash consideration of £0.1m.

The assets and liabilities of Improve, FVG and FAI were all classified as held for sale at 30 September 2019.

Effects of disposals of subsidiaries on the financial position of the Group

All figures in £000s	Improve	FVG	FAI Farms	TomAlgae	Total
Assets					
Property, plant and equipment (including right-of-use assets)	1,638	2,080	874	–	4,592
Intangible assets	4,151	455	–	–	4,606
Inventories and biological assets	164	315	238	–	717
Trade and other receivables	4,922	1,120	1,008	6	7,056
Cash and cash equivalents	4,367	2,372	294	243	7,276
Trade and other payables	(8,816)	(1,929)	(1,567)	(248)	(12,560)
Provisions	–	–	(15)	–	(15)
Corporation tax liability	(59)	(11)	–	(1)	(71)
Deferred tax	(178)	270	–	–	92
Net assets and liabilities	6,189	4,672	832	–	11,693
Total consideration	11,760	14,465	100	22	26,347
Less: Fair value of contingent consideration	(1,778)	–	–	–	(1,778)
Less: Deferred consideration	–	–	–	(22)	(22)
Less: Disposal costs deducted from cash proceeds	(351)	–	(183)	–	(534)
Consideration received/(paid) in cash	9,631	14,465	(83)	–	24,013
Cash and cash equivalents disposed of	(4,367)	(2,372)	(294)	(243)	(7,276)
Net cash inflow/(outflow)	5,264	12,093	(377)	(243)	16,737

Trade and asset disposals
During the year, the businesses of a Group's subsidiary 5M Enterprises Limited were disposed of as follows:

- On 7 February 2020, the Group disposed of Aquaculture UK, its conferencing business, for initial consideration of £1.5m with up to an additional £0.5m depending on the revenue outcome of the next event (this contingent consideration has been valued at £nil at 30 September 2020 based on the uncertainty of the conference revenue particularly due to the potential impact of Covid-19).
- Sales of the Group's various online news publications, for a combined total cash consideration of £0.6m have completed in the period.
- On 31 July 2020 its publishing business was sold for cash consideration of £0.1m.
- On 23 June 2020 its veterinary practice magazine and conferences business was sold for £0.1m.

On 31 July 2020, the Group completed the sale of its vaccine manufacturing facility and certain other assets to Cell and Gene Therapy Catapult for total cash consideration of £16.0m. This is part of a £100m investment by the UK Government to develop the Cell and Gene Therapy Catapult Manufacturing Innovation Centre to manufacture millions of doses of Covid-19 vaccines per month.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

12 Discontinued operations (continued)

Effect of business disposals on the financial position of the Group

All figures in £000s	5m	Vaccine manufacturing facility
Assets		
Property, plant and equipment (including right-of-use assets)	207	17,165
Inventories and biological assets	241	218
Trade and other payables	–	(754)
Net assets and liabilities	448	16,629
Total consideration	2,243	16,000
Less: disposal costs deducted from cash proceeds	–	(3,040)
Consideration received in cash	2,243	12,960
Cash and cash equivalents disposed of	(50)	–
Net cash inflow	2,193	12,960

Other asset disposals

On 24 July 2020, the Group exited one of its vaccine development collaboration agreements with its partner through a mutual and amicable agreement. A settlement payment of £1.0m was received on 21 August, with a potential further £1.0m to be received contingent on certain future conditions being met. Reflecting the level of the uncertainty in meeting these conditions, the contingent consideration has been deemed to have a fair value of £nil.

A similar arrangement was reached to exit some other vaccine collaboration agreements on 30 September 2020, in which a settlement of CHF 0.8m (£0.7m) was paid to the collaboration partner in October 2020 and the rights to any future benefits of a successful vaccine were transferred to a third party in return for the receipt of potential future development and performance milestone payments of up to USD 6.0m (£4.9m) contingent on certain approvals and performance criteria, and subsequent royalty payments contingent on sales of successfully launched products. Reflecting the level of uncertainty in meeting of these conditions, the contingent consideration has been deemed to have a fair value of £nil.

13 Loss per share

Basic 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.

	2020			2019 Restated		
	Continuing	**Discontinued**	**Total**	Continuing	Discontinued	Total
Loss attributable to equity holders of the parent (£000)	**(23,749)**	**(9,174)**	**(32,923)**	(59,898)	(23,959)	(83,857)
Weighted average number of shares in issue (thousands)			**625,466**			557,851
Basic loss per share (pence)	**(3.80)**	**(1.47)**	**(5.26)**	(10.74)	(4.29)	(15.03)

Diluted 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 based on the monetary value of the subscription rights attached to outstanding share options and warrants.

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

	2020			2019 Restated		
	Continuing	**Discontinued**	**Total**	Continuing	Discontinued	Total
Loss attributable to equity holders of the parent (£000)	**(23,749)**	**(9,174)**	**(32,923)**	(59,898)	(23,959)	(83,857)
Weighted average number of shares in issue (thousands)			**625,466**			557,851
Diluted loss per share (pence)	**(3.80)**	**(1.47)**	**(5.26)**	(10.74)	(4.29)	(15.03)

A total of 1,426,663 potential ordinary shares have not been included within the calculation of statutory diluted loss per share for the year (2019: 2,962,168) as they are anti-dilutive. However, these potential ordinary shares could dilute earnings/loss per share in the future.

14 Property, plant and equipment

Group	Freehold land and buildings £000	Assets in the course of construction £000	Long-term leasehold property improvements £000	Plant and machinery £000	E commerce infrastructure £000	Office equipment and fixtures £000	Total £000
Cost							
Balance at 1 October 2018	32,428	40,360	8,537	33,088	247	2,281	116,941
Additions	6,760	1,234	135	3,523	–	804	12,456
Increase/(decrease) through transfers from assets in the course of construction	37,083	(38,376)	2	1,282	–	9	–
Exchange differences	(237)	(1,768)	9	827	–	204	(965)
Reclassification to assets held for resale	(200)	–	(2,096)	(6,228)	(247)	(489)	(9,260)
Disposals	(461)	(146)	(19)	(1,013)	–	(190)	(1,829)
Disposals through sale of subsidiary	–	–	(102)	(67)	–	(9)	(178)
Balance at 30 September 2019	75,373	1,304	6,466	31,412	–	2,610	117,165
Balance at 1 October 2019	**75,373**	**1,304**	**6,466**	**31,412**	**–**	**2,610**	**117,165**
Transfer to right-of-use assets on 1 October 2019	**–**	**–**	**–**	**(292)**	**–**	**–**	**(292)**
Additions	**1,593**	**715**	**352**	**2,799**	**–**	**393**	**5,852**
Reclassification	**500**	**(177)**	**(500)**	**177**	**–**	**–**	**–**
Increase/(decrease) through transfers from assets in the course of construction	**366**	**(489)**	**–**	**46**	**–**	**77**	**–**
Exchange differences	**(5,924)**	**(110)**	**(191)**	**(1,986)**	**–**	**(298)**	**(8,509)**
Reclassification from assets held for resale	**–**	**–**	**–**	**2,504**	**–**	**–**	**2,504**
Disposals	**(14,052)**	**(30)**	**(160)**	**(8,600)**	**–**	**(184)**	**(23,026)**
Disposals through sale of subsidiary	**–**	**–**	**–**	**(911)**	**–**	**(2)**	**(913)**
Balance at 30 September 2020	**57,856**	**1,213**	**5,967**	**25,149**	**–**	**2,596**	**92,781**
Accumulated Depreciation							
Balance at 1 October 2018	3,855	–	1,989	10,667	246	657	17,414
Depreciation charge for the year	2,372	–	972	4,726	1	486	8,557
Impairment charge for the year	–	295	3,079	4,714	–	9	8,097
Reclassification to assets held for resale	(61)	–	(1,083)	(3,853)	(247)	(241)	(5,485)
Exchange differences	302	–	52	730	–	214	1,298
Disposals	(425)	–	–	(921)	–	(191)	(1,537)
Disposals through sale of subsidiary	–	–	(24)	(49)	–	(6)	(79)
Balance at 30 September 2019	6,043	295	4,985	16,014	–	928	28,265
Balance at 1 October 2019	**6,043**	**295**	**4,985**	**16,014**	**–**	**928**	**28,265**
Transfer to right-of-use asset on 1 October 2019	**–**	**–**	**–**	**(14)**	**–**	**–**	**(14)**
Depreciation charge for the year	**2,208**	**–**	**222**	**2,605**	**–**	**454**	**5,489**
Impairment charge for the year	**542**	**–**	**99**	**112**	**–**	**–**	**753**
Reclassification	**92**	**(177)**	**(92)**	**177**	**–**	**–**	**–**
Reclassification from assets held for resale	**–**	**–**	**–**	**2,504**	**–**	**–**	**2,504**
Exchange differences	**(979)**	**(88)**	**(129)**	**(1,163)**	**–**	**(179)**	**(2,538)**
Disposals	**(1,425)**	**(30)**	**(101)**	**(4,655)**	**–**	**(155)**	**(6,366)**
Disposals through sale of subsidiary	**–**	**–**	**–**	**(911)**	**–**	**(2)**	**(913)**
Balance at 30 September 2020	**6,481**	**–**	**4,984**	**14,669**	**–**	**1,046**	**27,180**
Net book value							
At 30 September 2020	**51,375**	**1,213**	**983**	**10,480**	**–**	**1,550**	**65,601**
At 30 September 2019	69,330	1,009	1,481	15,398	–	1,682	88,900
At 1 October 2018	28,573	40,360	6,548	22,421	1	1,624	99,527

Following the decision in 2019 to proceed with the structural efficiencies plan, the carrying value of property, plant and equipment assets in the relevant businesses was reviewed for recoverability. A resulting impairment charge of £8,097,000 was made against the carrying value of the various assets. A further charge of £753,000 has been made against similar assets in other businesses discontinued in the year.

Security over the assets is disclosed within Note 25.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

14 Property, plant and equipment (continued)

The previous table includes the following in respect of plant and machinery held under finance leases, now shown as right-of-use assets (Note 15):

	2020 £000	2019 £000
Cost	–	292
Accumulated depreciation	–	(14)
Net book value	–	278

Company

	Office equipment and fixtures £000
Cost	
Balance at 1 October 2018	571
Additions	51
Disposals	(2)
Balance at 1 October 2019	**620**
Additions	**718**
Disposals	**(12)**
Balance at 30 September 2020	**1,326**
Accumulated Depreciation	
Balance at 1 October 2018	346
Depreciation charge for the year	115
Disposals	(2)
Balance at 1 October 2019	**459**
Depreciation charge for the year	**95**
Disposals	**(12)**
Balance at 30 September 2020	**542**
Net book value	
At 30 September 2020	**784**
At 30 September 2019	161
At 1 October 2018	225

15 Leases

Group

Right-of-use assets	2020 £000	2019 £000
Leasehold property	**7,698**	–
Plant and machinery	**2,437**	–
Office equipment and fixtures	**212**	–
	10,347	–

Lease liabilities	2020 £000	2019 £000
Current	**2,483**	–
Non-current	**7,956**	–
	10,439	–
Depreciation charge of right-of-use assets		
Leasehold property	**850**	–
Plant and machinery	**612**	–
Office equipment and fixtures	**83**	–
	1,545	–

Additional information	2020 £000	2019 £000
Additions to right-of-use assets	**7,963**	–
Impairment of leasehold property right-of-use asset	**273**	–
Interest expense	**571**	–
Expense relating to short-term leases	**981**	–
Expense relating to leases of low-value leases	**27**	–
Total cash outflow for leases	**3,372**	–

The Group adopted IFRS 16: Leases on 1 October 2019 (see Note 1). The impact of IFRS 16 on the Group has been to recognise a lease liability representing its obligation to make lease payments and a corresponding right-of-use asset representing its right to use the underlying asset in the balance sheet for leases currently classified as operating leases, except for short-term leases and leases of low value assets. The nature of expenses related to these leases has now changed because the Group now recognises a depreciation charge for right-of-use assets and interest expense on lease liabilities.

IFRS 16 has been adopted for the year ending 30 September 2020 using the modified retrospective approach. The right-of-use asset recognised on transition has been measured at an amount materially equal to the lease liability, which has been measured at the present value of the future lease payments discounted using the discount rate implicit in the lease (or if that rate could not be readily determined, the lessee's incremental borrowing rate). Therefore, no adjustment to the opening balance of retained earnings at 1 October 2019 has been necessary along with no restatement of comparative information.

Company

Right-of-use assets	2020 £000	2019 £000
Leasehold property	**248**	–
Office equipment and fixtures	**4**	–
	252	–

Lease liabilities	2020 £000	2019 £000
Current	**182**	–
Non-current	**66**	–
	248	–
Depreciation charge of right-of-use assets		
Leasehold property	**163**	–
Office equipment and fixtures	**1**	–
	164	–
Additions to right-of-use assets	**295**	–
Interest expense	**16**	–
Expense relating to leases of low-value leases	**4**	–
Total cash outflow for leases	**178**	–

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

16 Intangible assets

	Websites £000	Goodwill £000	Patents and trademarks £000	Intellectual property £000	Customer lists £000	Contracts £000	Licences £000	Genetics £000	Development costs £000	Total £000
Cost or valuation										
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	–	–	–	319	–	–	–	–	–	319
Additions – externally acquired	118	–	62	1,799	–	–	38	–	–	2,017
Additions – internally developed	–	–	–	–	–	–	–	–	7,673	7,673
Disposals through sale of subsidiary	–	(84)	–	–	–	–	–	–	–	(84)
Reclassification to assets held for resale	(689)	(4,657)	(465)	(1,691)	(1,484)	(2,431)	–	–	–	(11,417)
Exchange differences	(2)	5,414	(2)	7,942	323	(284)	1,357	(1,327)	128	13,549
Balance at 30 September 2019	112	153,389	442	146,804	5,772	6,815	37,077	24,859	18,706	393,976
Balance at 1 October 2019	**112**	**153,389**	**442**	**146,804**	**5,772**	**6,815**	**37,077**	**24,859**	**18,706**	**393,976**
Additions – externally acquired	**112**	**–**	**141**	**728**	**–**	**–**	**–**	**–**	**–**	**981**
Additions – internally developed	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,583**	**4,583**
Increase/decrease through transfers	**–**	**–**	**(292)**	**107**	**–**	**–**	**185**	**–**	**–**	**–**
Disposals through sale of subsidiary	**–**	**–**	**(2)**	**(2,209)**	**–**	**–**	**–**	**–**	**–**	**(2,211)**
Disposals	**–**	**–**	**(18)**	**–**	**–**	**–**	**–**	**–**	**(55)**	**(73)**
Exchange differences	**(23)**	**(9,043)**	**(1)**	**(6,712)**	**(275)**	**(254)**	**(1,703)**	**(2,677)**	**(177)**	**(20,865)**
Balance at 30 September 2020	**201**	**144,346**	**270**	**138,718**	**5,497**	**6,561**	**35,559**	**22,182**	**23,057**	**376,391**
Accumulated amortisation and impairment										
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	40	–	(235)	13,884	608	1,389	1,874	686	–	18,246
Impairment	–	45,346	–	2,209	–	–	–	–	–	47,555
Reclassification to assets held for resale	(584)	(816)	(445)	(645)	(1,264)	(2,298)	–	–	–	(6,052)
Exchange differences	–	–	(28)	2,562	42	(196)	(305)	(125)	–	1,950
Balance at 30 September 2019	8	44,807	92	54,580	834	5,835	8,923	3,153	–	118,232
Balance at 1 October 2019	**8**	**44,807**	**92**	**54,580**	**834**	**5,835**	**8,923**	**3,153**	**–**	**118,232**
Amortisation charge for the period	**20**	**–**	**49**	**13,308**	**212**	**462**	**2,209**	**631**	**–**	**16,891**
Impairment	**–**	**432**	**19**	**–**	**–**	**–**	**591**	**–**	**1,091**	**2,133**
Disposals	**–**	**–**	**(18)**	**–**	**–**	**–**	**–**	**–**	**–**	**(18)**
Increase/decrease through transfers	**–**	**–**	**(58)**	**–**	**–**	**–**	**58**	**–**	**–**	**–**
Disposals through sale of subsidiary	**–**	**–**	**(2)**	**(2,209)**	**–**	**–**	**–**	**–**	**–**	**(2,211)**
Exchange differences	**(2)**	**(2,138)**	**(1)**	**(2,516)**	**(41)**	**(183)**	**(405)**	**(353)**	**–**	**(5,639)**
Balance at 30 September 2020	**26**	**43,101**	**81**	**63,163**	**1,005**	**6,114**	**11,376**	**3,431**	**1,091**	**129,388**
Net book value										
At 30 September 2020	**175**	**101,245**	**189**	**75,555**	**4,492**	**447**	**24,183**	**18,751**	**21,966**	**247,003**
At 30 September 2019	104	108,582	350	92,224	4,938	980	28,154	21,706	18,706	275,744
At 1 October 2018	133	152,439	47	101,865	5,485	2,590	28,328	23,594	10,905	325,386

For impairment of goodwill see Note 17.

16 Intangible assets (continued)
The sale of the assets of the Group's vaccines manufacturing facility has resulted in an impairment of goodwill of £432,000 and licences of £591,000. The decision to discontinue vaccine developments programmes had resulted in an impairment of development costs of £1,091,000 and patents and trademarks of £19,000.

Following the decision in 2019 to proceed with the structural efficiencies plan, the carrying value of intangible fixed assets in the relevant businesses was reviewed for recoverability. A resulting impairment charge of £2,209,000 was made in 2019 against the carrying value of intellectual property assets, within a relevant business in the Advanced Animal Nutrition segment that had not been classified as a discontinued operation. This asset was disposed of in the current year.

17 Impairment testing of goodwill and other intangible assets
The Group tests goodwill and other intangibles not yet ready for use annually for impairment, or more frequently if there are indications that goodwill or the other intangible assets might be impaired.

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from the business combination. The only intangible assets not yet ready for use are the capitalised development costs on internally developed products.

Goodwill and capitalised development costs arise across the Group, and are allocated specifically against the following CGUs:

	Genetics 2020 £000	Advanced Nutrition 2020 £000	Health 2020 £000	Total 2020 £000
Benchmark Genetics AS (previously SalmoBreed AS)	**6,523**	**–**	**–**	**6,523**
Stofnfiskur HF	**11,216**	**–**	**–**	**11,216**
Akvaforsk Genetic Center*	**8,040**	**–**	**–**	**8,040**
INVE Aquaculture Group	**–**	**75,466**	**–**	**75,466**
Goodwill	**25,779**	**75,466**	**–**	**101,245**
Development costs	**3,032**	**3,215**	**15,719**	**21,966**

* Includes goodwill arising from the joint acquisition of Akvaforsk Genetics Center AS (which was transferred into Benchmark Genetics Norway) in the year and Benchmark Genetics USA (formerly Akvaforsk Genetics Center Inc.).

	Genetics 2019 £000	Advanced Nutrition 2019 £000	Health 2019 £000	Total 2019 £000
Benchmark Vaccines Limited	–	–	432	432
Benchmark Genetics AS (previously SalmoBreed AS)	7,065	–	–	7,065
Stofnfiskur HF	13,146	–	–	13,146
Akvaforsk Genetic Center*	8,691	–	–	8,691
INVE Aquaculture Group	–	79,248	–	79,248
Goodwill	28,902	79,248	432	108,582
Development costs	1,454	2,802	14,450	18,706

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

Notes Forming Part of the Financial Statements (continued)

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17 Impairment testing of goodwill and other intangible assets (continued)

The recoverable amounts of the above CGUs have been determined from value in use calculations. These calculations used Board approved cash flow projections from five-year business plans based on actual operating results and current forecasts. These forecasts were then extrapolated into perpetuity taking account of specific terminal growth rates for future cash flows, using individual business operating margins based on past experience and future expectations in light of anticipated economic and market conditions. The pre-tax cash flows that these projections produced were discounted at pre-tax discount rates based on the Group's beta adjusted cost of capital reflecting management's assessment of specific risks related to each CGU. Specific assumptions used are as follows:

Genetics

The pre-tax cash flows from the five-year projections were discounted using a pre-tax discount rate of 11.6% (2019: 12.1%). CAGR of revenue of 13% (2019: 15%) is implied by the five-year plan and a long-term growth rate of 2.5% (2019: 2.5%) has been used to extrapolate the terminal year cash flow into perpetuity.

Sensitivity testing of the recoverable amount to reasonably possible changes in key assumptions has been performed. All other assumptions being unchanged, an increase in the pre-tax discount rate to 15.3% would reduce the headroom on the Genetics CGU to nil. Should the discount rate increase further than this, then an impairment of the goodwill or development costs would be likely.

Advanced Nutrition

The pre-tax cash flows from the five-year projections were discounted using a pre-tax discount rate of 10.3% (2019: 11.5%). CAGR of revenue of 12% (2019: 12%) is implied by the five-year plan, with the rate reflecting a particularly low year of growth in FY20 and the recovery back to previous years' levels as well as growth from new products. Long-term growth rate of 3.5% (2019: 3.5%) has been used to extrapolate the terminal year cash flow into perpetuity.

The value in use assessment is sensitive to changes in the key assumptions used. All other assumptions being unchanged, an increase in the pre-tax discount rate to 10.8% would reduce the headroom on the Advanced Animal Nutrition CGU to nil. Further sensitivity analysis was performed and a reasonably likely downside scenario, which assumes that there is no recovery in global shrimp markets until FY22 with year on year base case growth rates pushed out by one year. In this scenario, assuming that the FY21 cost base remains the same as in the base case, without modelling any likely mitigations, then there would be an impairment of £2.1m. This downside scenario represents a CAGR of revenue of 11.8% from FY20 to FY25.

A further, more severe downside scenario has also been modelled, where there is no recovery in global shrimp markets until FY22 allied to a delay in the launch of new products and further artemia market price reductions. This would cause an impairment of £26.3m without any modification to cost base. This downside scenario represents a CAGR of revenue of 10.5% from FY20 to FY25. In this type of severe downside scenario, discretionary spend, including bonuses, marketing and travel would also be reduced (all of which have been significantly scaled up in the base model compared to the controlled suppression of FY20 actual costs). Modelling these mitigations (but restricting mitigations to the period pre-perpetuity) would limit the impairment to £6m.

Health

The pre-tax cash flows from the five-year projections were discounted using a pre-tax discount rate of 13.2% (2019: 13.1%). An assumed CAGR of revenue of 68% (2019: 49%) in the five-year plan reflects the importance of the launch and commercialisation of the business area's new sea lice treatment in the forecast period. A long-term growth rate of 2.5% (2019: 2.5%) has been used to extrapolate the terminal year cash flow into perpetuity.

The valuation of the Animal Health CGU indicates sufficient headroom such that reasonably possible changes to key assumptions are unlikely to result in an impairment in related development costs. However, should the business area's new sea lice treatment not be successfully launched and commercialised, then full impairment of £15.3m of capitalised development costs could be possible.

18 Equity-accounted investees

	2020 £000	2019 £000
Interest in joint venture	**2,047**	1,947
Interest in associate	**1,643**	1,506
	3,690	3,453

Joint ventures

Salmar Genetics AS (SGA) is a joint venture in which the Group has joint control and a 50% ownership interest.

SGA is structured as a separate vehicle and the Group has a residual interest in the net assets of SGA. Accordingly, the Group has classified its interest in SGA as a joint venture. SGA is a provider of breeding and genetics services related to Atlantic Salmon and as such is strategically aligned to the Group.

18 Equity-accounted investees (continued)
The following table summarises the financial information of SGA as included in its own financial statements for the year ended 30 September 2020, adjusted for fair value adjustments and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in SGA.

	2020 £000	2019 £000
Percentage ownership interest	**50%**	50%
Non-current assets	**3,365**	3,458
Current assets	**718**	1,288
Cash and cash equivalents	**1,324**	385
Non-current liabilities	**(727)**	(381)
Current liabilities	**(174)**	(311)
Net assets (100%)	**4,506**	4,439
Group's share of net assets (50%)	**2,253**	2,220
Elimination of unrealised profit	**(206)**	(273)
Carrying amount of interest in joint venture	**2,047**	1,947
Revenue	**4,510**	3,069
Cost of sales and operating costs	**(3,267)**	(2,218)
Depreciation and amortisation	**(567)**	(553)
Finance costs	**(6)**	(9)
Taxation	**(108)**	(57)
Profit and total comprehensive income (100%)	**562**	232
Group's share of total comprehensive income (50%)	**281**	116

The company is registered in Norway and the registered address is 7266 Kverva, Frøya, Norway.

During the prior year the Group divested its interest in Benchmark Genetics Chile SpA ('BGCSPA'). BGCSPA was a joint venture in which the Group had joint control although only a 49% interest. The other partner in the joint venture was AquaChile.

In January 2019 Agrosuper completed the acquisition of AquaChile. As a consequence of the change of ownership of AquaChile, both parties agreed to dissolve the JV which allowed the Group to take control of a salmon breeding operation in Chile previously owned by the JV, allowing it to pursue an independent strategy.

Under the terms of the dissolution of the JV, the Group had returned to it the original USD 16.25m investment in the JV. Payment was made in two instalments, USD 7.5m payment in June 2019 and the balance of USD 8.75m in October 2019. The Group also had returned to it the IP licence held by the JV. Additionally, as settlement of the USD 5.4m working capital loan that the Group had advanced to the JV, ownership of the Ensenada facility (a highly biosecure hatchery) and Benchmark genetic material held by the JV was transferred to the Group.

During the period of ownership of the JV, the JV reported the following loss and total comprehensive income:

	2020 £000	2019 £000
Percentage ownership interest	**0%**	0%
Non-current assets	**–**	–
Current assets	**–**	–
Non-current liabilities	**–**	–
Current liabilities	**–**	–
Net assets (100%)	**–**	–
Group's share of net assets (49%)	**–**	–
Elimination of unrealised profit	**–**	–
Carrying amount of interest in joint venture	**–**	–
Revenue	**–**	3,030
Cost of sales and operating costs	**–**	(3,784)
Finance costs	**–**	(786)
Taxation	**–**	434
Loss and total comprehensive income (100%)	**–**	(1,106)
Group's share of total comprehensive income (49%)	**–**	(542)

The company is registered in Chile and the registered address is Cardonal S/N, Lote B- Barrio Industrial, Puerto Montt, Chile.

Notes Forming Part of the Financial Statements (continued)
for the year ended 30 September 2020

18 Equity-accounted investees (continued)
Associate
The Group has a 22% interest in an associate Great Salt Lake Brine Shrimp Cooperative, Inc (the 'Cooperative'). The Cooperative is one of the Group's strategic suppliers and is an aquacultural cooperative organised for the purpose of harvesting, processing, manufacturing, and marketing Artemia cysts and Artemia feeds.

The Group's interest in the Cooperative represents 22% of the Cooperative's unallocated equity reserves.

The company is registered in USA and the registered address is 1750 West 2450 South, Ogden, Utah.

The Group also has a 44% interest in an associate Benchmark Genetics (Thailand) Limited ('BGTL'). BGTL engages in shrimp production in the form of a multiplication centre by selecting and growing marine shrimp species products (including broodstock, nauplii and post-larvae, based on Benchmark's and its Affiliates' genetic strains) which are locally optimised for Thailand.

The company is registered in Thailand and the registered address is No. 471, Bond Street Road, Bangpood Sub-district, Pakkred District, Nonthaburi Province, Thailand.

19 Subsidiary undertakings
The direct and indirect subsidiary undertakings of Benchmark Holdings plc, all of which have been included in these consolidated financial statements, are as follows:

Company name	Registered address	Country of Incorporation	Direct/Indirect Group Interest	Share class	% of share capital/ voting rights held by Group companies	Note
Genetics						
Benchmark Genetics Brasil Cultivo de Especies Aquaticas Ltda	Rua Doutor Ribamar Lobo, 451, Coco, Fortaleza, CEI	Brazil	Indirect	ordinary	80%	a/c
Akvaforsk Genetic Center Spring Mexico, SA de CV (dormant)	Caguama 3023, Zapopan, Loma Bonita, Jaalisco 45086	Mexico	Indirect	ordinary	80%	a
Benchmark Genetics USA Inc	25508 SW 169th Ave, Miami Florida 33031	USA	Indirect	ordinary	80%	a
Benchmark Genetics USA (Tilapia) LLC	21200 SW 177th Ave, Miami Florida 33187	USA	Indirect	ordinary	80%	a
Benchmark Chile SpA	Gertrudis Echeñique, No 30, 22 floor, Las Condes, Santiago	Chile	Indirect	shares	100%	
Benchmark Genetics Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
Benchmark Genetics Colombia SAS	Calle 32, 8a-33 Office 215	Colombia	Indirect	ordinary	100%	
Benchmark Genetics Norway AS	Sandviksboder 3A,5035 Bergen	Norway	Indirect	ordinary	100%	
Icecod A Islandi EHF (dormant)	Staðarberg 2-4, 221 Hafnarfjörður	Iceland	Indirect	ordinary	88.87%	
SalmoBreed Salten AS	Sørfjordmoen, Kobbelv, 8264 Engan	Norway	Indirect	ordinary	75%	
Spring Genetics SRL	Calle Los Alemanes, Condominium Condado de Baviera, Apt 703	Costa Rica	Indirect	ordinary	80%	
Stofnfiskur Chile Limitada (dormant)	Urmeneta 581, Of. 42, Puerto Montt, Reg. X	Chile	Indirect	ordinary	89.48%	
Stofnfiskur HF	(As Icecod address above)	Iceland	Indirect	ordinary	89.48%	
Stofngen EHF (dormant)	(As Icecod address above)	Iceland	Indirect	ordinary	89.48%	
Sudourlax EHF (dormant)	(As Icecod address above)	Iceland	Indirect	ordinary	89.48%	
Advanced Nutrition						
Fortune Ocean Americas, LLC	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	N/A	100%	
Fortune Ocean Technologies Ltd (dormant)	25/F., OTB Building 160 Gloucester Road, Wanchai	Hong Kong	Indirect	1 HKD ordinary	100%	
Golden West Artemia	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$1 shares	100%	
Inland Sea Incorporated	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	shares	100%	

19 Subsidiary undertakings (continued)

Company name	Registered address	Country of Incorporation	Direct/Indirect Group Interest	Share class	% of share capital/ voting rights held by Group companies	Note
INVE (Thailand) Ltd.	No. 79/1 Moo 1, Nakhon Sawan-Phitsanulok Road, Tambon Nong Lum, Wachirabarami, Phichit, Thailand, 66220	Thailand	Indirect	THB 1,000 shares	100%	
Inve Animal Health, S.A.	Policarpo Sanz 12, 4°, 36202 Vigo, Pontevedra	Spain	Indirect	10€ shares	100%	
Inve Aquaculture Europe Holding B.V.	Verlengde Poolseweg 16,4818 CL Breda	Netherlands	Indirect	1€ shares	100%	
Benchmark Holding Europe B.V.	Verlengde Poolseweg 16, 4818 CL Breda	Netherlands	Direct	$1 shares	100%	
Inve Aquaculture México, S.A. de C.V.	Avenida Camaron Sabalo # 51, Local 6, Interior, Plaza Riviera, Zona Dorada, Mazatlán Sinaloa 82110	Mexico	Indirect	MXN $1,000 shares	100%	
Inve Aquaculture NV	Hoogveld 93, 9200 Dendermonde	Belgium	Indirect	shares	100%	
Inve Aquaculture Temp Holding B.V.	Verlengde Poolseweg 16, 4818 CL Breda	Netherlands	Indirect	1€ shares	100%	
INVE Aquaculture, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	shares	100%	
Inve Asia Ltd	25/F., OTB Building, 160 Gloucester Road, Wanchai	Hong Kong	Indirect	$1 shares	100%	
INVE Asia Services Ltd.	471 Bond Street, Tambon Bangpood, Amphur Pakkred, Nonthaburi, Thailand, 11120	Thailand	Indirect	THB 100 shares	100%	
Inve do Brasil Ltda.	Rua Augusto Calheiros, n° 226, Messejana, Fortaleza, Ceará, Zip Code 60.863-290	Brazil	Indirect	BRL 1 shares	100%	
Inve Eurasia SA	Karacaoğlan Mahallesi 6170 Sokak No. 17/B Işikkent/Izmir	Turkey	Indirect	6.25 TL shares	100%	
Inve Hellas S.A.	93 Kiprou Str., 16451, Argyroupoli	Greece	Indirect	$29.35 shares	100%	
Inve Latin America B.V.	Verlengde Poolseweg 16, 4818 CL Breda	Netherlands	Indirect	10€ shares	100%	
Inve Technologies NV	Hoogveld 93, 9200 Dendermonde	Belgium	Indirect	shares	100%	
INVE USA Holdings, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$0.001 shares	100%	
Inve Vietnam Company Ltd	8Fl-19 Tan Canh, Ward 1, Tan Binh District, Ho Chi Minh City	Vietnam	Indirect	N/A	100%	
Invecuador S.A.	CDLA. Las Conchas, MZ A-11 No. Lot 8, Salinas, Santa Elena	Ecuador	Indirect	$1 shares	100%	
Inveservicios, S.A. de C.V.	Avenida Camaron Sabalo # 51, Local 6, Interior, Plaza Riviera, Zona Dorada, Mazatlán Sinaloa 82110	Mexico	Indirect	shares	100%	
Maricoltura di Rosignano Solvay S.r.l.	Rosignano Marittimo (LI), in via Pietro Gigli, 57013, Solvay Loc. Lillatro	Italy	Indirect	shares	100%	
PT. Inve Indonesia	Ruko Prominence Blok 38E No.7 Jl. Jalur Sutera Boulevard Panunggangan Timur Pinang 15143 Kota Tangerang Banten	Indonesia	Indirect	A shares & B shares	100%	
Salt Creek Holdings, Inc	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$0.001 shares	100%	
Salt Creek, Inc.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	$0.05 shares	100%	

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

19 Subsidiary undertakings (continued)

Company name	Registered address	Country of Incorporation	Direct/Indirect Group Interest	Share class	% of share capital/ voting rights held by Group companies	Note
Sanders Brine Shrimp Company, L.C.	3528 W 500 South, Salt Lake City, Utah 84104	USA	Indirect	N/A	100%	
Tianjin INVE Aquaculture Co., Ltd	Binhai Information Security Industrial Park, No.399 Huixiang Road, Tanggu Ocean Science and Technology Park, Binhai High-Tech Zone, Tianjin	China	Indirect	shares	100%	
United Aquaculture Technologies, LLC	3528 W 500 South, Salt Lake City, Utah 81404	USA	Indirect	N/A	100%	
Health						
Benchmark Animal Health Group Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
Benchmark Animal Health Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Indirect	£1 ordinary	100%	
Benchmark Vaccines Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Indirect	£1 ordinary	100%	
Benchmark R&D (Thailand) Limited	No.57/1 Moo 6, Samed Sub-District, Muang Chonburi District, Chonburi Province, 20000	Thailand	Indirect	THB 10 ordinary	100%	c
Benchmark Animal Health Inc	1600-3500 Boulevard De Maisonneuve, Ouest, Westmount, QC, H3Z 3Cl	Canada	Indirect	CAD 1 ordinary	100%	c
Benchmark Animal Health US, Inc	Gulf of Maine Research Institute, 350 Commercial Street, Portland, Maine 04101	USA	Indirect	$10 common stock	100%	c
Benchmark Animal Health Chile SpA	Avenida Apoquindo 3721, piso 22, comuna de Las Condes, Santiago	Chile	Indirect	$1.20 ordinary	100%	
Benchmark Animal Health Norway AS	Sandviksboder 3A,5035 Bergen	Norway	Indirect	NOK 100 ordinary	100%	
Knowledge Services						
Allan Environmental Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
Dust Collective Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
FAI Aquaculture Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
FAI do Brasil Criação Animal LTDA	Fazenda Santa Terezinha, S/N – Zona Rural, Jaboticabal/SP, CEP: 14870-000	Brazil	Indirect	R$1 ordinary	100%	
RL Consulting Limited	Benchmark House, 8 Smithy Wood Drive, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
Trie Benchmark Limited	The Field Station, Northfield Farmhouse, Wytham, Oxford, OX2 8QJ	United Kingdom	Direct	£1 ordinary	100%	
Viking Fish Farms Limited (dormant)	Benchmark House, 8 Smithy Wood, Sheffield, S35 1QN	United Kingdom	Indirect	£1 ordinary	100%	
Woodland Limited (dormant)	Benchmark House, 8 Smithy Wood, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
5M Enterprises Inc	CBoT, 141 West Jackson Boulevard, Chicago, IL 60604-2900	USA	Indirect	ordinary shares	100%	

19 Subsidiary undertakings (continued)

Company name	Registered address	Country of Incorporation	Direct/Indirect Group Interest	Share class	% of share capital/ voting rights held by Group companies	Note
5M Enterprises Limited	Benchmark House, Smithy Wood, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	
AquacultureUK Limited (dormant)	Benchmark House, Smithy Wood, Sheffield, S35 1QN	United Kingdom	Direct	£5 ordinary	100%	
Curriculo Limited (dormant)	Benchmark House, Smithy Wood, Sheffield, S35 1QN	United Kingdom	Indirect	£1 ordinary	100%	
Bark SPV	Benchmark House, Smithy Wood, Sheffield, S35 1QN	United Kingdom	Direct	N/A	100%	b/c
Bark NewCo Limited	Benchmark House, Smithy Wood, Sheffield, S35 1QN	United Kingdom	Direct	£1 ordinary	100%	

Notes

a A put and call option agreement is in place to acquire the remaining 20% of Benchmark Genetics USA Inc, so the Group controls 100% of that company and its wholly owned subsidiaries despite having an 80% equity holding.

b Bark SPV is a company limited by guarantee and although the Group has no equity holding in the company, its results are consolidated into this Annual Report by virtue of control exercised under the provisions of IFRS 10: Consolidated Financial Statements.

c During the year there have been some company name changes. In Genetics, Benchmark Genetics Brasil Cultivo de Especies Aquaticas Ltda was formerly known as Benchmark Do Brasil Cultivo De Especies Aquaticas LTDA. In Health, Benchmark R&D (Thailand) Limited was formerly known as Fish Vet Group Asia Limited, Benchmark Animal Health Inc was formerly known as FVG Canada Inc, Benchmark Animal Health US, Inc was formerly known as FVG Inc. In the Knowledge Services, Bark SPV was formerly known as European School of Veterinary Post-Graduate Studies Ltd.

Company	Investments in subsidiary companies £000
Cost or valuation	
Balance at 1 October 2018	265,322
Additions	925
Balance at 1 October 2019	**266,247**
Additions	**7,822**
Disposals	**(18,350)**
Balance at 30 September 2020	**255,719**
Provisions	
Balance at 1 October 2018	(850)
Provision against investment in subsidiary company	(8,338)
Balance at 1 October 2019	**(9,188)**
Provision against investment in subsidiary company	**(3,660)**
Disposals	**7,160**
Balance at 30 September 2020	**(5,688)**
Net book value	
At 30 September 2020	**250,031**
At 30 September 2019	257,059
At 1 October 2018	264,472

During 2020 £1,286,000 (2019: £925,000) of the charge associated with share options relates to employees of subsidiary companies, and so this amount has been treated as an investment by the Company. Other additions in the year related to capitalisation of a loan with FAI Farms Limited for £4,584,000 and a loan with TomAlgae C.V.B.A. for £1,952,000.

During 2020 provisions against investments of £3,660,000 were made, £1,951,000 related to an investment in Tom Algae C.V.B.A and £1,709,000 related to various investments in subsidiaries related to charges for share options.

Disposals in the year related to Improve International Limited £6,665,000, TomAlgae C.V.B.A. £4,989,000, which was fully impaired, FVG Limited £767,000, which was fully impaired, and FAI Farms £5,930,000 of which £1,296,000 was impaired. Proceeds of these disposals are detailed in Note 12.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

19 Subsidiary undertakings (continued)
Management have performed an impairment review of the investments in subsidiaries at the period end taking into account both net assets of the subsidiaries and value in use calculations using assumptions consistent with those disclosed in Note 17. As a consequence of the ongoing disposal programme a provision of £3,660,000 (2019: £8,338,000) was made against the carrying value of investments held by the Company.

20 Inventories

Group	2020 £000	2019 £000
Raw materials	**3,646**	5,271
Work in progress	**1,470**	2,323
Finished goods and goods for resale	**13,810**	15,015
Total inventories at the lower of cost and net realisable value	**18,926**	22,609

During 2020, £44,367,000 (2019 restated: £55,727,000) was recognised as an expense in continuing operations for inventories carried at net realisable value. This is recognised in cost of sales. For discontinued operations £2,727,000 was recognised as an expense (2019 restated: £3,856,000). The cost of inventories recognised as an expense includes £1,183,000 (2019: £572,000) in respect of write-downs of inventory to net realisable value.

The Company did not have any inventories at the year-end (2019: £nil).

21 Biological assets

Group Book value of biological assets recognised at fair value	2020 £000	2019 £000
Salmon eggs, broodstock and milt	**30,772**	26,732
Lumpfish	**1,317**	1,505
Tilapia and shrimp	**380**	132
Cattle, sheep, hens	**–**	124
Total biological assets 30 September	**32,469**	28,493
Analysed as:		
Current	**15,848**	16,024
Non-current	**16,621**	12,469
Total biological assets 30 September	**32,469**	28,493

Change in book value of biological assets

	2020 £000	2019 £000
Biological assets 1 October	**28,493**	20,394
Increase from production/purchase	**36,678**	31,610
Reduction due to sale/discarding surplus eggs	**(32,449)**	(24,941)
Foreign exchange movement before fair value adjustment	**(2,363)**	(940)
Change in fair value through income statement	**3,253**	2,699
Foreign exchange impact on fair value adjustment	**(1,143)**	(329)
Biological assets 30 September 2020	**32,469**	28,493

Livestock
The Group disposed of its commercial and research farming and technology transfer business during the year and consequently held no livestock at the year-end. At 30 September 2019 the Group held 484 head of sheep, 108 head of cattle, and 10,256 hens.

Assumptions used for determining fair value of broodstock, eggs and fingerlings
IAS 41 requires that biological assets are accounted for at the estimated fair value net of selling and harvesting costs. Fair value is measured in accordance with IFRS 13 and is categorised into Level 3 in the fair value hierarchy as the inputs include unobservable inputs in the valuation of broodstock, eggs and fingerlings for which there are no published market data available.

21 Biological assets (continued)
There is a presumption that fair value can be measured reliably for a biological asset. However, where alternative estimates of fair value are determined to be clearly unreliable (for example where we establish a new broodstock farm in a new territory), then that biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses.

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

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

The calculation of the fair value of the salmon and lumpfish fingerlings is valued on current selling prices less transport costs.

Where we have identified individual salmon carrying particular traits or disease resistance, semen (milt) can be extracted and deep frozen using cryopreservation techniques (the process of freezing biological material at extreme temperatures in liquid nitrogen). The calculation of the fair value of milt is based on production and freezing costs and, where appropriate, an uplift to recognise the additional selling price that can be achieved from eggs fertilised by premium quality milt. The estimated fair value of frozen milt at 30 September 2020 was £359,000 (2019: £477,000). The decrease in value of £118,000 relates to net usage during the year.

The valuation models by their nature are based upon uncertain assumptions on sales prices, market capacity, weight, mortality rates, yields and assessment of the discounts to reflect the stages of maturity. The Group has a degree of expertise in these assumptions but these assumptions are subject to change. Relatively small changes in assumptions would have a significant impact on the valuation. A 1% increase/ decrease in assumed selling price would increase/decrease the fair value of biological assets by £304,000. A 10% increase/decrease in the biomass of salmon broodstock and the quantity of salmon eggs valued would increase/decrease the fair value of those biological assets by £3,041,000.

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

Total quantities held at 30 September were:

	2020	2019
Salmon broodstock and fingerlings	**1,350 tonnes**	805 tonnes
Lumpfish fingerlings	**4.3m units**	3.2m units
Salmon eggs	**78.2m units**	66.3m units

The Company did not hold any biological assets at the year-end (2019: £nil).

22 Trade and other receivables

Group	**2020 £000**	2019 £000
Trade receivables	**17,052**	41,085
Less: provision for impairment of trade receivables	**(3,216)**	(3,448)
Trade receivables – net	**13,836**	37,637
Total financial assets other than cash and cash equivalents measured at amortised cost	**13,836**	37,637
Other receivables - contingent consideration	**1,028**	–
Total financial assets other than cash and cash equivalents classified as measured at fair value through profit and loss	**1,028**	–
Prepayments	**9,917**	2,842
Other receivables	**14,590**	11,657
Total trade and other receivables	**39,371**	52,136

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

The financial asset at fair value through profit and loss relates to contingent consideration outstanding from the disposal of Improve International Limited (Note 12). This relates to deferred cash consideration dependent on the delivery of certain future revenues in financial years ended 30 September 2021 and 30 September 2022 and the fair value is derived from the likely receivable amount based on current expectations of performance against the targets.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

22 Trade and other receivables (continued)
The fair values of trade and other receivables measured at amortised cost are not materially different to their carrying values. As at 30 September 2020 trade receivables of £3,871,000 (2019: £6,523,000) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	2020 £000	2019 £000
Up to 3 months overdue	**3,244**	4,778
3 to 6 months overdue	**569**	1,313
6 to 12 months overdue	**58**	432
	3,871	6,523

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

	2020 £000	2019 £000
At 1 October	**3,448**	3,309
Provided during the year	**954**	668
Receivable written off during the year as uncollectable	**(823)**	(541)
Foreign exchange movements	**(276)**	96
Disposals through sale of subsidiary	**(87)**	–
Transferred to assets held for sale	**–**	(84)
At 30 September	**3,216**	3,448

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

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

Company	2020 £000	2019 £000
Receivables from related parties	**161,911**	174,915
Loan provided to subsidiary company	**237**	4,660
Total financial assets other than cash and cash equivalents measured at amortised costs	**162,148**	179,575
Other receivables – contingent consideration	**1,028**	–
Total financial assets other than cash and cash equivalents classified as measured at fair value through profit and loss	**1,028**	–
Prepayments	**359**	530
Other receivables	**259**	453
Total trade and other receivables	**163,794**	180,558

The balance of receivables from related parties include a provision for impairment of £15,198,000 (2019: £21,089,000). During 2020 £6,033,000 of these provisions were released due to disposals of the companies, £1,935,000 relating to TomAlgae C.V.B.A. and £4,098,000 relating to FAI Farms Limited.

In 2019 a provision of £11,806,000 was made during the year following a review of the individual subsidiaries' net assets.

23 Assets and liabilities held for sale
As stated in Note 12, during the previous year, management committed to a plan to sell or close certain businesses. Where for the businesses concerned, the applicable criteria for inclusion as held for sale was met the assets and liabilities of these businesses have been presented as held for sale.

During the year property, plant and equipment valued at £698,000 and included in assets held for sale at 30 September 2020 was fair valued to £nil and subsequently transferred back to property, plant and equipment as it was not sold. There was a fair value adjustment relating to leases in the year of £380,000.

During the year in intangible assets the goodwill relating to 5M Enterprises Ltd valued at £378,000 and included in assets held for sale at 30 September 2020 was fair valued to £nil prior to the disposal of trade and assets.

No assets are recognised as held for sale at 30 September 2020.

23 Assets and liabilities held for sale (continued)

Assets held for sale at 30 September 2019	Transferred to held for sale £000	Fair value adjustment £000	Total assets transferred £000
Property, plant and equipment	3,775	(573)	3,202
Intangible assets	5,365	(286)	5,079
Deferred tax asset	302	–	302
Inventories	577	–	577
Biological and agricultural assets	242	–	242
Trade and other receivables	6,568	–	6,568
Total assets held for sale	16,829	(859)	15,970

Liabilities directly associated with the assets held for sale	£000
Trade and other payables	(10,413)
Corporation tax liability	(34)
Deferred tax liability	(172)
Provisions	(15)
Total liabilities directly associated with the assets held for sale	(10,634)

No cash or loans and borrowings were transferred to held for sale.

Measurement of fair values
Fair value hierarchy – The fair value measurement for the disposal group has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs – A market approach valuation technique was applied in measuring the fair value of the assets and liabilities held for sale as adjusted for inter-company and cash balances.

24 Trade and other payables

Group	**2020 £000**	2019 £000
Trade payables	**19,269**	17,132
Other payables	**3,010**	4,583
Accruals	**10,804**	8,255
Financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**33,083**	29,970
Other payables – contingent consideration	**825**	895
Financial contracts – hedging instrument	**3,035**	1,696
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through profit or loss	**3,860**	2,591
Financial contracts – hedging instrument	**9,653**	3,565
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through hedging reserve	**9,653**	3,565
Other payables – tax and social security payments	**850**	747
Deferred income	**–**	366
Total trade and other payables	**47,446**	37,239
Less: non-current portion of other payables (including contingent consideration)	**(1,754)**	(2,004)
Current portion	**45,692**	35,235

Book values approximate to fair value at 30 September 2020 and 2019.

	Contingent consideration £000
Balance at 30 September 2019	895
Net change in fair value (unrealised)	(70)
Balance at 30 September 2020	**825**

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

24 Trade and other payables (continued)

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

In 2019 there was a release of £86,000 of the amount provided, as disclosed in Note 10, and a balance of £472,000 that was in contingent consideration relating to Genetica Spring S.A.S. was transferred to other payables measured at amortised cost as the relevant milestones had been achieved and the consideration, due in December 2019, was no longer contingent.

Of the financial contracts £12,048,000 (2019: £5,029,000) relates to a CCS which was entered to fully match the timing and tenor of the underlying new senior secured floating rate listed bond issue of NOK 850m. The first part of the CCS exchanged NOK 637.5m from NOK to GBP and has been designated as a cash flow hedge and any changes in the effective portion of changes in its fair value will be taken directly to equity within the hedging reserve and recycled to profit or loss as the bond impacts the profit or loss. The second part exchanged NOK 212.5m from NOK to USD. This element has not been designated as a cash flow hedge and is posted to profit or loss as a fair value hedge.

Company	**2020 £000**	2019 £000
Trade payables	**380**	666
Payables to related parties	**37,864**	50,457
Accruals	**1,522**	2,140
Financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**39,766**	53,263
Financial contracts – hedging instrument	**3,035**	1,696
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through profit or loss	**3,035**	1,696
Financial contracts – hedging instrument	**9,013**	3,333
Financial liabilities, excluding loans and borrowings, classified as financial liabilities at fair value through hedging reserve	**9,013**	3,333
Other payables – tax and social security payments	**233**	183
Total trade and other payables	**52,047**	58,475

None of the above trade and other payables are non-current.

Book values approximate to fair value at 30 September 2020 and 2019.

25 Loans and borrowings

Group

	2020 £000	2019 £000
Non-current		
2023 850m NOK loan notes	**75,497**	75,864
Bank borrowings	**20,366**	23,576
Other loans	**–**	60
Lease liabilities (Note 15)	**7,956**	461
	103,819	99,961
Current		
Bank borrowings	**2,856**	3,102
Lease liabilities (Note 15)	**2,483**	129
	5,339	3,231
Total loans and borrowings	**109,158**	103,192

The fair value of 2023 850m NOK Loan notes is not materially different to the nominal value and has not been separately disclosed.

On 21 June 2019, the Group successfully completed a new senior secured floating rate listed bond issue of NOK 850m. The bond which matures in June 2023, has a coupon of three-month NIBOR + 5.25% p.a. with quarterly interest payments, and will be listed on the Oslo Stock Exchange. The bond issue refinanced Benchmark's previous USD 90m credit facility. DNB Markets acted as sole bookrunner for the bond issue.

A USD 15m Revolving Credit Facility ('RCF') has been provided by DNB Bank ASA (50%) and HSBC UK Bank PLC (50%). This was undrawn at 30 September 2020 and 30 September 2019.

25 Loans and borrowings (continued)
SalmoBreed Salten AS had the following loans (which are ring-fenced debt without recourse to the remainder of the Group) at 30 September 2020:

- NOK 194.4m term loan provided by Nordea Bank Norge Abp. The loan is a five-year term loan ending November 2023 at an interest rate of 2.65% above three-month NIBOR
- NOK 20.0m 12 month working capital facility provided by Nordea Bank Norge Abp (of which NOK 15.6m had been drawn at 30 September 2020)
- NOK 49.3m term loan provided by Innovasjon Norge. The loan is a 12-and-a-half-year term loan ending March 2031 at an interest rate of 4.2% above Norges Bank base rate
- NOK 21.75m loan provided by Salten Aqua ASA (the minority shareholder). The loan attracts interest at 2.5% above three-month NIBOR and is repayable in a minimum of five years, but not before the Nordea term loan.

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

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

	2020 £000	2019 £000
Sterling	**1,652**	60
Norwegian Krone	**99,125**	102,542
Thai Baht	**1,524**	590
Euro	**564**	–
US Dollar	**5,810**	–
Other	**483**	–
	109,158	103,192

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

	2020 £000	2019 £000
Non-current		
2023 850m NOK loan notes	**75,497**	75,864
Other loans	**–**	60
Lease liabilities (Note 15)	**66**	–
	75,563	75,924
Current		
Lease liabilities (Note 15)	**182**	–
	182	–
Total loans and borrowings	**75,745**	75,924

The fair value of 2023 850m NOK Loan notes is not materially different to the nominal value and has not been separately disclosed.

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

	2020 £000	2019 £000
Sterling	**248**	60
Norwegian Krone	**75,497**	75,864
	75,745	75,924

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

25 Loans and borrowings (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group

Year ended 30 September 2020

	Liabilities loans and borrowings £000	Held for sale lease liabilities £000	Equity share capital/additional paid-in capital £000	Total £000
Balance at 1 October 2019	**103,192**	**–**	**358,603**	
Changes from financing cash flows				
Proceeds of share issues	**–**	**–**	**41,666**	**41,666**
Proceeds from bank or other borrowings	**8,387**	**–**	**–**	**8,387**
Repayment of bank or other borrowings	**(10,141)**	**–**	**–**	**(10,141)**
Interest and finance charges paid	**(7,580)**	**(79)**	**–**	**(7,659)**
Repayments of lease liabilities	**(1,812)**	**(308)**	**–**	**(2,120)**
Total changes from financing cash flows	**(11,146)**	**(387)**	**41,666**	**30,133**
The effect of changes in foreign exchange rates	**(3,361)**	**(119)**	**–**	
Other changes – liability-related				
Adoption of IFRS 16 Leases at 1 October 2019	**4,487**	**2,517**	**–**	
New lease liabilities	**8,285**	**27**	**–**	
Leases disposed of in sales of assets	**(694)**	**(2,117)**	**–**	
Interest expense	**7,040**	**79**	**–**	
Capitalised borrowing fees	**864**	**–**	**–**	
Interest accrual movement	**491**	**–**	**–**	
Total liability-related other changes	**20,473**	**506**	**–**	
Total equity-related other changes	**–**	**–**	**–**	
Balance at 30 September 2020	**109,158**	**–**	**400,269**	

Year ended 30 September 2019

	Liabilities loans and borrowings £000	Equity share capital/additional paid-in capital £000	Total £000
Balance at 1 October 2018	79,766	358,451	
Changes from financing cash flows			
Proceeds of share issues	–	2	2
Proceeds from bank or other borrowings	92,578	–	92,578
Repayment of bank or other borrowings	(71,224)	–	(71,224)
Interest and finance charges paid	(5,366)	–	(5,366)
Payments to finance lease creditors	(5)	–	(5)
Total changes from financing cash flows	15,983	2	15,985
The effect of changes in foreign exchange rates	271	–	
Other changes – liability-related			
Interest expense	4,939	–	
Capitalised borrowing fees	1,234	–	
New finance leases	572	–	
Interest accrual movement	427	–	
Total liability-related other changes	7,172	–	
Total asset-related other changes	–	150	
Balance at 30 September 2019	103,192	358,603	

25 Loans and borrowings (continued)
Company
Year ended 30 September 2020

	Liabilities loans and borrowings £000	Equity share capital/additional paid-in capital £000	Total £000
Balance at 1 October 2019	**75,924**	**358,603**	
Changes from financing cash flows			
Proceeds of share issues	**–**	**41,666**	**41,666**
Proceeds from bank or other borrowings	**7,733**	**–**	**7,733**
Repayment of bank borrowings	**(8,060)**	**–**	**(8,060)**
Interest and finance charges paid	**(5,932)**	**–**	**(5,932)**
Repayments of lease liabilities	**(156)**	**–**	**(156)**
Total changes from financing cash flows	**(6,415)**	**41,666**	**35,251**
The effect of changes in foreign exchange rates	**(965)**	**–**	
Other changes – liability-related			
Adoption of IFRS 16 Leases at 1 October 2019	**121**	**–**	
New lease liabilities	**284**	**–**	
Interest expense	**5,930**	**–**	
Capitalised borrowing fees	**864**	**–**	
Interest accrual movement	**2**	**–**	
Total liability-related other changes	**7,201**	**–**	
Balance at 30 September 2020	**75,745**	**400,269**	

Year ended 30 September 2019

	Liabilities loans and borrowings £000	Equity share capital/additional paid-in capital £000	Total £000
Balance at 1 October 2018	52,291	358,451	
Changes from financing cash flows			
Proceeds of share issues	–	2	2
Proceeds from bank or other borrowings	91,021	–	91,021
Repayment of bank or other borrowings	(70,265)	–	(70,265)
Interest and finance charges paid	(4,701)	–	(4,701)
Total changes from financing cash flows	16,055	2	16,057
The effect of changes in foreign exchange rates	1,643	–	
Other changes – liability-related			
Interest expense	3,927	–	
Capitalised borrowing fees	1,234	–	
Interest accrual movement	774	–	
Total liability-related other changes	5,935	–	
Total equity-related other changes	–	150	
Balance at 30 September 2019	75,924	358,603	

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

26 Provisions

	Repairs provision £000	Other provisions £000	Total £000
At 1 October 2018	70	–	70
Charged to profit or loss	–	349	349
Transferred to liabilities directly associated with the assets held for sale	(15)	–	(15)
At 1 October 2019	**55**	**349**	**404**
Transferred to liabilities for right-of-use assets	**–**	**(349)**	**(349)**
Unused provisions reversed	**(55)**	**–**	**(55)**
At 30 September 2020	**–**	**–**	**–**
Current	55	349	404
Non-current	–	–	–
At 30 September 2019	55	349	404

Repairs provision
During the year Benchmark Vaccines Limited released the repairs provision in respect of its Braintree premises as it was no longer required (2019: £55,000).

Other provisions
During the year provisions of £349,000 relating to onerous leases have been transferred to liabilities for right-of-use assets in accordance with IFRS 16.

In 2019 provisions of £349,000 were made relating to onerous leases of FAI Aquaculture Limited (£107,000) following the closure of a site in Shetland Isles and of FAI do Brasil Criação Animal LTDA (£242,000) following a decision before the year-end to close the business.

No provisions were held by the Company at the year-end (2019: £nil).

27 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using the substantively enacted rates in the relevant territories in which the temporary differences and tax losses are expected to reverse.

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

Group	**2020 £000**	2019 Restated £000
At 1 October	**(38,743)**	(41,637)
Recognised in income statement		
Tax credit on continuing activities (Note 11)	**3,773**	3,694
Tax credit on discontinued activities	**–**	729
Total tax credit	**3,773**	4,423
Exchange differences	**2,323**	(1,399)
Transferred to liabilities directly associated with assets held for sale	**–**	(130)
At 30 September	**(32,647)**	(38,743)

The Company did not have a deferred tax balance at the year-end (2019: £nil).

There was no deferred tax recognised in other comprehensive income.

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered. The Directors believe there is sufficient evidence that the amounts recognised will be recovered against future taxable profits in the relevant tax jurisdiction. The Group did not recognise deferred tax assets of £24,030,000 (2019: £19,743,000) in respect of losses amounting to £96,540,000 (2019: £94,550,000) and temporary differences of £13,839,000 (2019: £6,743,000), where there was insufficient evidence that the amounts will be recovered.

The Group did not recognise deferred tax assets relating to movements on hedging instruments of £1,712,000 (2019: £633,000).

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

27 Deferred tax (continued)

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

Group	Asset 2020 £000	Liability 2020 £000	Net 2020 £000	(Charged)/ credited to profit or loss 2020 £000	(Charged)/ credited to equity 2020 £000
Accelerated capital allowances	**–**	**(30,251)**	**(30,251)**	**6,660**	**–**
Biological assets	**–**	**(2,518)**	**(2,518)**	**(170)**	**–**
Other temporary and deductible differences	**–**	**(12)**	**(12)**	**(178)**	**–**
Available losses	**101**	**–**	**101**	**(2,549)**	**–**
Fair value of share options	**33**	**–**	**33**	**10**	**–**
Net tax assets/(liabilities)	**134**	**(32,781)**	**(32,647)**	**3,773**	**–**

Group	Asset 2019 £000	Liability 2019 £000	Net 2019 £000	(Charged)/ credited to profit or loss 2019 £000	(Charged)/ credited to equity 2019 £000
Accelerated capital allowances	–	(39,233)	(39,233)	1,973	–
Biological assets	–	(2,348)	(2,348)	(754)	–
Other temporary and deductible differences	166	–	166	140	–
Available losses	2,650	–	2,650	2,313	–
Fair value of share options	22	–	22	22	–
Net tax assets/(liabilities)	2,838	(41,581)	(38,743)	3,694	–

The Company did not have any deferred tax in the profit or loss or balance sheet at the year-end (2019: £nil).

28 Share capital and additional paid-in capital

Allotted, called up and fully paid	Number	Share Capital £000	Additional paid-in share capital £000
Ordinary shares of 0.1p each			
Balance at 30 September 2018	557,200,791	557	357,894
Exercise of share options	1,293,948	1	–
Shares issued as consideration for the acquisition of Videntis SA	246,700	1	150
Balance at 30 September 2019	**558,741,439**	**559**	**358,044**
Exercise of share options	**1,503,407**	**2**	**–**
Shares issued through placing and open offer	**107,440,766**	**107**	**41,557**
Balance at 30 September 2020	**667,685,612**	**668**	**399,601**

During the year ended 30 September 2019, the Company issued a total of 1,293,948 shares of 0.1p each to certain employees of the Group relating to share options granted in 2015 and 2016.

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

During the year ended 30 September 2020, the Company issued a total of 1,503,407 shares of 0.1p each to certain employees of the Group relating to share options granted in 2015, 2016 and 2017.

On 19 February 2020, the Company issued 91,000,000 new ordinary shares by way of a placing and 16,440,766 new ordinary shares by way of an open offer to qualifying shareholders, both at an issue price of 40p. Gross proceeds of £36.4m for the placing shares and £6.6m for the open offer shares were received 19 and 20 February 2020 respectively. Non-recurring costs of £1.3m were incurred in relation to the share issues and this has been charged to the share premium account.

Employee share option scheme

The Company introduced an employee share option scheme in 2010. The options existing immediately before admission to trading on AIM on 18 December 2013 were subdivided into equivalent options over the new 0.1p ordinary shares. At the year-end, options exist over 34,967,145 (2019: 24,866,271) 0.1p ordinary shares in the Company. Exercise prices and movements in the share options are disclosed in Note 34.

Members of the scheme can exercise the options at any point from the third anniversary of the option grant date until the options lapse on the tenth anniversary of the option grant date. Options cannot be exercised after the option holder ceases to hold employment with any member of the Group.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

29 Reserves

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

Reserve	Description and purpose
Share premium reserve	Amount subscribed for share capital in excess of nominal value.
Merger reserve	Under merger relief, the amount in excess of nominal value attributed to shares issued as consideration in an acquisition where the Group has secured at least a 90% equity holding in the other company.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares.
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of overseas operations into Sterling.
Hedging reserve	Comprises the effective portion of the cumulative net change in fair value of hedging instruments used in cash flow hedges pending subsequent recognition on profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere. To simplify presentation, the share-based payment reserve has been combined with the retained earnings reserve. The share-based payment reserve recognised the value of equity settled share-based payment transactions provided to employees, including management personnel, as part of their remuneration. Refer to Note 34 for further details of these plans.

The balance of additional paid-in share capital includes the merger reserve balance of £33,188,000, the balance being the share premium reserve. The merger reserve arose due to the Company issuing 38,635,671 shares of 0.1p each at 86p as part consideration for the acquisition of INVE Aquaculture Holdings B.V. on 30 December 2015.

30 Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest ('NCI'), before any intra-group eliminations.

Year ended 30 September 2020	Stofnfiskur HF £000	SalmoBreed Salten AS £000	Total £000
NCI percentage	**10%**	**25%**	
Non-current assets	**14,941**	**38,611**	
Current assets	**20,393**	**7,731**	
Non-current liabilities	**(2,361)**	**(20,365)**	
Current liabilities	**(4,420)**	**(12,773)**	
Net assets	**28,553**	**13,204**	
Net assets attributable to NCI	**3,004**	**3,305**	**6,309**
Revenue	**22,744**	**8,769**	
Profit	**6,668**	**1,090**	
OCI	**(4,171)**	**(1,453)**	
Total comprehensive income	**2,497**	**(363)**	
Profit allocated to NCI	**701**	**273**	**974**
OCI allocated to NCI	**(439)**	**(364)**	**(803)**
Cash flows from operating activities	**6,972**	**2,024**	
Cash flows used in investment activities	**(2,211)**	**(363)**	
Cash flows used in financing activities (dividends to NCI: £nil)	**(4,445)**	**(2,068)**	
Net increase/(decrease) in cash and cash equivalents	**316**	**(407)**	

30 Non-controlling interest (continued)

Year ended 30 September 2019	Stofnfiskur HF £000	SalmoBreed Salten AS £000	Other individually immaterial subsidiaries £000	Total £000
NCI percentage	10%	25%		
Non-current assets	21,577	40,933		
Current assets	16,051	7,068		
Non-current liabilities	(2,768)	(25,275)		
Current liabilities	(8,792)	(9,160)		
Net assets	26,068	13,566		
Net assets attributable to NCI	2,742	3,396	–	6,138
Revenue	21,901	2,680		
Profit	7,553	(412)		
OCI	(940)	(739)		
Total comprehensive income	6,613	(1,151)		
Profit allocated to NCI	795	(103)	85	777
OCI allocated to NCI	(99)	(185)	(46)	(330)
Cash flows from operating activities	7,586	(4,135)		
Cash flows used in investment activities	(3,783)	(1,521)		
Cash flows (used in)/from financing activities (dividends to NCI: £nil)	(2,654)	339		
Net increase/(decrease) in cash and cash equivalents	1,149	(5,317)		

31 Operating leases

The Group leases adopted IFRS 16 on 1 October 2019. Comparative information for operating leases previously reported is here.

The Group has entered into commercial leases on certain items of property, plant and equipment. These leases have an average life of greater than five years. There are no restrictions placed on the Group by entering into these leases.

The total future value of minimum lease payments under non-cancellable operating leases for property, plant and equipment are as follows:

	2020 £000	2019 £000
Not later than one year	–	3,114
Later than one year and not later than five years	–	5,148
Later than five years	–	3,492
	–	11,754

32 Retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group and amounted to £3,112,000 (2019: £2,862,000). Contributions totalling £1,142,000 (2019: £1,268,000) were payable to the fund at the balance sheet date and are included in other payables.

33 Capital commitments

At 30 September 2020, the Group and Company had capital commitments as follows:

	Group 2020 £000	Group 2019 £000	**Company 2020 £000**	Company 2019 £000
Contracted for but not provided within these financial statements	**1,987**	822	–	–

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

34 Share-based payment

Share options

The Group operates equity settled share option schemes for certain employees. Options are exercisable at a price equal to the nominal value of the Parent Company's shares. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited, other than in limited circumstances, if the employee leaves the Group before the end of the vesting period. In these limited circumstances options will be exercisable in a specified period following termination of employment after which they will lapse.

The share options under the scheme are as follows:

Year ended 30 September 2020:

	Number of options						
Year	As at 1 October 2019	Granted in 2020	Exercised in 2020	Forfeited in 2020	As at 30 September 2020	Option Price[1]	Exercise period
2013	**222,000**	**–**	**(10,000)**	**–**	**212,000**	**0.10p**	**August 2016 to July 2023**
2015	**365,788**	**–**	**(118,534)**	**(11,414)**	**235,840**	**0.10p**	**March 2018 to February 2025**
2015	**64,140**	**–**	**(1,522)**	**(12,655)**	**49,963**	**0.10p**	**July 2018 to June 2025**
2016	**1,752,218**	**–**	**(1,191,886)**	**(36,331)**	**524,001**	**0.10p**	**March 2019 to February 2026**
2017	**417,767**	**–**	**(180,865)**	**(14,366)**	**222,536**	**0.10p**	**March 2020 to February 2027**
2018	**9,661,358**	**–**	**–**	**(1,740,482)**	**7,920,876**	**69.5p**	**January 2021 to January 2028**
2019	**12,383,000**	**–**	**(600)**	**(2,355,800)**	**10,026,600**	**58.5p**	**January 2022 to January 2029**
2020	**–**	**14,174,831**	**–**	**(499,502)**	**13,675,329**	**42.5p**	**February 2023 to February 2030**
2020	**–**	**2,100,000**	**–**	**–**	**2,100,000**	**31.5p**	**June 2023 to June 2030**

1 The option price is the nominal value of the Parent Company's shares for options issued except for the options issued in 2018, 2019 and 2020 for which the option price is the market price of the share on the date the options were granted.

Of the total number of options outstanding at 30 September 2020, 9,216,428 (2019: 2,404,146) were exercisable. In addition to all of the outstanding share options from 2013 to 2017, the balance of options exercisable also included 2,006,648 options from 2018, 3,522,100 options from 2019 and 2,443,340 options from 2020 which had vested early, not been exercised and had not lapsed. The early vests were due to employees leaving the Group as part of the structural efficiencies programme and the restructuring of management.

Options exercised in 2020 resulted in 1,503,407 shares being issued at a weighted average price of 0.1p. The related weighted average share price at the time of exercise was 43.0p per share.

Year ended 30 September 2019:

	Number of options						
Year	As at 1 October 2018	Granted in 2019	Exercised in 2019	Forfeited in 2019	As at 30 September 2019	Option Price[1]	Exercise period
2013	222,000	–	–	–	222,000	0.10p	August 2016 to July 2023
2015	505,600	–	(136,239)	(3,573)	365,788	0.10p	March 2018 to February 2025
2015	81,315	–	(13,173)	(4,002)	64,140	0.10p	July 2018 to June 2025
2016	2,915,538	–	(1,144,536)	(18,784)	1,752,218	0.10p	March 2019 to February 2026
2017	438,734	–	–	(20,967)	417,767	0.10p	March 2020 to February 2027
2018	10,386,769	–	–	(725,411)	9,661,358	69.5p	January 2021 to January 2028
2019	–	12,961,400	–	(578,400)	12,383,000	58.5p	January 2022 to January 2029

1 The option price is the nominal value of the Parent Company's shares for options issued except for the options issued in 2018 and 2019 for which the option price is the market price of the share on the date the options were granted.

Options exercised in 2019 resulted in 1,293,948 shares being issued at a weighted average price of 0.1p. The related weighted average share price at the time of exercise was 49.3p per share.

Share options issued in August 2013

Share options outstanding at the year-end had a weighted average exercise price of 0.1p and a weighted average remaining contractual life of three years. The fair value of the equity settled share options granted is estimated at the date of grant using the Black-Scholes Merton model taking into account the terms and conditions on which the options were granted. The expense recognised for these options during the year was £nil (2019: £nil).

Share options issued in March 2015 and July 2015

Share options outstanding at the year-end had a weighted average exercise price of 0.1p and a weighted average remaining contractual life of four years. The fair value of the equity settled share options granted is estimated at the date of grant using the Black-Scholes Merton model taking into account the terms and conditions on which the options were granted.

34 Share-based payment (continued)
The expense recognised for these options during the year was £nil (2019: £nil). This has been reflected in the income statement and included within operating costs.

Share options issued in March 2016
Share options outstanding at the year-end had a weighted average exercise price of 0.1p and a weighted average remaining contractual life of five years. The fair value of the equity settled share options granted is estimated at the date of grant using the Black-Scholes Merton model taking into account the terms and conditions on which the options were granted.

The expense recognised for these options during the year was £nil (2019: £252,000). This has been reflected in the income statement and included within operating costs.

Share options issued in March 2017
Share options outstanding at the year-end had a weighted average exercise price of 0.1p and a weighted average remaining contractual life of six years. The fair value of the equity settled share options granted is estimated at the date of grant using the Black-Scholes Merton model taking into account the terms and conditions on which the options were granted.

The credit recognised for these options during the year was £5,000 (2019: £147,000 expense). This has been reflected in the income statement and included within operating costs.

Share options issued in January 2018
In 2017 a decision was made to replace an element of cash bonuses for the year with an award of share options to be granted after the year-end this resulted in share options being issued in January 2018. Share options outstanding at the year-end had a weighted average exercise price of 69.5p and a weighted average remaining contractual life of seven years. The fair value of the equity settled share options granted is estimated at the date of grant using the Black-Scholes Merton model taking into account the terms and conditions on which the options were granted.

The expense recognised for these options during the year was £359,000 (2019: £414,000). This has been reflected in the income statement and included within operating costs.

Share options issued in January 2019
Share options outstanding at the year-end had a weighted average exercise price of 58.5p and a weighted average remaining contractual life of eight years. The fair value of the equity settled share options granted is estimated at the date of grant using the Black-Scholes Merton model taking into account the terms and conditions on which the options were granted.

The expense recognised for these options during the year was £819,000 (2019: £367,000). This has been reflected in the income statement and included within operating costs.

Share options issued in February 2020
Share options outstanding at the year-end had a weighted average exercise price of 42.5p and a weighted average remaining contractual life of nine years. The fair value of the equity settled share options granted is estimated at the date of grant using the Black-Scholes Merton model taking into account the terms and conditions on which the options were granted.

The expense recognised for these options during the year was £486,000 (2019: £nil). This has been reflected in the income statement and included within operating costs.

Share options issued in June 2020
Share options outstanding at the year-end had a weighted average exercise price of 31.5p and a weighted average remaining contractual life of nine years. The fair value of the equity settled share options granted is estimated at the date of grant using the Black-Scholes Merton model taking into account the terms and conditions on which the options were granted.

The expense recognised for these options during the year was £15,000 (2019: £nil). This has been reflected in the income statement and included within operating costs.

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

The total charge reflected in the consolidated income statement in relation to all of the above share-based transactions, and included within continuing operating costs was £1,047,000 (2019 restated: £943,000) and within discontinuing operating costs was £622,000 (2019 restated: £238,000). The share-based payment expense comprises:

	2020 £000	2019 £000
Equity settled schemes	**1,669**	1,181
Total share-based payment charge	**1,669**	1,181

The total charge reflected in the Company's income statement was £383,000 (2019: £243,000), all charged to operating costs in both years.

Notes Forming Part of the Financial Statements (continued)

for the year ended 30 September 2020

35 Related party transactions

Transactions between the Company and its subsidiary undertakings (see Note 19), which are related parties, amounted to £4,897,600 in the year (2019: £5,878,800). These transactions related to inter-company recharges. Balances with subsidiary undertakings are shown in notes 22 and 24. Details of transactions between the Group and other related parties are disclosed in the following note.

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

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Director	–	(60)	–	(60)
Total	–	(60)	–	(60)

The loan from Malcolm Pye, the former Chief Executive Officer, was repaid in December 2019.

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

	Transaction values for the year ended 30 September		Balance outstanding as at 30 September	
	2020 £000	2019 £000	**2020 £000**	2019 £000
Sales of goods and services				
Salmar Genetics AS[1]	**552**	118	–	–
Benchmark Genetics (Thailand) Limited[2]	**39**	–	**15**	–
Benchmark Genetics Chile S.A.[1]	–	1,667	–	–
Great Salt Lake Brine Shrimp Cooperative, Inc[2]	**351**	268	**57**	17
Andromeda S.A.[3]	**2,745**	155	**319**	30
Purchases				
Benchmark Holdings Limited Executive Pension scheme[4]	**6**	54	–	–
Great Salt Lake Brine Shrimp Cooperative, Inc[2]	**26,021**	23,338	**8,671**	6,335

1 Joint venture
2 Associate
3 A Director is a director of the parent undertaking of Andromeda S.A.
4 Pension scheme of a Director

Remuneration for key management personnel is included within Note 7.

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

36 Contingent liabilities

There is a full cross guarantee in respect of certain borrowings of other Group undertakings. Total such borrowings of other Group undertakings at 30 September 2020 were £nil (2019: £nil).

37 Notes supporting statement of cash flows

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

	2020 £000	2019 £000
Group		
Cash at bank and in hand	**71,605**	16,051
Cash and cash equivalents	**71,605**	16,051
Company		
Cash at bank and in hand	**47,825**	840
Cash and cash equivalents	**47,825**	840