The Group is divided into four operating divisions: Shipbroking, Technical, Logistics and Environmental. These work together to offer a unique combination of skills for clients, at any time, anywhere in the world.

We recognise that the needs of our clients are ever-changing and our aim is to provide a skilled and professional workforce to address those needs.

We will continue to develop our worldwide presence to meet the challenges of our international marketplace.
2011 key highlights

Financial highlights

Revenue

£126.1m

2010: £119.0m

Pre-tax profit before amortisation

£14.8m

2010: £15.0m

Earnings per share before amortisation

53.84p

2010: 53.22p

Cash at 28 February 2011

£25.6m

28 February 2010: £27.9m

Final dividend per share up 5%, full year 26.00p

17.00p

2010: 25.00p (up 4%)

Operational highlights

Purchase of the business and certain assets of BMT Marine and Offshore Surveys Limited.

Shipbroking profits 7% ahead.

Successful consolidation and relocation of our businesses in Singapore.

Integration and re-branding of our technical services businesses with an improved outlook for the year ahead.

Estimated forward order book deliverable in 2011/12 – £23m.
Warranty survey services around the globe; clients operate primarily in the insurance, shipping and offshore industries. In its last financial year it reported normalised EBITDA of £0.9 million. This acquisition enables our Technical division to deliver a truly global service to our clients.

Dividend
I am pleased to announce that the Directors are recommending for approval at the Annual General Meeting a final dividend of 17.0 pence per ordinary share (an increase of 5%), to be paid on 27 July 2011 to shareholders on the register at the close of business on 1 July 2011. Together with the 9.0 pence interim dividend, the Company’s dividend for the year will be 26.0 pence (2010: 25.0 pence), a rise of 4%. The dividend is covered 1.86 times by earnings. This is the eighth year in succession that the Company has increased its dividend.

Board changes
During the year, Alastair Farley was appointed to the Board, bringing with him a wealth of experience in the shipping industry.

Richard Agutter will retire from the Board later this year having completed over nine years of service. I would like to thank him for his outstanding contribution over the years.

Outlook
While economists and politicians continue to debate the speed and extent of the recovery, both in the UK and globally, we are well placed in our major markets and enter the new financial year with a healthy pipeline of business. Our estimate of the shipbroking forward order book deliverable over the course of the financial year 2011/12 stands at £23 million (US$36 million) compared with £28 million (US$42 million) at 1 March 2010. We also expect to see an improvement in the performance of our Technical division in the coming year.

Braemar, across all divisions, is a first-class company and among the leaders in its various markets. On behalf of the Board, I would like to express our thanks to all our staff throughout the world for their commitment over the past year; it is this that underlines my confidence that Braemar will continue to play a leading role in the markets in which it operates.

Chairman’s statement

Overview
Our markets in shipping and oil and gas services have had a turbulent year and against this backdrop the overall performance of the Group has been robust. This is testament to the quality of our employees, their experience and their ability to respond in a challenging environment. Group revenues grew 6% to £126.1 million; pre-tax profits before amortisation were £14.8 million compared with £15.0 million in 2009/10 and pre-tax profits after amortisation were £13.2 million compared with £13.5 million in 2009/10. Basic earnings per share (EPS) were 48.41 pence (2010: 47.93 pence) and EPS excluding amortisation were also similar to last year at 53.84 pence (2010: 53.22 pence).

We saw the continuation of the global economic recovery during the financial year and this was particularly strong in Asia. Alongside that shipping continues to benefit from a growth in demand for raw materials which has provided good support to the dry bulk sector, despite the delivery of new tonnage. Similarly the tanker market is being sustained by growing oil demand from the East at a time when the economies in the United States and Europe remain sluggish.

Asia
For some years we have been building our presence in Asia which has become the world’s most important region for international shipping. This year we successfully consolidated all our businesses in Singapore which now employs 110 staff in a single office. From this base we are expanding in the region, particularly in shipbroking where we have opened new tanker chartering and sale & purchase broking desks. One of our executive Directors, Denis Petropoulos, has relocated to Singapore to lead this important development.

Operations
Over the past few years we have acquired a number of complementary technical businesses. We are announcing today the integration and re-branding of these businesses under a common name, Braemar Technical Services, with a geographic management structure. This will support the marketing of our marine surveying, engineering, energy loss-adjusting and consulting disciplines to our international client base and consequently reinforces the leading market position we have in this division.

We are also pleased to announce today the purchase of the business and certain assets of BMT Marine and Offshore Surveys Limited for a cash consideration of £2.4 million. The business provides hull and machinery, P&I and Marine Warranty survey services around the globe; clients operate primarily in the insurance, shipping and offshore industries. In its last financial year it reported normalised EBITDA of £0.9 million. This acquisition enables our Technical division to deliver a truly global service to our clients.
Braemar business model

Our aim is to grow by increasing our geographical presence in shipbroking and by investing in other related marine services businesses.

A proven track record of creating sustainable value for our shareholders

<table>
<thead>
<tr>
<th>Year</th>
<th>Group revenue (£m)</th>
<th>Adjusted earnings per share (pence)</th>
<th>Adjusted profit before tax (£m)</th>
<th>Dividends (pence)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>126.1</td>
<td>48.41</td>
<td>13.2</td>
<td>26.0</td>
</tr>
<tr>
<td>2010</td>
<td>119.0</td>
<td>47.93</td>
<td>13.5</td>
<td>25.0</td>
</tr>
<tr>
<td>2009</td>
<td>127.1</td>
<td>56.70</td>
<td>16.2</td>
<td>24.0</td>
</tr>
<tr>
<td>2008</td>
<td>101.0</td>
<td>48.99</td>
<td>14.7</td>
<td>23.0</td>
</tr>
<tr>
<td>2007</td>
<td>73.8</td>
<td>36.90</td>
<td>11.0</td>
<td>19.0</td>
</tr>
</tbody>
</table>
We have four complementary divisions...

Braemar Shipping Services plc provides management and strategic support to our four divisions

Business divisions by operating profit
- Shipbroking: 83%
- Technical: 8%
- Logistics: 7%
- Environmental: 2%
...offering a range of relevant services...

<table>
<thead>
<tr>
<th>Shipbroking</th>
<th>Technical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services provided:</td>
<td>Services provided:</td>
</tr>
<tr>
<td>+ Tanker chartering – crude oil, clean products, LPG, LNG, chemicals</td>
<td>+ Warranty services</td>
</tr>
<tr>
<td>+ Dry bulk chartering</td>
<td>+ Energy loss adjusting</td>
</tr>
<tr>
<td>+ Ship valuations</td>
<td>+ Marine engineering and naval architecture</td>
</tr>
<tr>
<td>+ FFA contracts</td>
<td>+ Marine consultancy</td>
</tr>
<tr>
<td>+ LPG trading</td>
<td>+ Vessel and condition surveys</td>
</tr>
<tr>
<td>+ LNG consultancy</td>
<td>+ Ship construction supervision</td>
</tr>
<tr>
<td>+ Offshore – chartering and sale and purchase</td>
<td>+ Failure mode and effect analysis</td>
</tr>
<tr>
<td>+ Containers – chartering and sale and purchase</td>
<td>+ Marine cargo surveys</td>
</tr>
<tr>
<td>+ Sale and purchase – second-hand, newbuilding, demolition</td>
<td>+ DP Audits</td>
</tr>
<tr>
<td></td>
<td>+ Shipyard risk assessments</td>
</tr>
<tr>
<td></td>
<td>+ Towage approvals</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Logistics</th>
<th>Environmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services provided:</td>
<td>Services provided:</td>
</tr>
<tr>
<td>+ Port and liner agency</td>
<td>+ Pollution control</td>
</tr>
<tr>
<td>+ Ship-to-ship transfers</td>
<td>+ Incident response</td>
</tr>
<tr>
<td>+ Hub agency</td>
<td>+ Salvage services</td>
</tr>
<tr>
<td>+ Customs clearance</td>
<td>+ Marine and port services</td>
</tr>
<tr>
<td>+ Supply chain management</td>
<td>+ Accredited training and environmental consultancy</td>
</tr>
<tr>
<td>+ Freight forwarding</td>
<td>+ Crisis management and emergency response advisers</td>
</tr>
<tr>
<td>+ Worldwide consolidation</td>
<td>+ Industrial services and tank cleaning technologies</td>
</tr>
<tr>
<td>+ Project cargoes</td>
<td>+ MARPOL waste reception facilities</td>
</tr>
<tr>
<td>+ Cruise ship support</td>
<td>+ Airport services</td>
</tr>
<tr>
<td>+ Recycling</td>
<td>+ Forensic science services</td>
</tr>
<tr>
<td></td>
<td>+ Response facility management</td>
</tr>
</tbody>
</table>

Number of employees
- Shipbroking: 288
- Technical: 222
- Logistics: 232
- Environmental: 60

Number of employees
- Technical: 222
- Environmental: 60
- Logistics: 232
- Shipbroking: 288
A well positioned business... to a diverse number of growth industries...

**Global Steel production**
The dry cargo shipping markets are seeing a significant increase in the shipment of iron ore to allow for increasing steel production.

**Sector: Dry Cargo**

**Global Steel production**
Million tonnes

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2010</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,145.25</td>
<td>1,429.98</td>
<td>1,861.49</td>
</tr>
</tbody>
</table>

**Growth 2005 – 2010**: +25%

**Growth forecast 2010 – 2015**: +30%

**Global Oil production**
The forecast for oil production shows a steady and increasing chart enabling the Group’s Technical division to increase the services they supply in this sector.

**Sector: Oil and Gas**

**Global oil production**
Thousand barrels per day

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2010</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>81,261.00</td>
<td>81,227.00</td>
<td>87,933.00</td>
</tr>
</tbody>
</table>

**Growth 2005 – 2010**: 0%

**Growth forecast 2010 – 2015**: +8%

**Container movements**
Increased shipping movements in the container market are enhancing the business undertaken in both the logistics and shipbroking divisions.

**Sector: Containers**

**Container Lifts at Global Top 50 ports**
Million TEU

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2010</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>440.00</td>
<td>505.00</td>
<td>650.00</td>
</tr>
</tbody>
</table>

**Growth 2005 – 2010**: +15%

**Growth forecast 2010 – 2015**: +29%

**Global Shipbuilding output**
The current oversupply of ships across nearly all markets is set to decline in the near term.

**Sector: Shipbuilding**

**Global Shipbuilding output**
Million gross tonnes

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2010</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>123.48</td>
<td>50.08</td>
<td>85.00</td>
</tr>
</tbody>
</table>

**Growth 2005 – 2010**: +147%

**Growth forecast 2010 – 2015**: -31%

Source: Braemar Seascope Research
...in regions where demand is strong.
Chief Executive’s strategic review

Our teams in Australia and India have had a strong year and we are establishing new desks in Singapore.

Technical 2011 Highlights
Deep water drilling activity in West Africa and Brazil is increasing and we have established a new Technical office in Rio de Janeiro.

Logistics 2011 Highlight
Cory has licensed its port call operational computerised system ‘ShipTrak’ to new customers.

Environmental 2011 Highlight
Our industrial services arm successfully undertook two large tank cleaning contracts.

Overview
The Group’s strategy is to maintain and grow its international marine and energy services businesses.

Braemar is a people business built on the quality and professionalism of its staff and the strength of its client relationships. We have always made a substantial commitment to recruitment and training. I am delighted that many of our recruits have developed into skilled professionals and we are able to send them to parts of the world that do not have the same pool of available talent, where they can put their high level of professionalism to effective use.

Our global network of offices provides a strong platform from which to serve our clients. Over the past 12 months all over the world we have all seen incidents or sudden changes in circumstances, not least the BP Macondo incident, the earthquake and tsunami in Japan and the recent political turmoil sweeping North Africa and the Middle East. It is our job to help our clients respond to such events, which we do with shipbroking as well as with bespoke shipping research, marine surveying, loss-adjusting and engineering consulting.

Colleagues
Everyone across the Group has worked very hard throughout the year, with skill and commitment second to none, and I wish to thank them all sincerely for their contribution.

Alan Marsh FICS
Chief Executive
9 May 2011
Our strategy
Our strategy is to maintain and grow our international marine and energy services businesses.

Our vision
To continue to develop our worldwide presence to meet the challenges of our international marketplace.

Shipbroking
Expansion of our geographical presence and disciplines within each office.

Market

Client base
Shipowners, charterers, yards, banks, oil, gas and commodities companies, trading houses, demolition contractors and financial institutions.

Drivers
Supply and demand for vessels, number of skilled brokers and the competition.

Economic factors:
World trade, price and supply of raw materials (particularly oil, coal and iron ore), the availability of finance, exchange rates (particularly relative to the US dollar).

Technical
Harness combined skill-sets across the globe and maximise benefit of office network.

Market
International. Defined by skill-sets, expertise and track record. Contractual – Project or time based.

Client base
Major oil and gas companies, insurance companies, ship and rig owners.

Drivers
New investment projects including exploration activity, natural catastrophes, newbuilding activity and ordering, fleet size, staff skill-sets.

Logistics
Enhance international links and develop logistics capabilities.

Market
One off fee or project income. Relationship based. Cory presence in UK and Singapore.

Client base
Major oil and gas companies and charterers (wet, dry, container and cruise ships) and a wide variety of shippers.

Drivers
Number of clients and their activity level (port calls). UK and Far East trade and relative competitiveness.

Environmental
Grow customer base.

Market
Incident driven. Defined by response capability and skill-sets. Presence in the UK and Africa.

Client base
Ports, major shipowners and charterers.

Drivers
Environmental and safety regulation, legislation and government training. Major oil or chemical spill incidents. Customer relationships.
Global strategic successes

Location:
Australia
Shipbroking
The Group’s new premises in Singapore provide an ideal platform for greater client service and enhanced value through all divisions being located in the new offices.
Global strategic successes

Location:
Gulf of Mexico, USA
The Division is being re-organised under a single banner to enable all divisional companies to offer a wider range of services.
Global strategic successes

Location: Singapore
Cory Brothers has continued to develop its international links through strategic partnerships in Brazil and Gibraltar.
A successful response to an oil spill was undertaken in extreme weather conditions.
Shipbroking profits (before amortisation and tax) were up 7% in a year when global freight rates have been turbulent.

On 1 March 2010 the Baltic Dry Index stood at 2,760 and by the end of our financial year (28 February 2011) it was 1,251 having reached a high of 4,209 on 26 May 2010 and a low of 1,043 on 4 February 2011. The average for that period was 2,497 and on 9 May 2011 it stood at 1,314.

Freight rates in the cape market were constrained by the continuous additions to the fleet and in our final quarter the high volume of coal shipments from Queensland, Australia was significantly disrupted by high cyclonic rainfall which damaged the mines and rail infrastructure to the ports. Supramax and handysize markets were remarkably resilient and steady, with little volatility in either the Atlantic or the Pacific basin. Underlying cargo demand remains strong but freight rates are being suppressed by the effect of new tonnage, and freight futures indicate that the market will remain soft. Our Dry Cargo teams in Australia and India have had a strong year with good support from the offices in London, Beijing and Singapore.

The influx of new tanker tonnage to the fleet continues to have an adverse effect on chartering rates. Commissions are being impacted by lower freight rates but we are pleased to see an increase in our volume of transactions, largely offsetting the lower rates. Our strategy of developing business with China and India has been beneficial and we have concluded significant VLCC business with both countries.

The refined-products shipping markets are also suffering from an over-supply of tonnage but volumes remain good. Since the terrible events in Japan, product distribution has grown, particularly in the larger sizes, and the added tonne miles have resulted in greater activity both for our London and Singapore offices.

### Review of operations

#### Shipbroking - Braemar Seascope

<table>
<thead>
<tr>
<th>Revenue</th>
<th>£61.6m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>61.6</td>
</tr>
<tr>
<td>2010</td>
<td>57.4</td>
</tr>
<tr>
<td>2009</td>
<td>60.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating profit</th>
<th>£14.3m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>14.3</td>
</tr>
<tr>
<td>2010</td>
<td>13.3</td>
</tr>
<tr>
<td>2009</td>
<td>15.0</td>
</tr>
</tbody>
</table>

#### Shipbroking offices

- London
- Singapore
- Aberdeen
- Beijing
- Delhi
- Genoa
- Melbourne
- Monte Carlo
- Mumbai
- Perth
- Shanghai

Braemar Seascope have been particularly active in providing LNG consultancy services to major clients.
The crude oil price has risen sharply as both Chinese and Indian demand continues to grow. The unrest in Libya and other recent tension in the Middle East, combined with the increase in demand, have made both crude and refined oils the currency of speculators, with traders anticipating further price spikes. This has had a direct impact on the cost of fuel oil used as bunkers, which is now some US$200 per tonne higher than last year, putting pressure on owners’ returns. This, in turn, means the repayment of the capital cost of the asset comes under strain, placing further pressure on owners to consider their strategy. Our dedicated projects section is often involved in assisting clients in those strategic discussions and as a result our period charter book continues to remain strong.

Our specialist chartering teams both in chemicals and liquefied petroleum gas (LPG) have extended and added further contracts with large clients resulting in both desks ending this year ahead of the one before. It is also encouraging that the LPG physical product broking section has grown its client base and continues to be a valuable addition to the division.

The liquefied natural gas (LNG) market is maturing and many power projects have now been completed or are nearing completion, and the vessels delivered ahead of the completion of these projects have been absorbed. This has meant that freight rates are now at a level which returns a profit, although many owners have some way to go to make up for earlier losses suffered in previous thin markets. We have been active in this sector during the year particularly in the provision of consulting services.

The market for offshore supply vessels was relatively subdued in 2010, but the rising oil price is stimulating drilling activity and investment, which we expect will lead to higher demand and better vessel use. Our offshore team, based in London, Aberdeen and Singapore has had a good year both for chartering and project business.

The process of inventory re-stocking during 2010 by many businesses fuelled a resurgence in demand for container tonnage in a quest for market share and further gains on profitable routes. The competition for market share caused a rapid increase in charter rates although the subsequent additional tonnage being pushed into the market ultimately put more pressure on freight rates, which have been steadily falling over the past quarter. Our chartering team has succeeded in transacting a good level of longer-term business during this period.

The container sale and purchase market remains extremely tight, with sales candidates limited and prices very firm, due to the number of competing buyers. As a result we have seen increasing newbuilding activity and it seems likely this will remain a focus for the main players in the coming months.

Over the past year second-hand vessel values and newbuilding prices have been generally stable in most ship categories and our team has conducted a good level of business both in the wet and dry sectors.

The worldwide volume of demolition business has been lower than expected, partly due to the closure of yards in Bangladesh for some of the year, but our share remains high and demolition is an important aspect of the full service we provide.

Our newbuilding activity has been surprisingly resilient particularly with Chinese and South Korean yards which for the most part have order books covering the next three years. During the year we established new sale and purchase desks in Singapore and Monaco which allows us to serve an extended client base.
Review of operations

continued

Revenue from China operations lagged behind during the year although the second half showed an improvement. The outlook for 2011 for the Group is good and so far the year has begun well with opportunities for growth in geotechnical services and work from deep water drilling activity.

Our energy loss adjusting business (Braemar Steege) performed in line with expectations. Claims activity in the energy sector was below average throughout the year as most oil and gas exploration and production areas were not affected by natural disasters. Activity levels in the Gulf of Mexico dropped significantly following the BP Macondo incident and it will be some time before projects start moving again. Despite the magnitude of this incident, the impact on the insurance industry has been less than expected because of lower insurance cover. Activity in other deep water areas such as West Africa and Brazil has increased as investment has been transferred from the Gulf of Mexico. Braemar Steege has responded by establishing a new office in Rio de Janeiro and making greater use of the Group’s connections in Nigeria. The Singapore office continues to grow from strong regional activity in Asia and Australia, where access to Group resources throughout the region is also supporting development. Instructions on expert witness cases remain steady and provide a good source of income while new energy claims are low.

The financial year was challenging for the marine engineering and naval architecture consulting business (Wavespec). They are pre-eminent in LNG supervisory and consulting work, but over the last two years very few LNG carriers have been ordered. In Houston this was compounded by the discontinuance of several projects that the office was advising on and by the reaction to the BP Macondo incident in April 2010 which stopped all work in the Gulf of Mexico. Looking forward to 2011/12 we are starting to see a recovery in LNG carrier construction both in terms of orders placed and expressions of interest. In addition, the burgeoning activity for Floating Storage and Re-gasification Units (FSRUs) and improvements in the offshore sector point to increased demand for the skill-sets in both the UK and US offices.

The economic environment in the US slowed the growth of our new cargo claims arm (Braemar Marine) which also has a presence in the UK and the Far East. As a consequence the division was absorbed into Braemar Falconer and has been restructured subsequent to this re-branding. In recent months a better base has been established from which to build.

We are reorganising the companies in our Technical division to operate as a single unit, which will give a greater ability to market all of the technical services we offer to our clients across the world. This will be rolled out over the coming quarter and as part of the process we are re-establishing the business along geographical lines with two regional sub-divisions in the Far East and the West.

The financial results for the Technical division did not meet our full expectations due to lower than anticipated activity in the new ventures of cargo loss adjusting and Wavespec’s consulting business in Houston, both of which have yet to achieve profitability. The division has begun the new financial year well and we expect a better overall performance for the year.

Our marine engineering and marine surveying business (Braemar Falconer) posted higher revenue compared to the previous year with the offices in Singapore, Malaysia, Vietnam and Indonesia all performing well. Regional rig move and drilling activity in the Far East picked up during the year and this trend is expected to continue in 2011. Marine warranty surveys, the main revenue stream of the Group, also grew by 20%. Revenue from China operations lagged behind during the year although the second half showed an improvement. The outlook for 2011 for the Group is good and so far the year has begun well with opportunities for growth in geotechnical services and work from deep water drilling activity.

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<table>
<thead>
<tr>
<th>Technical</th>
<th>Revenue</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£22.6m</strong></td>
<td><strong>£1.3m</strong></td>
<td></td>
</tr>
</tbody>
</table>

| 2011 | 22.6 | 2010 | 1.3 |
| 2010 | 22.7 | 2009 | 21.2 |

**Technical offices**

- Singapore
- Houston
- London
- Maldon
- Atlanta
- Calgary
- Jakarta
- Kuala Lumpur
- Lima
- Los Angeles
- Mexico City
- + Miami
- + Mumbai
- + Perth
- + Puerto Rico
- + Quito
- + Seattle
- + Shanghai
- + Shenzhen
- + Tianjin
- + Vung Tau

The Group’s Technical division has begun the new financial year well.

The financial results for the Technical division did not meet our full expectations due to lower than anticipated activity in the new ventures of cargo loss adjusting and Wavespec’s consulting business in Houston, both of which have yet to achieve profitability. The division has begun the new financial year well and we expect a better overall performance for the year.

Our marine engineering and marine surveying business (Braemar Falconer) posted higher revenue compared to the previous year with the offices in Singapore, Malaysia, Vietnam and Indonesia all performing well. Regional rig move and drilling activity in the Far East picked up during the year and this trend is expected to continue in 2011. Marine warranty surveys, the main revenue stream of the Group, also grew by 20%. Revenue from China operations lagged behind during the year although the second half showed an improvement. The outlook for 2011 for the Group is good and so far the year has begun well with opportunities for growth in geotechnical services and work from deep water drilling activity.

Our energy loss adjusting business (Braemar Steege) performed in line with expectations. Claims activity in the energy sector was below average throughout the year as most oil and gas exploration and production areas were not affected by natural disasters. Activity levels in the Gulf of Mexico dropped significantly following the BP Macondo incident and it will be some time before projects start moving again. Despite the magnitude of this incident, the impact on the insurance industry has been less than expected because of lower insurance cover. Activity in other deep water areas such as West Africa and Brazil has increased as investment has been transferred from the Gulf of Mexico. Braemar Steege has responded by establishing a new office in Rio de Janeiro and making greater use of the Group’s connections in Nigeria. The Singapore office continues to grow from strong regional activity in Asia and Australia, where access to Group resources throughout the region is also supporting development. Instructions on expert witness cases remain steady and provide a good source of income while new energy claims are low.

The financial year was challenging for the marine engineering and naval architecture consulting business (Wavespec). They are pre-eminent in LNG supervisory and consulting work, but over the last two years very few LNG carriers have been ordered. In Houston this was compounded by the discontinuance of several projects that the office was advising on and by the reaction to the BP Macondo incident in April 2010 which stopped all work in the Gulf of Mexico. Looking forward to 2011/12 we are starting to see a recovery in LNG carrier construction both in terms of orders placed and expressions of interest. In addition, the burgeoning activity for Floating Storage and Re-gasification Units (FSRUs) and improvements in the offshore sector point to increased demand for the skill-sets in both the UK and US offices.

The economic environment in the US slowed the growth of our new cargo claims arm (Braemar Marine) which also has a presence in the UK and the Far East. As a consequence the division was absorbed into Braemar Falconer and has been restructured subsequent to this re-branding. In recent months a better base has been established from which to build.
Cory Brothers returned to Cardiff this year by opening a new office for its Agency and Logistics businesses just a short distance from where the company was founded in 1842 and subsequently earned the right to use the Welsh Dragon as its logo.

Revenues in the Logistics division grew by 10% with forwarding, one-off projects and liner all contributing. Prospects are promising for the new financial year with an expected increase in activity from several major clients and projects on the back of business won in this year.

Port Agency continues to maintain its leading position within a depressed UK market, handling approximately 8,500 port calls annually (including hub managed calls). As anticipated, ship-to-ship operations activity continued throughout the year and are expected at least to maintain their volume in the current year. During 2010, Agency entered into agreements with a number of customers for the use of its highly-respected operational system ‘ShipTrak’.

Overseas activity increased with the Singapore office performing well with increased volume. The establishment of new partnerships in Brazil and Gibraltar will serve to develop the global Cory brand.

The weak UK economy and Government spending cuts constrained activity in the domestic market. However, in the latter part of the year the industrial services arm successfully undertook two large tank cleaning contracts and was also involved in a clean-up response for an oil spill. Looking ahead, the International division is gaining more enquiries and three new international projects are due to commence in the first quarter of the new financial year. These will be serviced by the company’s versatile and multi-skilled workforce.

Cory Brothers returned to Cardiff this year by opening a new office for its Agency and Logistics businesses just a short distance from where the company was founded in 1842 and subsequently earned the right to use the Welsh Dragon as its logo.

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2011 highlights

Cory Brothers achieves ISO 14001.

Braemar Seascope supports youth cricket.

Braemar Howells achieves safety award.

The Group strives to ensure that social responsibility is considered in all aspects of its business.

Human Resources
- The Group is dedicated to providing a fair and professional workplace for all of its employees.
- The Group aims to provide equal opportunities for all employees so that they can work without discrimination.

As a service company, the Group’s employees are vital to the success of the organisation and staff motivation and retention is a high priority across the entire Group. The Group has a long history of training its personnel and is committed to ensuring that all employees are empowered to realise their potential within the Group.

Many former trainees are now in senior positions not only within the Group but within the wider shipping community. Individuals who have begun their careers with the Group as trainees are now leading the way in establishing the Group’s presence around the world. The Group is proud of its achievements in this area.

The Group is dedicated to providing a fair and professional workplace for all of its employees and has a range of policies covering issues such as equal opportunities, bullying, harassment and whistleblowing to support this commitment.

The involvement of employees in the Group’s performance is encouraged where appropriate through participation in the annual discretionary bonus and share option schemes. The Group keeps its employees informed of all matters affecting their interests through managerial consultation and internal memoranda.

The Group is committed to ensuring consistency in its employment policies although differences in local conditions and legal requirements can arise due to the international nature of the business. The Group aims to provide equal opportunities for all employees so that they can work without discrimination on the grounds of race, religious or political beliefs, marital status, age, gender, sexual orientation or disability. The Group does not tolerate harassment of any kind in the workplace. The Group gives full and fair consideration to applications for employment from persons with a disability. If any employee were to become disabled while in employment of a Group company, it is the Group’s policy to make every effort to find continuing employment and arrange appropriate training for that employee, where possible.

Braemar Howells received the British Safety Council award in 2010 after continuing to ensure that all aspects of its business are conducted with health and safety at the forefront of all activities.
Health and Safety
+ The Board considers reports on Health and Safety from all companies within the Group regularly.
+ Regular audits are undertaken in order to comply with legal requirements and the Group’s procedures.

The Group is committed to operating high standards of Health and Safety, designed to minimise the risk of injuries and ill health of employees, contractors, visitors and any other persons who come into contact with the Group. The Board considers reports on Health and Safety from all companies within the Group regularly. In many parts of the Group, employees are office-based and the Health and Safety risks are managed in the offices locally. In the Technical and Environmental divisions, our employees may be field-based and the risks associated with these activities are actively monitored and managed by appropriate health and safety professionals. Regular audits are undertaken in order to comply with legal requirements and the Group’s procedures.

April 2010 saw Braemar Howells awarded the British Safety Council International Award for the ninth year. Notwithstanding the potentially hazardous nature of the work undertaken there were no major injuries or lost time incidents during the year.

Community
+ The Group gives support to young people in education in a number of ways.
+ The Fund provides companies with the opportunity to support their local community.

The Group is conscious that it is important to consider the good of the wider community in the conduct of its business. The Group has a continuing commitment to education whereby it provides sponsorship to a merchant navy cadet for his or her three years of training. This support recognises the need for training in the merchant navy which is indispensable in ensuring the future of shipping professionals. The Group gives support to young people in education in a number of ways; in London by actively supporting a local multi-faith school in its governance and in Vietnam, Jakarta and Singapore by providing industrial placements for students studying Offshore Engineering.

Cory Brothers are active supporters of the Port Community Fund in Felixstowe, UK. The Fund provides companies with the opportunity to support their local community and has provided trained volunteers as ‘special friends’ known as Befrienders for adults with learning disabilities, on a one to one basis.

By assisting in the development of fuel efficient engines, the environmental impact of shipping can be reduced to the minimum possible.

Environment
+ Management monitors the way in which Group companies manage their approach to the environment.
+ Recycling and energy efficiency are actively encouraged.

The Group recognises the importance of ensuring that the Group’s businesses are conducted with respect and care for the environment. The differing nature and location of its operations makes an all-embracing Group policy difficult to apply uniformly, but Group companies are responsible for devising environmental policies that are appropriate to their business. Management monitors the way in which Group companies manage their approach to the environment to ensure their activities have minimal adverse impact on the environment. Recycling and energy efficiency are actively encouraged where it is practical and efficient to do so.

Cory Brothers are shortly to secure ISO 14001 accreditation which is the internationally accepted standard that sets out how they have gone about putting in place an effective Environmental Management System (EMS).

Within the Group’s Technical Division, Wavespec is at the forefront in assisting clients to develop dual fuel diesel electric propulsion designs and conversion of slow speed diesel gas injection engines to allow liquefied natural gas (LNG) to be used as fuel thereby reducing the carbon footprint of LNG vessels.

Denis Petropoulos presented the Braemar Cup to the winners of the Bunbury match played on the test wicket at Lord’s between the Under 15’s England select team and the MCC select team.
Group revenue increased by 6%.

We have continued to recruit and headcount has increased to 802 of which 305 are based overseas.

Net assets at 28 February 2011 amounted to £64.8 million.

The Group generated £6.9 million of cash from operating activities.

Cash balances were £25.6 million at the end of the year.

Group revenue increased by 6% with a similar gross margin of 76.3% and an operating margin before amortisation of 11.5% (2010: 12.1%). Operating profits in Technical were lower, principally due to the new cargo loss adjusting activities and Wavespec’s consulting arm in Houston which have not yet reached profitability.

Operating costs (excluding amortisation) increased by 6.8% mainly due to an increase in staff numbers, a full year of activity from new and acquired businesses along with the effect of foreign exchange on the translation of overseas costs and office relocation costs in Singapore. We have continued to invest in our staff, and have continued to recruit and headcount has increased to 802 of which 305 are based overseas.

Foreign exchange
Over the year the US dollar weakened against most G20 currencies and the average rate of exchange for US dollar-denominated shipbroking earnings was $1.57/E (2010: $1.55/E). At 28 February 2011 the balance sheet rate for conversion was $1.63/E (28 February 2010: $1.52/E) and the Group held forward currency contracts to sell US$13.0 million at an average rate of $1.57/E and a variable forward window agreement to sell US$1.0 million per month with upper and lower limits of $1.4885 – $1.6510 between the months March 2011 and February 2012. During the year ended 28 February 2011, the Group recognised in the income statement a foreign exchange gain of £0.7 million that had been deferred at 28 February 2010.

Taxation
The effective rate of tax for the Group was 25.6% (2010: 28.2%). The improvement in the rate relative to the prior year is due to the mix of overseas profits, prior year over provisions and lower non-deductible expenditure. The provision for deferred tax is calculated using the reduced UK corporation tax rate of 27%. The further reductions from 27% to 26% together with the three further annual 1% cuts to 23% by April 2014 that were announced on 23 March 2011 are expected to reduce the rate in future years.

Balance sheet
Net assets at 28 February 2011 amounted to £64.8 million (2010: £59.1 million). Goodwill of £30.0 million mostly relates to our shipbroking business. Net current assets were £23.0 million within which the staff bonus represents the most significant liability and the majority of this was paid subsequent to the end of the Company’s financial year. There were no acquisitions during the year and there is a deferred consideration of £0.4 million (2010: £1.9 million) relating to acquisitions in previous years, most of which will be paid in cash during 2011/12.
Principal risks and uncertainties

Market risk
Shipment markets are influenced by a multitude of factors some of which are ongoing by nature (e.g. economic factors such as world trade and the demand for commodities) and others of which are one-off (e.g. geo-political events and extreme weather). The Group seeks to mitigate its exposure to any one driver or event by holding a presence in most bulk shipping markets and by investing in other shipping services businesses whose income is more fee or project based. Future earnings are also partly mitigated by the longer-term nature of some of the Group’s business and the forward order book.

Reputational risks
We view the Group’s reputation with existing and potential clients, staff and other business partners as critical to the ongoing success of the Group. Management seeks to ensure that staff are properly managed, trained and informed so that they can provide a top quality service to clients. The Group also seeks to adhere to all applicable laws, regulations and ethical standards.

Operational risks
The key operational risks are:

- Departure of key teams or staff which is managed through staff contracts and long and short-term incentive arrangements and the monitoring of market practice,
- Staff errors and/or omissions, for which the Group carries separate professional indemnity insurance,
- The failure of financial controls which is monitored by management reporting and oversight and other checks including internal audit; and
- The failure of support services such as communications systems and public utilities for which the Group maintains business continuity plans and back-up procedures.

A review of risks affecting all areas of the Group is prepared for consideration annually by the Audit Committee and appropriate actions are taken to address the risks identified.

Foreign exchange risk
Much of the Group’s income is earned in US dollars and therefore changes in the US dollar rate of exchange relative to the currencies in the countries where the Group operates (principally the pound sterling, Australian dollar, Singapore dollar and Indian Rupee) can have an effect on the reported results and net assets. The Group has a policy of hedging some of this exposure and does so by entering into forward foreign exchange contracts and currency options to limit the effect of currency fluctuations.

Liquidity risk
The Group has not had any borrowings for more than five years. For financial flexibility and to enable treasury efficiency, the Group maintains an overdraft facility of £5.0 million with the Group’s principal relationship bank, the Royal Bank of Scotland plc. The Group reviews the institutions with whom cash resources are held and has a significant level of cash affording it the ability to fund its operations from internal resources.

Credit risk
The Group is exposed to risk of non-payment by a trade debtor including the concentration of credit risk within market sectors. We consider the risk to be reduced due to the breadth and diversity of the Group’s customer base. Management monitors the level of outstanding trade receivables regularly following up to ensure appropriate steps are being taken to collect debts on a timely basis.

Interest rate risk
The Group aims to reduce its exposure to interest rate risk by market rates for the amount of funds deposited. Rates depending on cash requirements and the prevailing rates are generally held on overnight deposits at floating pool sterling cash balances across the UK group. Cash is held in Singapore. Cash balances were £25.6 million at the end of the year (28 February 2010: £27.9 million) and there was no debt.

Cash flow
The Group generated £8.9 million (2010: £11.0 million) of cash from operating activities during the year, after tax payments. This was used to make deferred consideration payments relating to previous acquisitions amounting to £1.3 million, capital expenditure of £1.5 million and dividend payments of £5.1 million. Capital expenditure includes costs associated with fitting out the new office in Singapore. Cash balances were £25.6 million at the end of the year (28 February 2010: £27.9 million) and there was no debt.

Financial performance by division

<table>
<thead>
<tr>
<th>Division</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shipbroking</strong></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Revenue</td>
<td>61,646</td>
<td>57,362</td>
<td>60,409</td>
</tr>
<tr>
<td>Operating profit before amortisation and central costs</td>
<td>14,309</td>
<td>13,324</td>
<td>14,990</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>23.2%</td>
<td>23.2%</td>
<td>24.8%</td>
</tr>
<tr>
<td>Employee numbers</td>
<td>288</td>
<td>272</td>
<td>218</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th><strong>Logistics</strong></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>35,119</td>
<td>31,899</td>
<td>40,797</td>
</tr>
<tr>
<td>Operating profit before amortisation and central costs</td>
<td>1,230</td>
<td>1,434</td>
<td>1,130</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>3.5%</td>
<td>4.5%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Employee numbers</td>
<td>232</td>
<td>235</td>
<td>232</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th><strong>Environmental</strong></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6,749</td>
<td>7,066</td>
<td>4,745</td>
</tr>
<tr>
<td>Operating profit/(loss) before amortisation and central costs</td>
<td>271</td>
<td>614</td>
<td>(165)</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>4.0%</td>
<td>8.7%</td>
<td>(3.5%)</td>
</tr>
<tr>
<td>Employee numbers</td>
<td>60</td>
<td>62</td>
<td>60</td>
</tr>
</tbody>
</table>

Foreign exchange risk
Much of the Group’s income is earned in US dollars and therefore changes in the US dollar rate of exchange relative to the currencies in the countries where the Group operates (principally the pound sterling, Australian dollar, Singapore dollar and Indian Rupee) can have an effect on the reported results and net assets. The Group has a policy of hedging some of this exposure and does so by entering into forward foreign exchange contracts and currency options to limit the effect of currency fluctuations.

Credit risk
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Interest rate risk
The Group aims to reduce its exposure to interest rate risk by market rates for the amount of funds deposited. Rates depending on cash requirements and the prevailing rates are generally held on overnight deposits at floating pool sterling cash balances across the UK group. Cash balances are generally held on overnight deposits at floating rates depending on cash requirements and the prevailing market rates for the amount of funds deposited.

James Kidwell FCA
Group Finance Director
9 May 2011

Financial performance by division

<table>
<thead>
<tr>
<th>Division</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Shipbroking</td>
<td>22,621</td>
<td>22,697</td>
<td>21,193</td>
</tr>
<tr>
<td>Operating profit before amortisation and central costs</td>
<td>1,319</td>
<td>2,325</td>
<td>4,156</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>5.8%</td>
<td>10.2%</td>
<td>19.6%</td>
</tr>
<tr>
<td>Employee numbers</td>
<td>222</td>
<td>202</td>
<td>178</td>
</tr>
</tbody>
</table>
Board of Directors

Non-executive Directors

Sir Graham Hearne CBE (73)
Chairman.

Committee memberships: None.

Background and relevant experience:
Qualified solicitor, formerly Chairman of Enterprise Oil plc.

Current external appointments:
Non-executive Chairman of Catlin PLC, non-executive Director of Rowan Companies Inc and Vallar PLC.

Richard Agutter (68)
Non-executive Director.
Senior Independent Director.

Committee memberships: Chairman of the Audit Committee, member of the Remuneration and Nominations Committees.

Background and relevant experience:
A Chartered Accountant he was a senior corporate finance partner of KPMG. He is the senior non-executive Director.

Current external appointments: Consultant with Corporate Finance Associates Limited.

John Denholm (54)
Non-executive Director.

Committee memberships: Chairman of the Remuneration Committee, member of the Audit and Nominations Committees.

Background and relevant experience:
A Chartered Accountant, currently Chairman of J&J Denholm Limited.


Alastair Farley (65)
Non-executive Director.

Committee memberships: Member of the Audit, Nominations and Remuneration Committees.

Background and relevant experience:
Qualified solicitor and a founding partner of Watson, Farley & Williams LLP, a firm of international lawyers, and senior partner from 1982-1999. He remains a senior adviser there. Formerly a non-executive Director of Close Brothers Group plc.

Current external appointments: Chairman of Seaguard Offshore Group, Director of Nautilus Holdings Limited, Opus Portfolio Group, Gyroscopic Fund Limited and J&P (Overseas) Limited and senior adviser to Chandris Group.

David Moorhouse CBE (64)
Non-executive Director.

Committee memberships: Chairman of the Nominations Committee, member of the Audit and Remuneration Committees.

Background and relevant experience:
Formerly Chairman of Lloyd’s Register, adviser to UK DTI on technology exports, trustee of the National Maritime Museum and Director of Sovcomflot London.

Current external appointments: Trafalgar House Trustees Limited, Chairman of Maritime London.

Richard Agutter (68)
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Senior Independent Director.

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Background and relevant experience:
Formerly Chairman of Lloyd’s Register, adviser to UK DTI on technology exports, trustee of the National Maritime Museum and Director of Sovcomflot London.

Current external appointments: Trafalgar House Trustees Limited, Chairman of Maritime London.

Executive Directors

Alan Marsh FICS (61)
Chief Executive Officer.

Background and relevant experience:

Current external appointments: Director of ITIC (professional indemnity club for ship agents, brokers and managers) and President of the Institute of Chartered Shipbrokers.

Quentin Soanes (56)
Executive Director with responsibility for Business Development and the Logistics, Technical and Environmental divisions.

Background and relevant experience:
Established Braemar Shipbrokers in 1983.

Current external appointments: Director of the Baltic Exchange.

Denis Petropoulos (54)
Executive Director with responsibility for tanker chartering and development in Singapore where he is now based.

Background and relevant experience:
Established Braemar Tankers in 1986.

Current external appointments: None.

James Kidwell FCA (49)
Group Finance Director.

Background and relevant experience:
Chartered Accountant. Formerly Finance Director of Boosey & Hawkes Music Publishers Limited and Group Financial Controller of Carlton Communications PLC.

Current external appointments: None.
Report of the Directors
for the year ended 28 February 2011

The Directors submit their report and the audited accounts for Braemar Shipping Services plc, registered number 2286034, for the year ended 28 February 2011, which were approved by the Board on 9 May 2011.

Principal activities and review of business
The Company operates through a number of subsidiaries and joint ventures. A review of the Group’s activities including principal risks and uncertainties, business drivers, key performance indicators and future prospects is contained in the Chief Executive’s review of the business on pages 8 to 17, the Corporate social responsibility report on pages 22 and 23, the Financial review on pages 24 and 25 and the Corporate Governance statement on pages 29 to 31. The Group’s business segments and their activities are described on pages 5 to 7.

Results and dividends
The Group profit before taxation for the year amounted to £13.2 million (2010: £13.5 million). Details of the results are set out in the consolidated income statement on page 38 and in the related notes. Details of dividends paid during the period are set out in note 8 to the Accounts. The Directors are recommending the payment of a final dividend of 17.0 pence per share on 27 July 2011 to shareholders on the register at the close of business on 1 July 2011.

Share capital
During the year ended 28 February 2011 the Company issued 23,184 new shares pursuant to the exercise of employee share options.

At 28 February 2011 the total issued ordinary share capital was 21,086,106 shares of 10 pence each. All of the Company’s shares are fully paid up and quoted on the London Stock Exchange Plc’s Official List. The rights and obligations attaching to the Company’s ordinary shares as well as the powers of the Company’s Directors, are set out in the Company’s Articles of Association, copies of which can be obtained from Companies House, or by writing to the Company Secretary. There are no restrictions on the voting rights attaching to or the transfer of the Company’s issued ordinary shares.

No person holds securities in the Company carrying special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions in the transfer of securities or voting rights. The Company’s Articles of Association may be amended by special resolution of the Company’s shareholders. There are a number of agreements that take effect, alter or terminate upon a change of control of the Company, such as commercial contracts and joint venture agreements. None is considered to be significant in terms of their potential impact on the business of the Group as a whole.

At the forthcoming Annual General Meeting, shareholders will be asked to consider a renewal of the Directors’ authority to allot shares. Details are contained in the Notice of the Annual General Meeting.

Purchase of own ordinary shares
The Directors are authorised to make market purchases of the Company’s ordinary shares under an authority granted by the Annual General Meeting held on 23 June 2010. No purchases were made under this authority during the year. In accordance with ABI investor Protection Guidelines, the maximum number of ordinary shares which may be acquired is 10% or less of the Company’s issued ordinary shares as at 9 May 2011.

The Directors will seek the renewal of this authority at the 2011 Annual General Meeting in Resolution 10 in accordance with the Company’s Articles of Association. The Directors have no immediate intention of exercising the authority but they will keep the matter under review. Purchases will only be made if they result in an expected increase in earnings per share and will take into account other available investment opportunities, appropriate gearing levels and the overall position of the Company. Any shares purchased in accordance with this authority will subsequently be cancelled. The total number of options to subscribe for shares that were outstanding as at 9 May 2011 was 695,311, being 3.3% of the issued share capital. If the authority to purchase shares is used in full, the proportion of issued share capital represented by this number of options would amount to 3.7%.

Directors and their interests
The Directors of the Company during the year and at the date of this report are shown on page 26. The Directors’ beneficial interests, including family interests in the shares of the Company at 28 February 2011, were as follows:

<table>
<thead>
<tr>
<th>Directors’ name</th>
<th>Shares</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Agutter</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>John Denholm</td>
<td>7,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Sir Graham Hearne</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Alastair Farley</td>
<td>2,895</td>
<td></td>
</tr>
<tr>
<td>James Kidwell</td>
<td>96,417</td>
<td>89,750</td>
</tr>
<tr>
<td>Alan Marsh</td>
<td>1,244,406</td>
<td>1,237,739</td>
</tr>
<tr>
<td>David Moorhouse</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Denis Petropoulos</td>
<td>579,858</td>
<td>573,191</td>
</tr>
<tr>
<td>Quentin Soanes</td>
<td>1,180,677</td>
<td>1,174,010</td>
</tr>
</tbody>
</table>

Directors’ interests in share options are set out on page 36.

The Directors, in common with other employees of the Group also have an interest in 817,242 (2010: 871,760) ordinary 10 pence shares held by Close Trustees Guernsey Limited on behalf of the Employee Share Ownership Plan. During the year, the Board resolved to acquire additional shares in the market to be used for employee share awards. 174,900 shares were acquired at an average price of 519 pence (see note 23).

The Directors held no material interest in any contract of major significance entered into by the Company or its subsidiaries during the period. There have been no changes in Directors’ interests between 28 February 2010 and 9 May 2011.

During the year, the Group maintained cover for its Directors and officers and those of its subsidiary companies under a Directors’ and officers’ liability insurance policy, as permitted by the Companies Act 2006.

Substantial shareholdings
At 7 May 2011, the Directors have been notified or are aware of the following persons who directly or indirectly are interested in 3% or more of the issued ordinary share capital of the Company:

<table>
<thead>
<tr>
<th>Directors’ name</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alan Marsh</td>
<td>5.9%</td>
</tr>
<tr>
<td>Quentin Soanes</td>
<td>5.6%</td>
</tr>
<tr>
<td>Majedie Asset Management</td>
<td>6.36%</td>
</tr>
<tr>
<td>BlackRock Investment Management</td>
<td>5.47%</td>
</tr>
<tr>
<td>Legal &amp; General</td>
<td>3.52%</td>
</tr>
</tbody>
</table>

During the year, the Board approved the payment of a final dividend of 17.0 pence per share on 27 July 2011 to shareholders on the register at the close of business on 1 July 2011.

Results and dividends
The Group profit before taxation for the year amounted to £13.2 million (2010: £13.5 million). Details of the results are set out in the consolidated income statement on page 38 and in the related notes. Details of dividends paid during the period are set out in note 8 to the Accounts. The Directors are recommending the payment of a final dividend of 17.0 pence per share on 27 July 2011 to shareholders on the register at the close of business on 1 July 2011.

Share capital
During the year ended 28 February 2011 the Company issued 23,184 new shares pursuant to the exercise of employee share options.
Report of the Directors
for the year ended 28 February 2011 continued

As far as the Company is aware there are no other persons with significant direct or indirect holdings in the Company. Information provided to the Company pursuant to the Financial Services Authority’s (FSA) Disclosure and Transparency Rules (DTRs) is published on a Regulatory Information Service and the Company’s website.

Payments to suppliers
Group companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Group policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all relevant terms and conditions. The Company has no trade creditors (see note 20).

Employee relations
Information on employee relations is set out in the Corporate Social Responsibility report on pages 22 and 23.

Donations
During the year the Group made charitable donations amounting to £26,035 (2010: £19,562) to a range of different charities. No political donations were made during the period.

Financial instruments
The Group’s financial risk management objectives and policies are set out in the Corporate Governance statement on page 31 and in the Financial review on page 25.

The Group’s statement on Corporate Governance can be found on pages 29 to 31 and forms part of this Directors’ report and is incorporated into it by cross-reference.

Statement of Directors’ responsibilities
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 that law they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and 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 and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

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 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors’ Report, Directors’ Remuneration Report and Corporate Governance Statement 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.

Each of the Directors, whose names and functions are listed on page 26 confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group and the Company; and
- the Chief Executive’s review and the Financial review include a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each of the persons who are Directors at the time when the report is approved, the following applies:

(a) so far as the Director is aware, there is no relevant audit information of which the Company’s auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company’s auditors are aware of that information.

A resolution to re-appoint KPMG Audit Plc as auditors to the Company, at remuneration to be agreed by the Directors will be proposed at the forthcoming Annual General Meeting. A resolution will also be proposed authorising the Directors to determine the auditors’ remuneration.

Annual General Meeting
The 2011 Annual General Meeting of the Company will be held at 12 noon on 22 June 2011 at the Oak Room 3, Lancaster London, Lancaster Terrace, London W2 2TY. A separate document accompanying the Annual Report and Accounts contains the Notice convening the Annual General Meeting and a description of the business to be conducted thereat.

By Order of the Board
Laura Bugden
Company Secretary
9 May 2011
Corporate Governance
for the year ended 28 February 2011

Braemar Shipping Services plc is committed to ensuring high standards of Corporate Governance. This statement together with the Remuneration Report on pages 32 to 36 describes how the Company has applied the principles of good Corporate Governance during the year ended 28 February 2011.

The Board endorses the main principles and provisions set out in the Combined Code on Corporate Governance of the Financial Reporting Council (“the Combined Code”), which was published in June 2008. The Board believes that the Company has been compliant with the Combined Code throughout the year. Although it is not applicable to the year, the Company has also complied with the main provisions of the UK Corporate Governance Code issued by the Financial Reporting Council in May 2011 (“the Code”).

The Board
The Board is responsible to shareholders for the effective direction and control of the Group and it aims to provide entrepreneurial leadership within a framework of prudent and effective controls, enabling risks to be assessed and managed.

The Board currently comprises the Chairman, four independent non-executive Directors and four executive Directors. During the year, Alastair Farley was appointed to the Board as an independent non-executive Director. The Board believes that its current composition is appropriate having regard to the Company’s size and activities.

The non-executive Directors, none of whom has fulfilled an executive role within the Company, are appointed for an initial three-year term serving under letters of engagement, which contain a formal one-month notice period. Sir Graham Hearne chairs the Board and is not a member of any of the Board’s sub-committees. Richard Agutter is the senior independent non-executive Director and he chairs the Audit Committee; John Denholm chairs the Remuneration Committee and David Moorhouse chairs the Nominations Committee.

The executive Directors are engaged under service agreements, each of which can be terminated on 12 months’ notice.

The Board met seven times during the year and the attendance by the Directors is set out below. Board meetings include reviews of financial and business performance and consideration and monitoring of business risks and opportunities. The following matters are specifically reserved for the Board’s consideration and approval:

- Group strategy;
- the Group budget;
- major capital expenditure, disposals or leasing arrangements;
- choice of key corporate advisers;
- acquisitions and disposals;
- Group financial and treasury policy including dividends and borrowing;
- establishing Board committees and setting their terms of reference; and
- internal control arrangements.

On a periodic basis, the Board receives reports on its activities from the senior management of a subsidiary company or a head of department. The Group has also undertaken a strategy process involving the Board and some senior divisional managers. All Directors are provided with appropriate and timely information and are properly briefed on Board matters. In the furtherance of his duties any Director may take independent professional advice or receive training, if necessary, at the Company’s expense.

During the year, the Board and its committees conducted a review of the effectiveness of their operations. The review process was led by a non-executive Director and entailed each Director completing an assessment questionnaire, the results of which were summarised for consideration by the Board. The Chairman and non-executive Directors meet without the presence of executive Directors from time to time and the senior independent non-executive Director held a meeting with the Chairman to consider his effectiveness as Chairman.

Under the Company’s Articles of Association, Directors should submit themselves for re-election every three years. The Directors retiring by rotation at the Annual General Meeting and offering themselves for re-election are Richard Agutter, John Denholm and David Moorhouse. Richard Agutter has served on the Board for over nine years and will retire later in the year. In addition, Alastair Farley, who was appointed to the Board during the year, submits himself for re-election. The Nominations Committee and the Board all unanimously support these elections. Biographical information on the Directors can be found on page 26 of this Annual Report.
Relations with shareholders
The Board recognises the importance of maintaining good communications with both institutional and private shareholders. For several years the Group has pursued an active investor relations programme conducted primarily through regular meetings of the Chief Executive and Finance Director with existing and potential institutional investors following both the interim and preliminary announcements of the results of the Group. Feedback on shareholder meetings is provided via the Group’s corporate stockbroker or public relations adviser. Corporate announcements are also made available on the Group’s website.

The Board exercises care to ensure that all information, including that which is potentially price-sensitive, is released to all shareholders at the same time in accordance with applicable legal and regulatory requirements.

The Company encourages attendance at its Annual General Meeting where each resolution is separately put to the meeting and where the Chairman and/or Chief Executive makes a statement on the current year’s performance to date and the near-term financial outlook.

Board Committees
The number of meetings of the Board and its committees and the attendance of those meetings by each member is set out below:

<table>
<thead>
<tr>
<th>Number of meetings</th>
<th>Board</th>
<th>Audit Remuneration Committee</th>
<th>Remuneration Committee</th>
<th>Nominations Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-executive Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sir Graham Hearne</td>
<td>7/7</td>
<td>3/3</td>
<td>3/3</td>
<td>2/2</td>
</tr>
<tr>
<td>Richard Agutter</td>
<td>7/7</td>
<td>3/3</td>
<td>3/3</td>
<td>2/2</td>
</tr>
<tr>
<td>John Denholm</td>
<td>7/7</td>
<td>3/3</td>
<td>3/3</td>
<td>2/2</td>
</tr>
<tr>
<td>David Moorhouse</td>
<td>6/7</td>
<td>3/3</td>
<td>3/3</td>
<td>2/2</td>
</tr>
<tr>
<td>Alastair Farley(1)</td>
<td>1/7</td>
<td>1/3</td>
<td>1/3</td>
<td>1/2</td>
</tr>
<tr>
<td><strong>Executive Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alian Marsh</td>
<td>7/7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>James Kidwell</td>
<td>7/7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denis Petropoulos</td>
<td>7/7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quentin Soanes</td>
<td>7/7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Alastair Farley was appointed to the Board on 11 January 2011 and has attended all meetings since his appointment.

Each of the Board committees comprises solely non-executive Directors. The composition and responsibilities for the Audit, Remuneration and Nominations Committee are as follows:

Audit Committee
Non-executive Directors: Richard Agutter (Chairman), John Denholm, David Moorhouse and Alastair Farley.

Although the Board as a whole has a statutory responsibility for the preparation and publication of the Company’s accounts, the Audit Committee reports to the Board and takes responsibility for the following matters:

- review of the internal control procedures and risk assessment process;
- planning with the external auditors the half-year review and full-year audit programme including agreement with the external auditors of the nature and scope of the audit, together with the level of the audit fee set in the context of the overall audit plan;
- reviewing with the external auditors their audit findings and responses to the matters raised, including any issues or reservations the auditors may have;
- reviewing the half-year and annual financial statements before they are submitted to the Board;
- setting the policy on the appointment of the external auditors for the supply of non-audit services having regard to the level of fees for both audit and non-audit work;
- reviewing the need for an internal audit department; and
- reviewing the insurance arrangements for the Group.

The Audit Committee places great emphasis on the cost-effectiveness, independence and objectivity of the audit function. Company policy is that fees paid to auditors for non-audit services do not exceed audit fees unless such non-audit services are reviewed and approved by the Audit Committee.

The Audit Committee conducted a review of the provision of audit services to the Company during the year and placed a competitive tender for the provision to five audit providers, including two outside of the Big 4 firms. After consideration of the tenders received, the audit was awarded to KPMG Audit Plc.

During the year, the Audit Committee has reviewed the key risks that affect the Group, as explained under the section on Risk management and internal control. In connection with this, the Chairman of the Audit Committee is overseeing the development of the internal audit agenda which provides assurance to the committee that the financial controls which exist in the Group are effective at mitigating the risks it is exposed to. The Audit Committee has reviewed and approved the fees paid to the auditors at the meeting held prior to the end of the financial year and in addition to the committee meetings held, the Chairman of the Audit Committee has continued to have regular meetings with the Group audit partner.
**Nominations Committee**
Non-executive Directors: David Moorhouse (Chairman), Richard Agutter, John Denholm and Alastair Farley.

The Nominations Committee considers the balance of skills and experience of the Board membership and makes recommendations to the Board on the appointment of new Directors. For each new appointment the Nominations Committee considers, amongst other things, the appropriateness of the qualifications and experience of the candidate for the role to be fulfilled and their availability to devote time to the job. Details of the Directors’ other professional commitments are set out in the biographical details on page 26.

The Nominations Committee also reviews the appointment of non-executive Directors at the expiration of their three-year service letter of engagement.

**Remuneration Committee**
Non-executive Directors: John Denholm (Chairman), Richard Agutter, David Moorhouse and Alastair Farley. A report of the Remuneration Committee is set out on pages 32 to 36.

**Risk management and internal control**
The Directors acknowledge the requirements of the Combined Code and seek to review all aspects of risk management in relation to each part of the Group. These risks include, but are not limited to, staff errors and/or omissions, non-compliance with industry standard procedures, loss of broker teams, effectiveness of internal control systems, industry sector consolidation, currency exposure, credit risk and the effectiveness of financial control. Management monitor these risks through internal management meetings, subsidiary Board meetings and regular dialogue with departmental heads. A summary of key risks and internal controls is prepared for consideration at the Audit Committee on an annual basis. These processes to monitor risk have been in place throughout the year and up to the date of approval of the Annual Report. The Company also holds professional indemnity insurance to an amount considered adequate for its size and potential exposure.

The Directors acknowledge their responsibility for the implementation and effectiveness of the Group’s system of internal controls in accordance with the Turnbull guidance. These are designed to identify and manage the particular risks to which the Group is exposed. By their very nature these controls can only provide reasonable but not absolute assurance against material misstatement or loss. The effectiveness of the system of internal controls has been reviewed by the Audit Committee during the year and action taken to strengthen the controls if necessary.

A Group budget is prepared annually and approved by the Board. The performances of the Group and the individual operating units are monitored against budget throughout the year and significant variances are investigated. Regular re-forecasts for the remainder of the financial year are prepared during the year.

An internal system of checks and authorisations is operated and independent audits are conducted in relation to the ISO 9001:2000 certification which Braemar Seascope Limited, Cory Brothers Shipping Agency Limited, Braemar Howells Limited and Braemar Falconer Pte all undertake.

There is also an internal whistleblowing procedure through which any member of staff may raise, in confidence, any concerns they may have about the way the Group is run or business is conducted.

The Group has foreign currency exposure which arises as a result of the majority of its shipbroking earnings being denominated in US dollars while the majority of its costs are denominated in £ sterling. The treasury policy and objective in relation to foreign currencies is to limit the exposure to currency risk by covering a proportion of expected foreign currency denominated future income up to two years forward. This exposure is managed through the use of treasury instruments; principally forward foreign exchange contracts and currency options. The Group manages its exposure to fluctuations in interest rates by pooling its UK bank accounts under an offset agreement. The Board monitors treasury activity through regular reporting by the Finance Director. The Group does not enter into speculative transactions.

**Accountability and audit**
A statement of the Directors’ responsibilities for preparing the financial statements is included in the Report of the Directors on pages 27 and 28. This Corporate Governance report forms part of the Directors’ report on pages 27 and 28.

**Going concern**
After making enquiries, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue to trade for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.
Remuneration Report
for the year ended 28 February 2011

This report to shareholders provides the information required by Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. A resolution will be put to shareholders at the Annual General Meeting on 22 June 2011 inviting them to approve this report.

The Remuneration Committee comprises the following non-executive Directors:

John Denholm (Chairman), Richard Agutter, David Moorhouse, Alastair Farley joined the committee on 1 March 2011. The Chairman, Chief Executive and Finance Director attend by invitation.

The responsibilities of the Remuneration Committee are:

• to determine on behalf of the Board and shareholders the Group’s overall policy for executive remuneration;
• to determine individual remuneration packages for each of the executive Directors of the Company, including their base salary and all performance-related elements including bonus arrangements, profit share schemes, equity participation schemes, other long-term incentive schemes, pension and other benefits;
• to review the introduction and to determine the terms of all bonus, profit share or equity participation schemes or any other schemes intended to reward and incentivise employees of the Group and to review the participation of the executive Directors and senior executives in such schemes, including the award of any bonuses and the grant of rights or options thereunder; and
• to maintain an overview of policy in relation to the remuneration and conditions of service of other senior executives within the Group.

In discharging these responsibilities the Remuneration Committee may call for information and advice from advisers inside and outside the Group. During 2010/11, the Remuneration Committee took advice from the Chief Executive, Alan Marsh.

Remuneration policy

The remuneration of the executive Directors is determined after a review of the individual’s performance and after taking account of comparable arrangements for other companies of similar size and activity. The Remuneration Committee has adopted a remuneration policy based on the principles:

• that the executive Directors should be rewarded fairly, competitively and at a level that will attract, motivate and retain Directors of an appropriate calibre; and
• that the executive Directors’ remuneration should be aligned, as far as possible, with the performance of the Group.

The Remuneration Committee will continue to apply this policy in the coming year and currently intends to apply this policy in the financial years subsequent to that. No Director is involved in deciding his own remuneration.

The executive Directors’ remuneration packages are reviewed on a regular basis and presently comprise:

• a competitive base salary;
• annual bonus based on performance;
• defined contribution scheme pension contributions linked to base salary;
• life and medical insurance and similar benefits; and
• share options and long-term incentive plan awards.

The Remuneration Committee considers that the individual elements of the executive Directors’ remuneration packages constitute an appropriate balance between fixed and variable remuneration. The individual elements are described below:

Base salary

Each executive Director’s base salary is reviewed annually on performance, achievement of objectives and comparative salaries.

Annual bonus

The Remuneration Committee believes that a significant proportion of the executive Directors’ overall remuneration package should be an annual bonus based on the performance of the Group, in order to provide an incentive to management and to align their interests with those of the shareholders. The bonus policy rewards executive Directors based on achieving earnings per share in excess of a hurdle figure. This excess is then applied to a weighting selected for each participant. The hurdle figure for the year ended 28 February 2011 was 21.27 pence giving an excess of 27.14 pence. The hurdle was raised by 3% since the previous year. As in prior years, in determining the hurdle figure, the Remuneration Committee took into account factors such as the relative strength and cyclical nature of the shipping markets and their influence on the base hurdle figure, the relative importance of less cyclical non-broking businesses and the general rate of inflation. This policy was established some years ago and has been reviewed regularly to ensure it remains appropriate.

Where an executive Director has specific responsibilities for a subsidiary company or section of the Group, the Remuneration Committee believes it appropriate that an element of the executive Director’s annual bonus may be determined by reference to that responsibility. In the year to 28 February 2011 the annual bonuses awarded to each of the executive Directors was determined solely with reference to the performance of the Group, except in the case of Quentin Soanes where a component of his bonus was related to specific achievement.

The performance-related element of the executive Directors’ remuneration for the past two years is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alan Marsh</td>
<td>40%</td>
<td>43%</td>
</tr>
<tr>
<td>James Kidwell</td>
<td>44%</td>
<td>47%</td>
</tr>
<tr>
<td>Denis Petropoulos</td>
<td>50%</td>
<td>53%</td>
</tr>
<tr>
<td>Quentin Soanes</td>
<td>49%</td>
<td>48%</td>
</tr>
</tbody>
</table>

The annual bonus is not pensionable.

In deciding his own remuneration.

No Director is involved
Deferred Bonus Plan
The Group operates the Braemar Seascope Group PLC Deferred Bonus Plan (“the DBP”) whereby part of the annual performance-related bonus can be delivered in the form of awards over ordinary shares in the Company, on a discretionary basis, to staff including executive Directors (“Awards”). Under the DBP, the shares subject to the Awards are held in an employee trust for three years and are released to the participants (so that the participants become absolutely entitled to the shares) at the end of that period provided that the participants remain in employment with the Group at that time (or have ceased to be employed in certain specified circumstances).

In the financial year commencing 1 March 2010 and in subsequent financial years, the Remuneration Committee commenced operating the DBP in conjunction with the Braemar Shipping Services plc 2010 Company Share Option Plan (the “2010 CSOP”) (see below under the heading “Discretionary Options”) to enable UK tax resident individuals to benefit, to the maximum extent possible, from the growth in value of the shares subject to the Awards in a tax-efficient manner.

When Awards are granted under the terms of the DBP, a corresponding option will be granted to each UK tax resident participant under the terms of the 2010 CSOP (“Option”). The Options will vest on the same terms as and on the same date as the corresponding Awards granted under the DBP and, accordingly, vesting of the Options will not be subject to the satisfaction of performance conditions and the Options must be exercised within two days following the vesting date. On exercise of an Option the participant will be required to pay an exercise price per share equal to the market value of such a share on the date of grant of the Option. The maximum amount payable by any individual on exercise of an Option in full (and hence the maximum value of the shares subject to each participant’s Option) will be £30,000. Options which are granted under the 2010 CSOP in conjunction with the DBP will be satisfied by the transfer of existing shares held in an employee trust.

Unlike awards granted under the DBP, provided that the Options are exercised more than three years after the date of grant (or within three years on the cessation of employment in special circumstances), no income tax or employees’ or employer’s National Insurance contributions will be payable, on exercise, on the growth in value of the shares subject to the Options. The growth in value of the shares from the date of grant may be subject to capital gains tax on a subsequent disposal of the shares.

The number of shares in respect of which the Awards granted under the DBP will vest will be reduced in the event that the value, as at vesting, of the Option exceeds the value, as at vesting, of the corresponding Award. (In those latter circumstances, the number of shares in respect of which the DBP Award will vest will be reduced to zero.)

At 28 February 2011 unvested Awards over a total of 501,631 shares were outstanding under the DBP (2010: 573,775). In respect of the year to 28 February 2011 Awards over 129,000 shares were made (inclusive of Awards over 104,750 shares which were also the subject of corresponding Non-Performance options under the 2010 CSOP – see discretionary options below).

Pensions
The Group’s trading subsidiaries operate a number of defined contribution pension schemes or make other similar arrangements for individual members as appropriate. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and the various individual employees’ retirement plans.

The principal scheme in the UK is the Braemar Seascope Pension Scheme which is a Company-sponsored money purchase scheme. The scheme is administered by trustees and an indemnity in relation to their services as a trustee is given by the sponsoring company.

Alan Marsh and Quentin Soanes do not receive an employer’s pension contribution.

Benefits
Benefits provided relate mainly to the provision of medical, life and permanent health insurance.

Share options
The Company operates a discretionary share option scheme, the Braemar Seascope Group 1997 Executive Option Scheme (“the 1997 Scheme”) which has now been superseded by the Braemar Shipping Services 2010 Executive Options Scheme (“the 2010 Scheme”) and two all-employee save-as-you-earn option schemes called the Braemar Seascope Group PLC 2003 Savings-Related Share Option Scheme (“the SAYE Scheme”) and the Braemar Shipping Services plc 2008 International Savings-Related Share Option Scheme (“the International SAYE Scheme”). No option may be granted under either scheme which would result in the total number of shares issued or remaining issuable under all of the schemes (or any other Group share schemes), in the ten-year period ending on the date of grant of the option, exceeding 10% of the Company’s issued share capital (calculated at the date of grant of the relevant option).
The SAYE Scheme
Under the SAYE Scheme, options may be granted to UK employees (including executive Directors) to acquire a number of shares at a future date at a price that is up to 20% below the share price at the time the option is granted. The grant of the option is linked to a contract to make monthly savings to enable the employee to build up the amount required to fund the option exercise price. Exercise of options granted under the SAYE scheme is not subject to the achievement of a performance target. This scheme operates within UK tax legislation. The SAYE Scheme was first launched in July 2003 and options have been granted once each year since then. Options over 32,816 shares under the SAYE Scheme were granted on 1 December 2010. These options were granted at a 20% discount to the prevailing market price. All UK employees who participate in the SAYE Scheme are entitled to do so on the same terms. The rules of the SAYE Scheme (which are approved by HM Revenue and Customs) do not permit performance conditions to be applied to the options.

The Remuneration Committee believes the SAYE Scheme, which offers staff a tax effective way of saving money and acquiring an equity interest in the Company, both helps attract and retain staff and aligns the interests of staff and shareholders. As at 28 February 2011, there were options outstanding over 580,240 shares under the SAYE Scheme (2010: 620,092 shares) of which options over 19,548 shares were held by executive Directors (2010: 19,548 shares).

The International SAYE Scheme
In 2009 the Company established the International SAYE Scheme to enable share options to be granted to its employees resident in Australia and Singapore. The International SAYE Scheme closely resembles the SAYE Scheme (as described above) in its operation. On 30 December 2010 options over 23,668 shares were granted under the International SAYE Scheme to employees resident in Singapore and Australian. As at 28 February 2011, there were options outstanding over 108,071 shares under the International SAYE Scheme (2010: 84,403 shares).

Discretionary options
The 1997 Scheme provided for the grant of options to employees (including executive Directors) to acquire shares in the Company at a price equal to the market value of a share at the time of grant of the options. The 1997 Scheme has terminated with the result that no further options may be granted by the Remuneration Committee under that scheme.

Options granted under the 1997 Scheme have, since July 2002, been subject to a performance condition that the growth in the Company’s average adjusted earnings per share over a period of no less than three financial years must exceed the growth in the retail prices index (“RPI”) over the corresponding period by no less than 3% per annum compounded. None of the options granted prior to 2002 remain outstanding. The performance condition was chosen to test whether or not there had been a sustained and significant improvement in the Group’s financial performance over a continuous period. There is no retesting of performance conditions.

The Remuneration Committee determines whether the performance condition has been met using earnings per share information contained in the Group’s Annual Report and Accounts.

As at 28 February 2011, there were options over 7,000 shares outstanding under the 1997 Scheme.

The 2010 CSOP was adopted by the Remuneration Committee on 5 March 2010. The 2010 CSOP provides for the grant of options to employees (including executive Directors) to acquire shares in the Company at a price equal to the market value of a share at the time of grant of the options. The 2010 CSOP provides for the grant of two types of option – “Non-Performance Options” and “Performance Options”. “Non-Performance Options” will be granted to employees only in conjunction with the grant to such employees of an award under the terms of the DSP. Unlike Performance Options, the vesting and exercise of Non-Performance Options will not be subject to the satisfaction of performance conditions (although exercise will be dependent on continued employment with the Group other than in certain special circumstances). During the year to 28 February 2011 104,750 Non-Performance Options and no Performance Options were granted under the 2010 CSOP.

While the Remuneration Committee considers that discretionary share options can be an appropriate method of incentivising senior executives, the Remuneration Committee has no current intention to grant Performance Options under the 2010 CSOP. The Remuneration Committee is intending to continue to grant awards under the Braemar Seascope Group PLC 2006 Long Term Incentive Plan (“the LTIP”) to incentivise executive Directors (see below).

Long Term Incentive Plan
The Company established the LTIP in 2006. Participation in the LTIP is intended to be limited to executive Directors and senior managers of the Group. In May 2010 awards were made under the LTIP in the following amounts to the executive Directors:

<table>
<thead>
<tr>
<th>Name</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Kidwell</td>
<td>40,000</td>
</tr>
<tr>
<td>Alan Marsh</td>
<td>75,000</td>
</tr>
<tr>
<td>Denis Petropoulos</td>
<td>33,644</td>
</tr>
<tr>
<td>Quentin Soanes</td>
<td>47,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>196,144</strong></td>
</tr>
</tbody>
</table>

The LTIP is designed to deliver benefits to participants in the form of either an option to subscribe for shares at nominal value or a conditional right to receive shares at nil cost. The awards will normally vest over a period of three years, provided there has been sustained and significant improvement in the Group’s financial performance over the corresponding period. No award may be granted under the LTIP which would result in the total number of shares issued or remaining issuable under the LTIP (or any other Group share schemes) in the ten-year period ending on the date of grant of the award exceeding 10% of the Company’s issued share capital (calculated at the date of grant of the relevant award).

No individual may receive an award of shares with a market value which exceeds 100% of salary in any financial year.
The performance condition applied to the awards is based on the Group’s earnings per share over a period of three years – a condition chosen to align the interests of the Directors and shareholders by measuring sustained performance over the longer term. The awards will vest as to 50% of the shares if the Group’s average adjusted earnings per share has increased by RPI plus 4% and will vest as to 100% of the shares if the Group’s average adjusted earnings per share has increased by RPI plus 10% and will vest as to between 50% and 100% of the shares on a sliding scale if the Group’s average adjusted earnings per share has increased by RPI plus more than 4% but less than 10%. Providing the performance condition has been met, the awards will vest in three tranches: one third on each of the third, fourth and fifth anniversaries of the date of grant of the awards.

The table showing the Directors’ share incentives is set out on page 36.

Contracts of service
The Company’s policy on executive Directors’ service contracts is that they should be rolling contracts terminable on no more than 12 months’ notice by either party. The non-executive Directors do not have service contracts but serve under letters of engagement. The policy on the terms that the non-executive Directors serve under is that they are appointed for a fixed three-year term renewable by mutual consent, but terminable by either party on one month’s notice. In the event of early termination of service contracts (or letters of engagement as applicable), each Director is entitled to payment in lieu of notice equal to their basic salary (or fee as applicable) and contractual benefits for the notice period as set out below. The policy on termination payments to Directors is that the Company does not normally make payments beyond its contractual obligations. In exceptional circumstances, an ex gratia payment may be considered based on the circumstances of the Director’s departure and their past contribution.

Details of Directors’ service contracts/letters of engagement (as applicable) are as follows:

<table>
<thead>
<tr>
<th>Date of Unexpired Notice</th>
<th>Contract/Letter term period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive</strong></td>
<td></td>
</tr>
<tr>
<td>Alan Marsh</td>
<td>5 Jan 2009 12 months 12 months</td>
</tr>
<tr>
<td>James Kidwell</td>
<td>20 Feb 2003 12 months 12 months</td>
</tr>
<tr>
<td>Denis Petropoulos</td>
<td>10 Oct 2001 12 months 12 months</td>
</tr>
<tr>
<td>Quentin Soanes</td>
<td>18 Mar 2008 12 months 12 months</td>
</tr>
<tr>
<td>Sir Graham Hearne</td>
<td>24 June 2009 13 months 1 month</td>
</tr>
<tr>
<td>Richard Agutter</td>
<td>19 Feb 2008 1 month</td>
</tr>
<tr>
<td>John Denholm</td>
<td>18 June 2008 1 month 1 month</td>
</tr>
<tr>
<td>Alastair Farley</td>
<td>19 Jan 2011 32 months 1 month</td>
</tr>
<tr>
<td>David Moorhouse</td>
<td>19 Feb 2008 1 month</td>
</tr>
</tbody>
</table>

**Non-executive Directors**
The remuneration of the non-executive Directors is determined by the Board with reference to comparable organisations and roles.

Performance graph
Set out below is the Company’s total shareholder return performance over the last five years rebased to be compared with the FT All Share Index. The index has been chosen as it represents the overall return achieved in the UK equity market.

![Performance Graph](image-url)
Directors’ emoluments (audited)

For the year ended 28 February 2011 the individual emoluments by Director are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Salary/Fee</th>
<th>Performance-related bonus</th>
<th>Benefits</th>
<th>Pension</th>
<th>Year ended 28 Feb 2011</th>
<th>Year ended 28 Feb 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alan Marsh</td>
<td>500,000</td>
<td>340,240</td>
<td>5,845</td>
<td>–</td>
<td>846,085</td>
<td>888,160</td>
</tr>
<tr>
<td>James Kidwell</td>
<td>230,000</td>
<td>212,348</td>
<td>2,767</td>
<td>34,500</td>
<td>479,615</td>
<td>506,628</td>
</tr>
<tr>
<td>Denis Petropoulos</td>
<td>180,042</td>
<td>212,348</td>
<td>3,654</td>
<td>27,006</td>
<td>423,051</td>
<td>448,590</td>
</tr>
<tr>
<td>Quentin Soanes</td>
<td>260,000</td>
<td>249,848</td>
<td>2,881</td>
<td>–</td>
<td>512,729</td>
<td>501,969</td>
</tr>
<tr>
<td><strong>Non-executive Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sir Graham Hearne</td>
<td>100,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Richard Agutter</td>
<td>35,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>35,000</td>
<td>35,000</td>
</tr>
<tr>
<td>John Denholm</td>
<td>35,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>35,000</td>
<td>35,000</td>
</tr>
<tr>
<td>Alastair Farley</td>
<td>4,936</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>4,936</td>
<td>–</td>
</tr>
<tr>
<td>David Moorhouse</td>
<td>35,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>35,000</td>
<td>35,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,379,978</td>
<td>1,014,784</td>
<td>15,147</td>
<td>61,506</td>
<td>2,471,416</td>
<td>2,550,347</td>
</tr>
</tbody>
</table>

(1) Appointed 11 January 2011. Alastair Farley’s fees are in respect of the period from appointment to 28 February 2011.

Directors’ share incentives (audited)

The numbers of ordinary shares subject to options held by Directors and granted under the SAYE Scheme and the LTIP are set out below:

<table>
<thead>
<tr>
<th>Director</th>
<th>Date of Grant</th>
<th>Number at 1 Mar 2010</th>
<th>Number at 28 Feb 2011</th>
<th>Exercise price (pence)</th>
<th>Date options exercisable</th>
<th>Date options expire</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Kidwell</td>
<td>SAYE 1 Feb 09</td>
<td>4,887</td>
<td>4,887</td>
<td>196.4</td>
<td>1 Feb 12</td>
<td>1 July 12</td>
</tr>
<tr>
<td></td>
<td>LTIP 11 May 07</td>
<td>20,000</td>
<td>13,333</td>
<td>11 May 10</td>
<td>11 May 17</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LTIP 7 May 10</td>
<td>–</td>
<td>40,000</td>
<td>7 May 13</td>
<td>7 May 20</td>
<td></td>
</tr>
<tr>
<td>Alan Marsh</td>
<td>SAYE 1 Feb 09</td>
<td>4,887</td>
<td>4,887</td>
<td>196.4</td>
<td>1 Feb 12</td>
<td>1 July 12</td>
</tr>
<tr>
<td></td>
<td>LTIP 11 May 07</td>
<td>20,000</td>
<td>13,333</td>
<td>11 May 10</td>
<td>11 May 17</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LTIP 7 May 10</td>
<td>–</td>
<td>75,000</td>
<td>7 May 13</td>
<td>7 May 20</td>
<td></td>
</tr>
<tr>
<td>Denis Petropoulos</td>
<td>SAYE 1 Feb 09</td>
<td>4,887</td>
<td>4,887</td>
<td>196.4</td>
<td>1 Feb 12</td>
<td>1 July 12</td>
</tr>
<tr>
<td></td>
<td>LTIP 11 May 07</td>
<td>20,000</td>
<td>13,333</td>
<td>11 May 10</td>
<td>11 May 17</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LTIP 7 May 10</td>
<td>–</td>
<td>33,644</td>
<td>7 May 13</td>
<td>7 May 20</td>
<td></td>
</tr>
<tr>
<td>Quentin Soanes</td>
<td>SAYE 1 Feb 09</td>
<td>4,887</td>
<td>4,887</td>
<td>196.4</td>
<td>1 Feb 12</td>
<td>1 July 12</td>
</tr>
<tr>
<td></td>
<td>LTIP 11 May 07</td>
<td>20,000</td>
<td>13,333</td>
<td>11 May 10</td>
<td>11 May 17</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LTIP 7 May 10</td>
<td>–</td>
<td>47,500</td>
<td>7 May 13</td>
<td>7 May 20</td>
<td></td>
</tr>
</tbody>
</table>

No consideration was payable on the grant of any of the outstanding options held by Directors during the year ending 28 February 2011. The performance conditions applying to the outstanding awards held by Directors under the LTIP are set out in the description of the LTIP above. No performance targets apply to the outstanding options held by Directors under the SAYE Scheme. The market price on the date of maturity on 12 May 2010 of the Directors’ LTIP awards was 500 pence giving a value of £33,335 for each Director on vesting.

The closing mid-market share price on 28 February 2011 was 456 pence and the range of closing prices during the year ended 28 February 2011 was 420 pence to 558 pence.

No other Director who served during the year held any share options. Directors’ interests are set out on page 27.

Non-executive Directors are not permitted to participate in the 1997 Scheme, the SAYE scheme, the 2010 CSOP or the LTIP.

The Directors’ remuneration report above was approved by the Board on 9 May 2011 and signed on its behalf by:

**John Denholm**
Chairman, Remuneration Committee
9 May 2011
Independent auditors’ report to the members of Braemar Shipping Services plc

We have audited the financial statements of Braemar Shipping Services plc for the year ended 28 February 2011 set out on pages 38 to 69. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of Directors and auditors

As explained more fully in the Directors’ Responsibilities Statement set out on page 28, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s (APB’s) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB’s website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

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 28 February 2011 and of the Group’s profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors’ Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- information given in the Corporate Governance Statement set out on pages 30 and 31 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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 to be audited 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; or
- a Corporate Governance Statement has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the Directors’ statement, set out on page 31, in relation to going concern;
- the part of the Corporate Governance Statement on pages 29 to 31 relating to the Company’s compliance with the nine provisions of the June 2008 Combined Code specified for our review and
- certain elements of the report to shareholders by the Board on Directors’ remuneration.

John Luke (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square, London E14 5GL
9 May 2011
## Consolidated income statement
for the year ended 28 February 2011

<table>
<thead>
<tr>
<th>Continuing operations</th>
<th>Notes</th>
<th>28 Feb 2011 £’000</th>
<th>28 Feb 2010 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2</td>
<td>126,135</td>
<td>119,024</td>
</tr>
<tr>
<td>Cost of sales</td>
<td></td>
<td>(29,897)</td>
<td>(28,094)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>96,238</td>
<td>90,930</td>
</tr>
<tr>
<td>Operating costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating costs excl.</td>
<td>2,3</td>
<td>12,929</td>
<td>12,900</td>
</tr>
<tr>
<td>amortisation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>12</td>
<td>(81,744)</td>
<td>(76,550)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12,929</td>
<td>12,900</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(83,309)</td>
<td>(78,030)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>2,3</td>
<td>12,929</td>
<td>12,900</td>
</tr>
<tr>
<td>Finance income</td>
<td>6</td>
<td>177</td>
<td>193</td>
</tr>
<tr>
<td>Finance costs</td>
<td>6</td>
<td>(14)</td>
<td>(2)</td>
</tr>
<tr>
<td>Share of profit joint</td>
<td>14</td>
<td>103</td>
<td>400</td>
</tr>
<tr>
<td>ventures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>7</td>
<td>13,195</td>
<td>13,491</td>
</tr>
<tr>
<td>Taxation</td>
<td>7</td>
<td>(3,378)</td>
<td>(3,806)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td>9,817</td>
<td>9,685</td>
</tr>
<tr>
<td>attributable to</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shareholders</td>
<td></td>
<td>9,802</td>
<td>9,655</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td></td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td>9,817</td>
<td>9,685</td>
</tr>
<tr>
<td>Earnings per ordinary share</td>
<td>9</td>
<td>48.41p</td>
<td>47.93p</td>
</tr>
<tr>
<td>Basic – profit year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted – profit year</td>
<td></td>
<td>47.43p</td>
<td>47.26p</td>
</tr>
</tbody>
</table>

## Consolidated statement of comprehensive income
for the year ended 28 February 2011

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>28 Feb 2011 £’000</th>
<th>28 Feb 2010 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td></td>
<td>9,817</td>
<td>9,685</td>
</tr>
<tr>
<td>Other comprehensive income/(expense)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange differences on retranslation of foreign operations</td>
<td>24</td>
<td>977</td>
<td>(164)</td>
</tr>
<tr>
<td>Cash flow hedges – net of tax</td>
<td>24</td>
<td>(179)</td>
<td>703</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>10,615</td>
<td>10,224</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of the parent</td>
<td></td>
<td>10,600</td>
<td>10,194</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td></td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>10,615</td>
<td>10,224</td>
</tr>
</tbody>
</table>

The notes on pages 42 to 67 form an integral part of these consolidated financial statements.
## Balance sheets
as at 28 February 2011
Company number 2286034

<table>
<thead>
<tr>
<th>Assets</th>
<th>Group</th>
<th>Notes</th>
<th>As at 28 Feb 2011 £’000</th>
<th>As at 28 Feb 2010 £’000</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>11</td>
<td></td>
<td>30,006</td>
<td>28,740</td>
<td>–</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>12</td>
<td></td>
<td>2,777</td>
<td>4,247</td>
<td>–</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>13</td>
<td></td>
<td>6,813</td>
<td>6,510</td>
<td>–</td>
</tr>
<tr>
<td>Investments</td>
<td>14</td>
<td></td>
<td>1,694</td>
<td>1,485</td>
<td>–</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>7</td>
<td></td>
<td>1,797</td>
<td>1,208</td>
<td>–</td>
</tr>
<tr>
<td>Other long-term receivables</td>
<td>15</td>
<td></td>
<td>238</td>
<td>169</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>57</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>16</td>
<td></td>
<td>40,741</td>
<td>36,918</td>
<td>2,232</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>17</td>
<td></td>
<td>314</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>18</td>
<td></td>
<td>–</td>
<td>5,521</td>
<td>–</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>19</td>
<td></td>
<td>25,634</td>
<td>27,930</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,656</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td></td>
<td></td>
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### Equity

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<th>Notes</th>
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<th>As at 28 Feb 2010 £’000</th>
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<td>Total equity</td>
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The accounts on pages 38 to 67 were approved by the Board of Directors on 9 May 2011 and were signed on its behalf by:

Sir Graham Hearne  J.R.V. Kidwell FCA
Chairman  Finance Director

The notes on pages 42 to 67 form part of these accounts.
## Cash flow statements
for the year ended 28 February 2011

<table>
<thead>
<tr>
<th></th>
<th>Group 28 Feb 2011 £'000</th>
<th>Group 28 Feb 2010 £'000</th>
<th>Company 28 Feb 2011 £'000</th>
<th>Company 28 Feb 2010 £'000</th>
</tr>
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<tbody>
<tr>
<td><strong>Notes</strong></td>
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<tr>
<td>Cash flows from operating activities</td>
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<tr>
<td>Cash generated from operations</td>
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<td>193</td>
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<td>Interest paid</td>
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<td>(2)</td>
<td>(1)</td>
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<tr>
<td>Tax paid</td>
<td>(5,164)</td>
<td>(4,421)</td>
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<tr>
<td>Net cash generated from operating activities</td>
<td>7,279</td>
<td>11,048</td>
<td>5,285</td>
<td>6,756</td>
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<tr>
<td>Cash flows from investing activities</td>
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<tr>
<td>Dividends from joint ventures</td>
<td>–</td>
<td>406</td>
<td>–</td>
<td>406</td>
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<tr>
<td>Acquisition of subsidiaries, net of cash acquired</td>
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<td>(2,793)</td>
<td>(960)</td>
<td>(1,036)</td>
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<td>59</td>
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<td>Purchase of investments</td>
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<td>Other long-term assets</td>
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<td>3</td>
<td>15</td>
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<td>Net cash used in investing activities</td>
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<td>(3,715)</td>
<td>(957)</td>
<td>(615)</td>
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<tr>
<td>Cash flows from financing activities</td>
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<tr>
<td>Proceeds from issue of ordinary shares</td>
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<td>65</td>
<td>98</td>
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<tr>
<td>Dividends paid</td>
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<td>(4,888)</td>
<td>(5,110)</td>
<td>(4,888)</td>
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<tr>
<td>Purchase of own shares</td>
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<td>(72)</td>
<td>(916)</td>
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<tr>
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<td>(4,862)</td>
<td>(5,961)</td>
<td>(4,862)</td>
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<td>(Decrease)/increase in cash and cash equivalents</td>
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<td>27,930</td>
<td>23</td>
<td>1,656</td>
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</table>
## Statements of changes in equity

for the year ended 28 February 2011

<table>
<thead>
<tr>
<th>Group</th>
<th>Share capital £'000</th>
<th>Share premium £'000</th>
<th>Shares to be issued £'000</th>
<th>Other reserves £'000</th>
<th>Retained earnings £'000</th>
<th>Total £'000</th>
<th>Non-controlling interest £'000</th>
<th>Total equity £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 1 March 2009</strong></td>
<td>2,104</td>
<td>10,920</td>
<td>(3,479)</td>
<td>25,020</td>
<td>18,268</td>
<td>52,833</td>
<td>114</td>
<td>52,947</td>
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<tr>
<td>- Transfer to net profit</td>
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<tr>
<td>- Fair value gains in the period</td>
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<td><strong>Profit for the year</strong></td>
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<td>Deferred tax on items taken to equity</td>
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<td>- Fair value gains in the period</td>
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<td><strong>Net income recognised directly in equity</strong></td>
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<td>Credit in respect of share option schemes</td>
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<td>Deferred tax on items taken to equity</td>
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</tr>
<tr>
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<td>(3,275)</td>
<td>26,323</td>
<td>28,424</td>
<td>64,659</td>
<td>159</td>
<td>64,818</td>
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## Company

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<th>Share capital £'000</th>
<th>Share premium £'000</th>
<th>Shares to be issued £'000</th>
<th>Other reserves £'000</th>
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<tr>
<td><strong>Dividends paid</strong></td>
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<tr>
<td><strong>Purchase of shares</strong></td>
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<td><strong>ESOP shares allocated</strong></td>
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<tr>
<td><strong>Credit in respect of share option schemes</strong></td>
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<td>144</td>
<td>59,127</td>
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<tr>
<td><strong>Profit for the year</strong></td>
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<td><strong>Dividends paid</strong></td>
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<td>159</td>
<td>64,818</td>
</tr>
</tbody>
</table>

Braemar Shipping Services plc
Annual Report 2011
Notes to the consolidated financial statements

General information
The Group and Company financial statements of Braemar Shipping Services plc for the year ended 28 February 2011 were authorised for issue in accordance with a resolution of the Directors on 9 May 2011. Braemar Shipping Services plc is a Public Limited Company incorporated in England and Wales.

The term “Company” refers to Braemar Shipping Services plc and “Group” refers to the Company and all its subsidiary undertakings and of the employee share ownership plan trust.

1 Accounting policies
a) Basis of preparation and forward-looking statements
The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and in accordance with the provisions of the Companies Act 2006. No income statement is presented for Braemar Shipping Services plc as provided by section 408 of the Companies Act 2006.

The Directors have a reasonable expectation that the Company and Group have adequate resources to continue to trade for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The financial statements have been prepared under the historic cost convention except for the derivative financial instruments, which are measured at fair value.

Certain statements in this Annual Report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

The Group and Company financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The accounting policies adopted are consistent with those of the previous year except for the following new and amended standards which are mandatory for the first time for the financial year beginning 1 March 2010 and have been applied to the Group:

- IFRS 3 (revised), ‘Business combinations’ and consequential amendments to IAS 27, ‘Consolidated and separate financial statements’, IAS 28, ‘Investments in associates’ and IAS 31, ‘Interests in joint ventures’, are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations, although with some certain significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with any adjustment to contingent consideration to be recorded through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. All acquisition-related costs should be expensed.

- IAS 38 (amendment), ‘Intangible Assets’, is effective from 1 January 2013. This standard establishes the principles for the financial reporting of financial assets that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of the entity’s future cash flows;

- IFRIC 14 (amended), ‘Prepayments of a Minimum Funding requirement’ – effective from 1 January 2011;

- IFRIC 19, ‘Extinguishing Financial Liabilities with Equity Instruments’ – effective from 1 January 2010;


The Directors are reviewing the effect of these standards and interpretations which are effective for subsequent accounting periods have been adopted early by the Group.

A number of other new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 March 2010. The Board regularly considers these and have concluded that none are currently relevant to the Group nor expected to have a material impact in the future. Additionally, no new standards, amendments and interpretations which are effective for subsequent accounting periods have been adopted early by the Group.

During the year, the IASB and IFRIC have issued the following standards and interpretations with an effective date after the issue of these financial statements. The Group has elected not to adopt any of these early.

- IFRS 9, ‘Financial Instruments’ – effective from 1 January 2013, which establishes the principles for the financial reporting of financial assets that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of the entity’s future cash flows;

None of the above revisions have any impact on the presented results of the Group for this current period, but could impact the Group in the future. The requirements of IFRS 3R will be adopted prospectively.

The principal accounting policies adopted in the preparation of these financial statements are set out below.
1 Accounting policies continued

b) Basis of consolidation

The consolidated financial statements incorporate the accounts of the Group and the Company made up to 28 February each year or 29 February in a leap year.

The results of subsidiaries are consolidated using the purchase method of accounting, from the date on which control of the net assets and operation of the acquired company are effectively transferred to the Group. Similarly, the results of subsidiaries divested cease to be consolidated from the date on which control of the net assets and operations are transferred out of the Group.

The interest of non-controlling interests is stated at the non-controlling interests’ proportion of the value of the assets and liabilities recognised and is presented separately within total equity in the consolidated balance sheet.

Investments in joint ventures and associates and where the Group has significant influence are equity accounted and carried in the balance sheet at cost plus post-acquisition changes in the Group’s share of net assets of the associate or joint venture, less any impairment in value. The income statement reflects the Group’s share of the post-tax result of the joint venture or associate.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

c) Use of estimates and critical judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. Principal areas where the assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are in respect of the impairment review of goodwill (see note 11), other intangible assets (see note 12) and impairment of trade receivables (see note 16).

d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured.

Revenue of the Group consists of:

i) Shipbroking – income comprises commission arising from tanker and dry cargo charter broking, sale and purchase broking, offshore broking and financial consultancy arrangement fees. Income is recognised when the Group has a contractual entitlement to commission, normally the point at which there is a stage of completion of contractual terms between the principals of a transaction.

ii) Technical – fee income comprises fees for the supply of technical and energy loss adjusting services. Income from technical services is recognised as invoiced for work performed and/or in accordance with the agreement. Revenue from loss adjusting services is recognised on a time incurred and recoverable expenses basis net of provisions.

iii) Logistics – agency income is recognised at the point when the ship sails from the port. Forwarding and logistics income is recognised when the ship departs. Where the Group acts as a principal rather than as agent, the revenue and costs are shown gross.

iv) Environmental – revenue from environmental services is recognised at the contractual rates, as labour hours are delivered and direct expenses incurred.

Other income of the Company consists of dividends from investments. Dividend income from investments is recognised when the shareholders’ legal rights to receive payment have been established.

e) Foreign currencies

The functional currency of the Group is pounds sterling. Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the income statement.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into derivative financial instruments contracts, mainly forward contracts and other derivative currency contracts (see the following page for details of the Group’s accounting policies in respect of such derivative financial instruments).

Assets and liabilities of overseas subsidiaries and associates are translated from their functional currency into pounds sterling at the exchange rates ruling at the balance sheet date. Trading results are translated at the average rates for the period. Exchange differences arising on the consolidation of the net assets of overseas subsidiaries are dealt with through the foreign currency translation reserve (see note 24), whilst those arising from trading transactions are dealt with in the income statement. On disposal of a business, the cumulative exchange differences previously recognised in the foreign currency translation reserve relating to that business are transferred to the income statement as part of the gain or loss on disposal.

f) Taxation

The taxation expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group and Company’s liability for current tax is calculated using rates that have been enacted or substantively enacted by the balance sheet date.
Notes to the consolidated financial statements continued

1 Accounting policies continued

Full provision is made for deferred taxation on all taxable temporary differences. Deferred tax assets and liabilities are recognised separately on the balance sheet. Deferred tax assets are recognised only to the extent that they are expected to be recoverable. Deferred taxation is recognised in the income statement unless it relates to taxable transactions taken directly to equity, in which case the deferred tax is also recognised in equity. The deferred tax is released to the income statement at the same time as the taxable transaction is recognised in the income statement. Deferred taxation on un-remitted overseas earnings is provided for to the extent a tax charge is foreseeable.

g) Goodwill

On the acquisition of a business, fair values are attributed to the net assets (including any identifiable intangible assets) acquired. Goodwill arises where the fair value of the consideration given exceeds the fair value of the net assets acquired. Goodwill is recognised as an asset and is reviewed for impairment at least annually. Impairments are recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purposes of impairment testing.

On the disposal of a business, goodwill relating to that business remaining on the balance sheet is included in the determination of the profit or loss on disposal. As permitted by IFRS 1, goodwill on acquisitions arising prior to 1 March 2004 has been retained at prior amounts and will be tested annually for impairment.

On acquisitions prior to 1 July 2009 where the purchase consideration contained an element that was deferred, this was measured by discounting the amounts to their present value at the date of exchange.

h) Other intangible assets

Intangible assets acquired as part of a business combination are stated in the balance sheet at their fair value at the date of acquisition less accumulated amortisation and any provisions for impairment. The amortisation of the carrying value of the capitalised forward order book and customer relationships is charged to the income statement over an estimated useful life of two to ten years. The carrying values of intangible assets are reviewed for impairment at least annually or when there is an indication that they may be impaired.

i) Property, plant and equipment

Property, plant and equipment are shown at historical cost less accumulated depreciation and any impairment value.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset, on a straight line basis over its expected useful life as follows (except for long and short leasehold interests which are written off against the remaining period of the lease):

- Motor vehicles: three years
- Computers: four years
- Fixtures and equipment: four years

j) Investments

Investments in associates and joint ventures where the Group has significant influence are accounted for under the equity method of accounting in the financial statements. Investments are carried in the balance sheet at cost plus post-acquisition changes in the Group’s share in the net assets of associates and joint ventures, less any impairment in value. The income statement reflects the Group’s share of the results of the operations of associates and joint ventures.

Investments where the Group has no significant influence are held at fair value.

Investments in the Company are shown at cost less impairment.

k) Impairment

The carrying amount of the Group’s assets other than financial assets within the scope of IAS 39 and deferred tax assets, are reviewed each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. The recoverable amount is determined based on value in use calculations, which requires the use of estimates. An impairment loss is recognised in the income statement whenever the carrying amount of the assets exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the assets with the exception of goodwill and other intangibles is increased to the revised estimate of its recoverable amount. This cannot exceed the carrying amount prior to the impairment charge. An impairment recognised in the income statement in respect of goodwill and other intangibles is not subsequently reversed.

l) Derivative financial instruments and hedging

Derivatives are initially recognised at fair value and are subsequently re-measured at their fair value at each balance sheet date. Recognition of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if it is, the nature of the item being hedged. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement. The Group designates derivatives that qualify for hedge accounting as a cash flow hedge where there is a high probability of the forecast transactions arising. The effective portion of changes in the fair value of these derivatives are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are recycled to the income statement at the same time as the gains or losses on the hedged items. When a forecast transaction is no longer expected to occur, the cumulative gains or losses that were reported in equity are immediately transferred to the income statement.
1 Accounting policies continued

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs.

The fair value of forward foreign exchange contracts, which are traded in active markets, is based either directly (i.e. as prices) or indirectly (i.e. derived from prices) at the balance sheet date.

m) Trade and other receivables

Trade and other receivables are recognised and carried at the lower of their original value and recoverable amount. Provision is made where there is evidence that the balances will not be recovered in full. In respect of amounts due to customers in relation to the Logistics division, these are released to the income statement if they become more than three years old.

n) Cash and cash equivalents

Cash and short-term deposits included in the balance sheet comprise cash in hand and short-term deposits with an original maturity of three months or less.

Cash and cash equivalents included in the cash flow statement include cash and short-term deposits, net of bank overdrafts.

Restricted cash comprises cash balances where the Group is holding cash as escrow agent for certain clients, pending completion of transactions in which the Group acted as broker. The amounts are held in designated accounts and any interest earned is due to the clients.

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or otherwise) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If material, the provisions are discounted using an appropriate current pre-tax interest rate.

p) Share-based payments

The fair value at the date of grant of share-based remuneration, principally share options, is calculated using a binomial pricing model and charged to the income statement on a straight line basis over the vesting period of the award. The charge to the income statement takes account of the estimated number of shares that will vest. All share-based remuneration is equity settled. The balance sheet entry is included in reserves. Shares issued in respect of the deferred bonus plan are valued at the market value on the date the shares are purchased.

The Company reflects the fair value of the share-based payments as an investment in its subsidiaries.
2 Segmental information

a) Business segments

Management has determined the operating segments for the Group based on the reports reviewed by the Chief Operating Decision Maker to make strategic decisions. The Chief Operating Decision Maker is the Board of Directors.

The Board consider the business from both a service line and geographical perspective. A description of each of the lines of service is provided on page 5.

For management purposes, the Group is currently organised into four operating divisions – Shipbroking, Technical, Logistics and Environmental. These divisions are the basis on which the Group reports its segment information. The reportable segments are derived from an aggregation of operating segments. Unallocated costs relate to Board costs and other costs associated with the Group’s listing on the London Stock Exchange.

The segment information provided to the Board for reportable segments for the year ended 28 February 2011 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Shipbroking '000</th>
<th>Technical '000</th>
<th>Logistics '000</th>
<th>Environmental '000</th>
<th>Total '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>61,646</td>
<td>22,621</td>
<td>35,119</td>
<td>6,749</td>
<td>126,135</td>
</tr>
<tr>
<td>Segment result before amortisation of intangible assets</td>
<td>14,309</td>
<td>1,319</td>
<td>1,230</td>
<td>271</td>
<td>17,129</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>(586)</td>
<td>(644)</td>
<td>(299)</td>
<td>(36)</td>
<td>(1,565)</td>
</tr>
<tr>
<td>Segment result</td>
<td>13,723</td>
<td>675</td>
<td>931</td>
<td>235</td>
<td>15,564</td>
</tr>
<tr>
<td>Unallocated other costs</td>
<td>(2,635)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12,929</td>
</tr>
<tr>
<td>Finance income/(cost) – net</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>163</td>
</tr>
<tr>
<td>Share of profit from joint ventures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13,195</td>
</tr>
<tr>
<td>Taxation</td>
<td>(3,378)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period attributable to shareholders from continuing operations</td>
<td>9,817</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital additions</td>
<td>587</td>
<td>436</td>
<td>192</td>
<td>183</td>
<td>1,398</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>592</td>
<td>221</td>
<td>174</td>
<td>215</td>
<td>1,202</td>
</tr>
<tr>
<td>Segment operating assets</td>
<td>43,448</td>
<td>20,738</td>
<td>14,141</td>
<td>2,562</td>
<td>80,889</td>
</tr>
<tr>
<td>Segment operating liabilities</td>
<td>(23,018)</td>
<td>(2,831)</td>
<td>(14,535)</td>
<td>(1,162)</td>
<td>(41,546)</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>57,362</td>
<td>22,697</td>
<td>31,899</td>
<td>7,066</td>
<td>119,024</td>
</tr>
<tr>
<td>Segment result before amortisation of intangible assets</td>
<td>13,324</td>
<td>2,325</td>
<td>1,434</td>
<td>614</td>
<td>17,697</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>(481)</td>
<td>(644)</td>
<td>(319)</td>
<td>(36)</td>
<td>(1,480)</td>
</tr>
<tr>
<td>Segment result</td>
<td>12,843</td>
<td>1,681</td>
<td>1,115</td>
<td>578</td>
<td>16,217</td>
</tr>
<tr>
<td>Unallocated other costs</td>
<td>(3,317)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12,900</td>
</tr>
<tr>
<td>Finance income/(cost) – net</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>191</td>
</tr>
<tr>
<td>Share of profit from joint ventures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>400</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13,491</td>
</tr>
<tr>
<td>Taxation</td>
<td>(3,806)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period attributable to shareholders from continuing operations</td>
<td>9,685</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital additions</td>
<td>2,684</td>
<td>407</td>
<td>635</td>
<td>177</td>
<td>3,903</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>555</td>
<td>182</td>
<td>149</td>
<td>178</td>
<td>1,064</td>
</tr>
<tr>
<td>Segment operating assets</td>
<td>42,654</td>
<td>18,400</td>
<td>13,291</td>
<td>2,239</td>
<td>76,584</td>
</tr>
<tr>
<td>Segment operating liabilities</td>
<td>(23,018)</td>
<td>(2,831)</td>
<td>(14,535)</td>
<td>(1,162)</td>
<td>(42,733)</td>
</tr>
</tbody>
</table>

There are no sales between the business segments.

Capital expenditure comprises additions to property, plant and equipment, goodwill and other intangibles including additions resulting from business acquisitions.

Segment assets consist primarily of intangible assets (including goodwill), tangible fixed assets, receivables and other assets. Receivables for taxes, cash and cash equivalents and investments have been excluded. Segment liabilities relate to the operating activities and exclude liabilities for taxes.
2 Segmental information continued

b) Geographical segment – by origin
The Group manages its business segments on a global basis. The operation’s main geographical area is the United Kingdom. The United Kingdom is the home country of the parent.

<table>
<thead>
<tr>
<th>Geographical area</th>
<th>Revenue 2011</th>
<th>Revenue 2010</th>
<th>Capital additions 2011</th>
<th>Capital additions 2010</th>
<th>Non-current assets 2011</th>
<th>Non-current assets 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>92,168</td>
<td>94,495</td>
<td>525</td>
<td>2,534</td>
<td>37,767</td>
<td>35,857</td>
</tr>
<tr>
<td>South East Asia</td>
<td>16,548</td>
<td>10,916</td>
<td>662</td>
<td>1,114</td>
<td>1,731</td>
<td>1,605</td>
</tr>
<tr>
<td>Australia</td>
<td>6,207</td>
<td>4,006</td>
<td>82</td>
<td>45</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>Americas</td>
<td>5,154</td>
<td>5,066</td>
<td>71</td>
<td>203</td>
<td>205</td>
<td>192</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>6,058</td>
<td>4,541</td>
<td>58</td>
<td>7</td>
<td>51</td>
<td>1,932</td>
</tr>
<tr>
<td></td>
<td><strong>126,135</strong></td>
<td><strong>119,024</strong></td>
<td><strong>1,398</strong></td>
<td><strong>3,903</strong></td>
<td><strong>39,834</strong></td>
<td><strong>39,666</strong></td>
</tr>
</tbody>
</table>

c) Revenue analysis
All revenue arises from the rendering of services.

There is no one customer that contributes greater than 10% of Group revenue.

3 Operating profit
Operating profits from continuing operations represent the results from operations before share of profits of joint ventures, finance income, finance costs and taxation.

This is stated after charging/(crediting):

<table>
<thead>
<tr>
<th>Cost of sales</th>
<th>Notes</th>
<th>2011 £'000</th>
<th>2010 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freight and haulage</td>
<td></td>
<td>21,314</td>
<td>18,879</td>
</tr>
<tr>
<td>Payments to sub-contractors</td>
<td></td>
<td>5,702</td>
<td>6,519</td>
</tr>
<tr>
<td>Materials and other costs</td>
<td></td>
<td>2,881</td>
<td>2,696</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>29,897</strong></td>
<td><strong>28,094</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Staff costs</th>
<th>Notes</th>
<th>2011 £'000</th>
<th>2010 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>4</td>
<td>57,553</td>
<td>53,555</td>
</tr>
<tr>
<td>Depreciation on tangible fixed assets</td>
<td>13</td>
<td>1,202</td>
<td>1,064</td>
</tr>
<tr>
<td>Amortisation of other intangible assets</td>
<td>12</td>
<td>1,565</td>
<td>1,480</td>
</tr>
<tr>
<td>Operating lease rentals:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Land and buildings</td>
<td></td>
<td>1,762</td>
<td>1,371</td>
</tr>
<tr>
<td>– Other</td>
<td></td>
<td>215</td>
<td>166</td>
</tr>
<tr>
<td>(Profit)/loss on sale of tangible assets</td>
<td>(20)</td>
<td></td>
<td>(5)</td>
</tr>
<tr>
<td>Net movements in bad debt provisions</td>
<td></td>
<td>660</td>
<td>625</td>
</tr>
<tr>
<td>Auditors’ remuneration</td>
<td>5</td>
<td>289</td>
<td>428</td>
</tr>
<tr>
<td>Net foreign exchange gains and financial instruments</td>
<td>(714)</td>
<td>(263)</td>
<td></td>
</tr>
</tbody>
</table>

4 Staff costs

a) Staff costs for the Group during the year (including Directors)

<table>
<thead>
<tr>
<th>Staff costs</th>
<th>Notes</th>
<th>2011 £'000</th>
<th>2010 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>28</td>
<td>49,689</td>
<td>45,855</td>
</tr>
<tr>
<td>Other pension costs</td>
<td></td>
<td>2,478</td>
<td>2,602</td>
</tr>
<tr>
<td>Social security costs</td>
<td></td>
<td>4,557</td>
<td>4,307</td>
</tr>
<tr>
<td>Share based payments</td>
<td></td>
<td>829</td>
<td>591</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>57,553</strong></td>
<td><strong>53,555</strong></td>
</tr>
</tbody>
</table>

No staff costs were incurred by the Company.

The numbers above include remuneration and pension entitlements for each Director. Details are included in the Remuneration Report on page 36.
4 Staff costs continued

b) Average number of full time employees

<table>
<thead>
<tr>
<th></th>
<th>2011 Number</th>
<th>2010 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipbroking</td>
<td>288</td>
<td>272</td>
</tr>
<tr>
<td>Technical</td>
<td>222</td>
<td>202</td>
</tr>
<tr>
<td>Logistics</td>
<td>232</td>
<td>235</td>
</tr>
<tr>
<td>Environmental</td>
<td>60</td>
<td>62</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>802</strong></td>
<td><strong>771</strong></td>
</tr>
</tbody>
</table>

The Company had no employees. The Directors’ remuneration is borne by Braemar Seascope Limited and Braemar Seascope Pte Limited.

c) Key management compensation (including Directors)

The remuneration of key management including the nine Directors of the Company is set out below. Further information about the remuneration of individual Directors is provided in the Directors’ Remuneration Report on page 36. Key management represents the Directors of the Company and individuals who have responsibility for controlling activities of the Group and who regularly attend the Board meetings of the Company.

<table>
<thead>
<tr>
<th></th>
<th>2011 £’000</th>
<th>2010 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and short-term employee benefits</td>
<td>5,447</td>
<td>5,923</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>96</td>
<td>92</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>223</td>
<td>78</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,766</strong></td>
<td><strong>6,093</strong></td>
</tr>
</tbody>
</table>

Number of key employees

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>11</td>
<td>10</td>
</tr>
</tbody>
</table>

Retirement benefits are accruing to four key management personnel (2010: 4) in respect of defined contribution pension scheme.

On 11 January 2011, Alastair Farley was appointed as a non-executive Director to the Board of the Company.

5 Auditors’ remuneration

A more detailed analysis of auditors’ services is given below:

<table>
<thead>
<tr>
<th></th>
<th>2011 £’000</th>
<th>2010 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Fees payable to the Company auditor for audit of the Company and Group financial statements</td>
<td>70</td>
<td>179</td>
</tr>
<tr>
<td>– Fees payable to the Group’s auditor and its associates for other services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– The audit of the Group’s subsidiaries pursuant to legislation</td>
<td>164</td>
<td>134</td>
</tr>
<tr>
<td>– Other services pursuant to legislation</td>
<td>20</td>
<td>37</td>
</tr>
<tr>
<td>– Other services relating to taxation</td>
<td>35</td>
<td>78</td>
</tr>
<tr>
<td>– Other services relating to corporate finance transactions</td>
<td>–</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>289</strong></td>
<td><strong>446</strong></td>
</tr>
</tbody>
</table>

In the year ended 28 February 2011, all fees paid to the auditors were charged to operating profit. In the year ended 28 February 2010, included in fees payable to the auditors were amounts of £428,000 which were charged to operating profit (see note 3). £18,000 was capitalised in the balance sheet in connection with business combinations.

The 2010 auditors’ remuneration relate solely to amounts paid to PricewaterhouseCoopers LLP. The 2011 amounts relate solely to amounts paid to KPMG Audit Plc.
6 Finance income/(costs) – net

<table>
<thead>
<tr>
<th></th>
<th>2011 £’000</th>
<th>2010 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Interest on bank deposits</td>
<td>177</td>
<td>193</td>
</tr>
<tr>
<td>Total finance income</td>
<td>177</td>
<td>193</td>
</tr>
<tr>
<td>Finance costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Interest payable on overdrafts</td>
<td>(14)</td>
<td>(2)</td>
</tr>
<tr>
<td>Total finance costs</td>
<td>(14)</td>
<td>(2)</td>
</tr>
<tr>
<td>Finance income/(costs) – net</td>
<td>163</td>
<td>191</td>
</tr>
</tbody>
</table>

7 Taxation

a) Analysis of charge in year

<table>
<thead>
<tr>
<th></th>
<th>2011 £’000</th>
<th>2010 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK corporation tax charged to the income statement</td>
<td>3,524</td>
<td>3,777</td>
</tr>
<tr>
<td>UK adjustment in respect of previous years</td>
<td>(395)</td>
<td>57</td>
</tr>
<tr>
<td>Overseas tax on profits in the year</td>
<td>1,345</td>
<td>1,303</td>
</tr>
<tr>
<td>Overseas adjustment in respect of previous years</td>
<td>(123)</td>
<td>(305)</td>
</tr>
<tr>
<td>Total current tax</td>
<td>4,351</td>
<td>4,832</td>
</tr>
<tr>
<td>Deferred tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK current year origination and reversal of timing differences</td>
<td>(414)</td>
<td>(354)</td>
</tr>
<tr>
<td>UK adjustment in respect of previous years</td>
<td>55</td>
<td>2</td>
</tr>
<tr>
<td>Overseas current year origination and reversal of timing differences</td>
<td>(477)</td>
<td>(486)</td>
</tr>
<tr>
<td>Overseas adjustment in respect of previous years</td>
<td>(119)</td>
<td>(188)</td>
</tr>
<tr>
<td>Effect of change of tax rate from 28% to 27%</td>
<td>(18)</td>
<td>–</td>
</tr>
<tr>
<td>Total deferred tax</td>
<td>(973)</td>
<td>(1,026)</td>
</tr>
<tr>
<td>Taxation</td>
<td>3,378</td>
<td>3,806</td>
</tr>
</tbody>
</table>

Reconciliation between expected and actual tax charge

<table>
<thead>
<tr>
<th></th>
<th>2011 £’000</th>
<th>2010 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>13,195</td>
<td>13,491</td>
</tr>
<tr>
<td>Profit before tax at standard rate of UK corporation tax of 28%</td>
<td>3,695</td>
<td>3,777</td>
</tr>
<tr>
<td>Expenses not deductible for tax purposes</td>
<td>570</td>
<td>515</td>
</tr>
<tr>
<td>Non taxable income</td>
<td>(98)</td>
<td>(167)</td>
</tr>
<tr>
<td>Tax calculated at domestic rates applicable to profits in overseas subsidiaries</td>
<td>(163)</td>
<td>26</td>
</tr>
<tr>
<td>Joint venture income not subject to UK tax</td>
<td>(29)</td>
<td>89</td>
</tr>
<tr>
<td>Prior year adjustments</td>
<td>(582)</td>
<td>(434)</td>
</tr>
<tr>
<td>Effect of change of tax rate from 28% to 27%</td>
<td>(18)</td>
<td>–</td>
</tr>
<tr>
<td>Total tax charge for the year</td>
<td>3,378</td>
<td>3,806</td>
</tr>
</tbody>
</table>
7 Taxation continued

Tax on items charged to equity

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax (credit)/debit on exercised share options</td>
<td>(69)</td>
<td>57</td>
</tr>
<tr>
<td>Deferred tax credit on share options</td>
<td>(166)</td>
<td>(318)</td>
</tr>
<tr>
<td>Deferred tax credit on cash flow hedges</td>
<td>(70)</td>
<td>273</td>
</tr>
<tr>
<td>Effect of change of tax rate from 28% to 27%</td>
<td>24</td>
<td>–</td>
</tr>
<tr>
<td>Tax credit in the statement of changes in equity</td>
<td>(281)</td>
<td>12</td>
</tr>
</tbody>
</table>

Analysis of the deferred tax asset

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 28 Feb 2011</th>
<th>As at 28 Feb 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerated capital allowances</td>
<td>439</td>
<td>408</td>
</tr>
<tr>
<td>(includes £174,000 (2010: £138,000) of overseas accelerated capital allowances)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term timing differences</td>
<td>1,358</td>
<td>800</td>
</tr>
<tr>
<td>(includes £196,000 (2010: £89,000) of overseas short-term timing differences)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,797</td>
<td>1,208</td>
</tr>
</tbody>
</table>

The movement in the deferred tax asset

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>1,208</td>
<td>810</td>
</tr>
<tr>
<td>Acquisition</td>
<td>–</td>
<td>2</td>
</tr>
<tr>
<td>Reclassification</td>
<td>79</td>
<td>–</td>
</tr>
<tr>
<td>Movement to income statement</td>
<td>426</td>
<td>220</td>
</tr>
<tr>
<td>Movement to reserves</td>
<td>138</td>
<td>182</td>
</tr>
<tr>
<td>Exchange</td>
<td>(54)</td>
<td>(6)</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>1,797</td>
<td>1,208</td>
</tr>
</tbody>
</table>

A deferred tax asset of £1,797,000 (2010: £1,208,000) has been recognised as the Directors believe that it is probable that there will be sufficient taxable profits in the future to recover the asset in full.

The closing deferred tax asset includes £55,000 (2010: £36,000) expected to reverse within the next 12 months of the balance sheet date.

b) Deferred tax liability

Analysis of the deferred tax liability

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 28 Feb 2011</th>
<th>As at 28 Feb 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term timing differences</td>
<td>(1,271)</td>
<td>(2,001)</td>
</tr>
</tbody>
</table>

The movement in the deferred tax liability

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>(2,001)</td>
<td>(2,255)</td>
</tr>
<tr>
<td>Acquisition</td>
<td>–</td>
<td>(514)</td>
</tr>
<tr>
<td>Reclassification to current tax liability</td>
<td>126</td>
<td>15</td>
</tr>
<tr>
<td>Movement to income statement</td>
<td>547</td>
<td>(137)</td>
</tr>
<tr>
<td>Movement to reserves</td>
<td>74</td>
<td>806</td>
</tr>
<tr>
<td>Exchange</td>
<td>(17)</td>
<td>84</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>(1,271)</td>
<td>(2,001)</td>
</tr>
</tbody>
</table>

The closing deferred tax liability includes £384,000 (2010: £485,000) expected to reverse within the next 12 months of the balance sheet date.
7 Taxation continued
The Finance Act 2010 enacted the reduction in the UK corporation tax rate from 28% to 27% with effect from April 2011. In addition, the UK Government announced three further annual 1% cuts to reduce the rate to 24% from April 2014. On 23 March 2011 the UK Government announced that the corporation tax rate would instead reduce to 26% from April 2011 with three further annual 1% cuts to 23% by April 2014. Other than the enacted change to 27%, the effects of the announced changes are not reflected in the financial statements for the year ended 28 February 2011 as they have not yet been enacted and the impact has not yet been estimated.

No deferred tax has been provided in respect of temporary differences associated with investments in subsidiaries and interests in joint ventures where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries and interests in joint ventures, for which a deferred tax liability has not been recognised is approximately £3.2 million (2010: £0.4 million).

8 Dividends
Amounts recognised as distributions to equity holders in the year:

<table>
<thead>
<tr>
<th></th>
<th>2011 £'000</th>
<th>2010 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares of 10 pence each</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final of 16.25 pence per share for the year ended 28 February 2010 (2010: 15.5 pence per share)</td>
<td>3,293</td>
<td>3,121</td>
</tr>
<tr>
<td>Interim of 9.0 pence per share paid (2010: 8.75 pence per share)</td>
<td>1,817</td>
<td>1,767</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,110</strong></td>
<td><strong>4,888</strong></td>
</tr>
</tbody>
</table>

In addition, the Directors are proposing a final dividend in respect of the financial year ended 28 February 2011 of 17.0 pence per share which will absorb an estimated £3.4 million of shareholders’ funds. It will be paid on 27 July 2011 to shareholders who are on the register of members on 1 July 2011. The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

The right to receive dividends on the shares held in the ESOP has been waived (see note 23). The dividend saving through the waiver is £212,000 (2010: £216,000).

9 Earnings per share
Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding 817,242 ordinary shares held by the employee share trust (2010: 871,760 shares) which are treated as cancelled.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive ordinary shares. The Group has one class of potential dilutive ordinary shares being those options granted to employees where the exercise price is less than the average market price of the Company’s ordinary shares during the year.

<table>
<thead>
<tr>
<th></th>
<th>2011 £'000</th>
<th>2010 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period attributable to shareholders</td>
<td>9,802</td>
<td>9,655</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>48.41</td>
<td>47.93</td>
</tr>
<tr>
<td>Effect of dilutive share options</td>
<td>(0.98)</td>
<td>(0.67)</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>47.43</td>
<td>47.26</td>
</tr>
<tr>
<td>Profit for the period attributable to shareholders before amortisation and related deferred tax</td>
<td>10,901</td>
<td>10,721</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>53.84</td>
<td>53.22</td>
</tr>
<tr>
<td>Effect of dilutive share options</td>
<td>(1.10)</td>
<td>(0.75)</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>52.74</td>
<td>52.47</td>
</tr>
</tbody>
</table>

Weighted average number of ordinary shares

<table>
<thead>
<tr>
<th></th>
<th>Shares</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period attributable to shareholders</td>
<td>20,248,456</td>
<td>20,143,909</td>
</tr>
<tr>
<td>Effect of dilutive share options</td>
<td>419,543</td>
<td>287,780</td>
</tr>
<tr>
<td>Diluted weighted average number of ordinary shares</td>
<td>20,667,999</td>
<td>20,431,689</td>
</tr>
</tbody>
</table>
In accordance with the exemptions allowed by section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. A profit of £5,206,000 (2010: profit of £5,620,000) has been dealt with in the accounts of the Company.

### 11 Goodwill

#### Group

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 March 2009</td>
<td>35,830</td>
</tr>
<tr>
<td>Adjustment to previously reported goodwill</td>
<td>332</td>
</tr>
<tr>
<td>Additions</td>
<td>300</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>(29)</td>
</tr>
<tr>
<td><strong>At 28 February 2010</strong></td>
<td></td>
</tr>
<tr>
<td>Adjustment to previously reported goodwill</td>
<td>(151)</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>1,417</td>
</tr>
<tr>
<td><strong>At 28 February 2011</strong></td>
<td></td>
</tr>
<tr>
<td>Accumulated impairment</td>
<td></td>
</tr>
<tr>
<td>Net book value at 28 February 2011</td>
<td>37,699</td>
</tr>
</tbody>
</table>

Details of the acquisitions which took place during the year ended 28 February 2010 can be found in note 27 as well as details of adjustments to previously reported goodwill.

All goodwill is allocated to cash-generating units. The allocation of goodwill to cash-generating units is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011 £’000</th>
<th>2010 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Braemar Seascope Limited</td>
<td>18,113</td>
<td>18,113</td>
</tr>
<tr>
<td>Braemar Seascope Pty Limited</td>
<td>3,613</td>
<td>3,099</td>
</tr>
<tr>
<td>Wavespec Limited</td>
<td>204</td>
<td>204</td>
</tr>
<tr>
<td>Cory Brothers group</td>
<td>3,225</td>
<td>3,225</td>
</tr>
<tr>
<td>Braemar Falconer Pte Limited</td>
<td>2,796</td>
<td>1,890</td>
</tr>
<tr>
<td>Braemar Steege Holdings Limited</td>
<td>1,677</td>
<td>1,828</td>
</tr>
<tr>
<td>Cory Brothers Singapore</td>
<td>82</td>
<td>81</td>
</tr>
<tr>
<td>Braemar Seascope India Private Limited</td>
<td>296</td>
<td>300</td>
</tr>
<tr>
<td><strong>Net book value at 28 February 2011</strong></td>
<td><strong>30,006</strong></td>
<td><strong>28,740</strong></td>
</tr>
</tbody>
</table>

These cash-generating units represent the lowest level within the Group at which goodwill is monitored for internal management purposes. Goodwill denominated in foreign currencies is re-valued at the balance sheet date.

All recoverable amounts were measured based on value in use. The forecast cash flows were based on the approved annual budget for the next financial year and management projections for the following four years which are based on estimated conservative growth rates for revenue and costs. Management believe any improvements in the cash flow are achievable. Cash flows have been used over a period of five years as management believes this reflects a reasonable time horizon for management to monitor the trends in the business. After five years a terminal value is calculated using a long-term growth rate of 2.0% (2010: 2%). The cash flows were discounted using a pre-tax discount rate of 10.48% (2010: 9.1%) for UK based operations and 10.48% to 12.48% (2010: 9.1% to 11.1%) for overseas based operations.

#### Sensitivity to impairment

To test the sensitivity of the results of the impairment review, the calculations have been re-performed assuming a long-term growth rate of nil%. The results showed that there was still no indication of impairment.
12 Other intangible assets

Group

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>6,018</td>
</tr>
<tr>
<td>At 1 March 2009</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>1,827</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>(21)</td>
</tr>
<tr>
<td>At 28 February 2010</td>
<td>7,824</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td></td>
</tr>
<tr>
<td>At 28 February 2011</td>
<td>7,919</td>
</tr>
</tbody>
</table>

Amortisation

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 March 2009</td>
<td>2,097</td>
</tr>
<tr>
<td>Charge for the year</td>
<td></td>
</tr>
<tr>
<td>At 28 February 2010</td>
<td>3,577</td>
</tr>
<tr>
<td>Charge for the year</td>
<td></td>
</tr>
<tr>
<td>At 28 February 2011</td>
<td>5,142</td>
</tr>
</tbody>
</table>

Net book value at 28 February 2011

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net book value at 28 February 2010</td>
<td>4,247</td>
</tr>
</tbody>
</table>

During the year ended 28 February 2010, the Group capitalised the value of the customer relationships (£461,000) following the purchase of 50% of Braemar Seascope India Private Limited and a further £118,000 for the forward book. In arriving at a valuation of customer relationships, the Group has estimated attrition rates for non-contractual customer relationships and a discount rate has been applied to these amounts. In addition, the Group capitalised £1,083,000 for the forward book following the acquisition of Cagnoil Limited and £165,000 in respect of the business assets acquired in relation to the acquisition of the business of LPG Connect.

The Company has no intangible assets.
### 13 Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>Motor vehicles £'000</th>
<th>Computers £'000</th>
<th>Fixtures &amp; equipment £'000</th>
<th>Long leasehold £'000</th>
<th>Short leasehold £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost or fair value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 March 2009</td>
<td>424</td>
<td>2,172</td>
<td>2,351</td>
<td>4,816</td>
<td>271</td>
<td>10,034</td>
</tr>
<tr>
<td>Additions at cost</td>
<td>130</td>
<td>450</td>
<td>462</td>
<td>279</td>
<td>73</td>
<td>1,394</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>22</td>
<td>14</td>
<td>14</td>
<td>–</td>
<td>–</td>
<td>50</td>
</tr>
<tr>
<td>Disposals</td>
<td>(75)</td>
<td>(10)</td>
<td>(62)</td>
<td>–</td>
<td>–</td>
<td>(147)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>–</td>
<td>(8)</td>
<td>(6)</td>
<td>–</td>
<td>–</td>
<td>(12)</td>
</tr>
<tr>
<td><strong>At 28 February 2010</strong></td>
<td>501</td>
<td>2,618</td>
<td>2,759</td>
<td>5,097</td>
<td>344</td>
<td>11,319</td>
</tr>
<tr>
<td>Additions at cost</td>
<td>117</td>
<td>549</td>
<td>578</td>
<td>294</td>
<td>11</td>
<td>1,549</td>
</tr>
<tr>
<td>Disposals</td>
<td>(53)</td>
<td>(45)</td>
<td>(147)</td>
<td>(71)</td>
<td>–</td>
<td>(316)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>(2)</td>
<td>(28)</td>
<td>(28)</td>
<td>(2)</td>
<td>–</td>
<td>(60)</td>
</tr>
<tr>
<td><strong>At 28 February 2011</strong></td>
<td><strong>563</strong></td>
<td><strong>3,094</strong></td>
<td><strong>3,162</strong></td>
<td><strong>5,318</strong></td>
<td><strong>355</strong></td>
<td><strong>12,492</strong></td>
</tr>
</tbody>
</table>

**Accumulated depreciation**

|                      |                      |                |                           |                     |                      |             |
| At 1 March 2009      | 229                  | 1,397          | 1,396                     | 714                 | 109                  | 3,845       |
| Charge for the year  | 120                  | 429            | 301                       | 186                 | 28                   | 1,064       |
| Disposals            | (47)                 | (7)            | (39)                      | –                   | –                    | (93)        |
| Exchange differences | 1                    | (6)            | (4)                       | 2                   | –                    | (7)         |
| **At 28 February 2010** | 303                  | 1,813          | 1,654                     | 902                 | 137                  | 4,809       |
| Charge for the year  | 120                  | 493            | 370                       | 189                 | 30                   | 1,202       |
| Disposals            | (46)                 | (49)           | (128)                     | (70)                | –                    | (293)       |
| Exchange differences | –                    | (22)           | (17)                      | –                   | –                    | (59)        |
| **At 28 February 2011** | **377**             | **2,235**      | **1,879**                 | **1,021**           | **167**              | **5,679**   |

**Net book value at 28 February 2011**

<table>
<thead>
<tr>
<th></th>
<th>Joint ventures £'000</th>
<th>Unlisted investments £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>340</td>
<td>–</td>
<td>340</td>
</tr>
<tr>
<td>Share of net assets/cost</td>
<td>1,285</td>
<td>719</td>
<td>2,004</td>
</tr>
<tr>
<td><strong>At 1 March 2009</strong></td>
<td>1,625</td>
<td>719</td>
<td>2,344</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>(35)</td>
<td>–</td>
<td>(35)</td>
</tr>
<tr>
<td>Dividends received</td>
<td>(406)</td>
<td>–</td>
<td>(406)</td>
</tr>
<tr>
<td>Share of joint ventures profits retained</td>
<td>400</td>
<td>–</td>
<td>400</td>
</tr>
<tr>
<td>Conversion of joint venture to subsidiary</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>– Share of net assets</td>
<td>(818)</td>
<td>–</td>
<td>(818)</td>
</tr>
<tr>
<td>Goodwill</td>
<td>340</td>
<td>–</td>
<td>340</td>
</tr>
<tr>
<td>Share of net assets/cost</td>
<td>426</td>
<td>719</td>
<td>1,145</td>
</tr>
<tr>
<td><strong>At 28 February 2010</strong></td>
<td>766</td>
<td>719</td>
<td>1,485</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>13</td>
<td>(1)</td>
<td>12</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>94</td>
<td>94</td>
</tr>
<tr>
<td>Share of joint ventures profits retained</td>
<td>103</td>
<td>–</td>
<td>103</td>
</tr>
<tr>
<td>– Goodwill</td>
<td>340</td>
<td>–</td>
<td>340</td>
</tr>
<tr>
<td>Share of net assets/cost</td>
<td>542</td>
<td>812</td>
<td>1,354</td>
</tr>
<tr>
<td><strong>At 28 February 2011</strong></td>
<td><strong>882</strong></td>
<td><strong>812</strong></td>
<td><strong>1,694</strong></td>
</tr>
</tbody>
</table>

All Company investments are accounted for at cost less impairment.

---

**Notes to the consolidated financial statements continued**
14 Investments continued

<table>
<thead>
<tr>
<th>Company</th>
<th>Subsidiaries £’000</th>
<th>Joint venture undertakings £’000</th>
<th>Undistributed investments £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 March 2009</td>
<td>51,063</td>
<td>412</td>
<td>560</td>
<td>52,035</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>591</td>
<td></td>
<td></td>
<td>591</td>
</tr>
<tr>
<td>Additions</td>
<td>69</td>
<td></td>
<td></td>
<td>69</td>
</tr>
<tr>
<td>At 28 February 2010</td>
<td>51,723</td>
<td>412</td>
<td>560</td>
<td>52,695</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>818</td>
<td></td>
<td></td>
<td>818</td>
</tr>
<tr>
<td>Adjustment to cost of investments</td>
<td>(154)</td>
<td></td>
<td></td>
<td>(154)</td>
</tr>
<tr>
<td>At 28 February 2011</td>
<td>52,387</td>
<td>412</td>
<td>560</td>
<td>53,359</td>
</tr>
</tbody>
</table>

**Impairment**

At 1 March 2009, 28 February 2010 and 28 February 2011: 1,837

**Net book value at 28 February 2011**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 28 February 2011</td>
<td>50,550</td>
<td>412</td>
<td>560</td>
<td>51,522</td>
</tr>
</tbody>
</table>

The Company invested £818,000 (2010: £591,000) in the subsidiaries of the Group in respect of share-based payment charges incurred in the year (see note 22).

In addition, following the final payment in respect of the acquisition of Braemar Steege Holdings Limited, the Company adjusted the value of the cost of investment in the Company to the final value of the consideration paid.

A list of principal operating subsidiary and joint venture undertakings is as follows:

**a) Subsidiaries**

Particulars of subsidiary undertakings are as follows:

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Country</th>
<th>Principal activity</th>
<th>Percentage of ordinary shares directly owned</th>
<th>Percentage of ordinary shares indirectly owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Braemar Seascope Limited</td>
<td>England &amp; Wales</td>
<td>Shipbroking</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Seascope Valuations Limited</td>
<td>England &amp; Wales</td>
<td>Valuations</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Seascope Pty Limited</td>
<td>Australia</td>
<td>Shipbroking</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Seascope Pte Limited</td>
<td>Singapore</td>
<td>Shipbroking</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Seascope India Private Limited</td>
<td>India</td>
<td>Shipbroking</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Cagnol Limited</td>
<td>England &amp; Wales</td>
<td>Shipbroking</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Cory Brothers Shipping Agency Limited</td>
<td>England &amp; Wales</td>
<td>Ship agents</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Gorman Cory Limited</td>
<td>England &amp; Wales</td>
<td>Ship agents</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Fred. Olsen Freight Limited</td>
<td>England &amp; Wales</td>
<td>Ship agents</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>Wavespec Limited</td>
<td>England &amp; Wales</td>
<td>Marine consultants</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Falconer Pte Limited</td>
<td>Nevis</td>
<td>Marine consultants</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Falconer Pte Limited</td>
<td>Singapore</td>
<td>Marine consultants</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Asian Energy Services Limited</td>
<td>Singapore</td>
<td>Energy consultants</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Falconer Sdn Bhd</td>
<td>Malaysia</td>
<td>Marine consultants</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>PT Braemar Falconer</td>
<td>Indonesia</td>
<td>Marine consultants</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Falconer Vietnam Co Limited</td>
<td>Vietnam</td>
<td>Marine consultants</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Steege Holdings Limited</td>
<td>England &amp; Wales</td>
<td>Energy loss adjuster</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Steege Limited</td>
<td>England &amp; Wales</td>
<td>Energy loss adjuster</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Steege Inc</td>
<td>United States</td>
<td>Energy loss adjuster</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Steege Pte Limited</td>
<td>Singapore</td>
<td>Energy loss adjuster</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Steege Canada Limited</td>
<td>Canada</td>
<td>Energy loss adjuster</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Steege de Mexico</td>
<td>Mexico</td>
<td>Energy loss adjuster</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Braemar Howells Limited</td>
<td>England &amp; Wales</td>
<td>Environmental services</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

All subsidiaries have been owned as at 28 February 2011 and 28 February 2010.

The financial statements of the principal subsidiary undertakings are prepared to 28 February 2011 except for PT Braemar Falconer and Braemar Falconer Vietnam Co Limited for which, as permitted under IAS 27, the results to 31 December 2010 have been consolidated on the basis that the results to 28 February 2011 would not be materially different.
14 Investments continued
b) Joint ventures
Particulars of the joint venture companies which have been equity accounted are as follows:

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Country</th>
<th>Principal activity</th>
<th>Percentage of ordinary shares owned</th>
<th>Accounting reference date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Braemar Quincannon Ltd</td>
<td>England &amp; Wales</td>
<td>Shipbroking</td>
<td>50%</td>
<td>28 February</td>
</tr>
<tr>
<td>Braemar Quincannon Pte Ltd</td>
<td>Singapore</td>
<td>Shipbroking</td>
<td>50%</td>
<td>31 December</td>
</tr>
</tbody>
</table>

The share capital of Braemar Quincannon Pte Limited is owned by the Company. All other joint ventures are indirectly owned by the Group.

In relation to the Group’s interest in joint ventures, the assets, liabilities, income and expenses are shown below:

|                                | 2011  £’000 | 2010  £’000 |
|                                |            |            |
| Current assets                 | 996        | 576        |
| Non-current assets             | 59         | 19         |
| Current liabilities            | (515)      | (169)      |
| Total                         | 542        | 426        |

| Income                        | 1,555      | 1,536      |
| Expenses                      | (1,392)    | (1,564)    |
| Taxation                      | 163        | (28)       |
| Share of post tax results     | 103        | (95)       |
| Provision against investment in joint ventures | – | 495 |
| Total                         | 103        | 400        |

The joint ventures have no significant contingent liabilities to which the Group is exposed.

c) Unlisted investments
The Group’s unlisted shares principally include 1,000 (16.7%) ordinary £1 shares in London Tankers Brokers Panel and 7,500 ordinary £1 shares London Ship Valuation Panel. These have been treated as available for sale investments and not equity accounted, as the Company does not have significant influence as all investors in these companies have equivalent proportional influence. Since the fair value of the investment cannot be reliably measured as the shares are not quoted on a market, it has been held at cost.

15 Other long-term receivables
Other receivables of £238,000 (2010: £169,000) comprised £54,000 (2010: £57,000) in respect of non-interest bearing loans to 11 (2010: 13) employees in the Shipbroking division repayable over three years and £184,000 (2010: £112,000) in respect of security deposits with landlords and other service providers in the Technical division.
## 16 Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>34,413</td>
<td>31,769</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Provision for impairment of trade receivables</td>
<td>(2,640)</td>
<td>(3,257)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>31,773</td>
<td>28,512</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Amounts due from subsidiary undertakings</td>
<td>–</td>
<td>–</td>
<td>1,615</td>
<td>1,551</td>
</tr>
<tr>
<td>Other receivables</td>
<td>2,360</td>
<td>2,069</td>
<td>607</td>
<td>601</td>
</tr>
<tr>
<td>Accrued income</td>
<td>5,575</td>
<td>5,259</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Prepayments</td>
<td>1,033</td>
<td>1,078</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>40,741</td>
<td>36,918</td>
<td>2,232</td>
<td>2,172</td>
</tr>
</tbody>
</table>

The total receivables balance is denominated in the following currencies:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>US Dollars</td>
<td>15,224</td>
<td>13,010</td>
</tr>
<tr>
<td>Pounds sterling</td>
<td>16,904</td>
<td>15,647</td>
</tr>
<tr>
<td>Other</td>
<td>8,613</td>
<td>8,261</td>
</tr>
<tr>
<td></td>
<td>40,741</td>
<td>36,918</td>
</tr>
</tbody>
</table>

The Directors consider that the carrying amounts of trade receivables approximate to their fair value.

Terms associated with the settlement of the Group’s trade receivables vary across the Group but in general are settled in less than 90 days. As at 28 February 2011 trade receivables of £2,467,000 (2010: £3,005,000) which were over 12 months old were treated as impaired and have been provided for. Amounts over twelve months old at 28 February 2011 have not been provided for if they have been recovered since that date.

In addition, a provision of £173,000 (2010: £252,000) has been made for specific trade receivables less than 12 months overdue.

The ageing profile of trade receivables as at 28 February 2011 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 3 months</td>
<td>23,579</td>
<td>22,569</td>
</tr>
<tr>
<td>3 to 6 months</td>
<td>4,116</td>
<td>3,244</td>
</tr>
<tr>
<td>6 to 12 months</td>
<td>3,542</td>
<td>2,670</td>
</tr>
<tr>
<td>Over 12 months</td>
<td>3,176</td>
<td>3,266</td>
</tr>
<tr>
<td>Total</td>
<td>34,413</td>
<td>31,769</td>
</tr>
</tbody>
</table>

The Company has no trade receivables (2010: £nil).

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

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 March</td>
<td>3,257</td>
<td>2,974</td>
</tr>
<tr>
<td>Provision for receivables impairment</td>
<td>1,747</td>
<td>1,936</td>
</tr>
<tr>
<td>Receivables written off during the year as uncollectable</td>
<td>(1,277)</td>
<td>(627)</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>–</td>
<td>288</td>
</tr>
<tr>
<td>Amounts previously impaired collected in period</td>
<td>(1,053)</td>
<td>(1,311)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>(34)</td>
<td>(3)</td>
</tr>
<tr>
<td>At 28 February</td>
<td>2,640</td>
<td>3,257</td>
</tr>
</tbody>
</table>

The other classes within trade and other receivables do not contain impaired assets with the exception of accrued income. There was no provision at 28 February 2011 for amounts greater than 12 months old (2010: £38,000).
17 Derivative and other financial instruments

a) Currency risk

The Group’s currency risk exposure arises as a result of the majority of its shipbroking earnings being denominated in US dollars while the majority of its costs are denominated in pounds sterling and from the carrying values of its overseas subsidiaries being denominated in foreign currencies. The Group manages the exposure to currency variations by spot and forward currency sales and other derivative currency contracts.

At 28 February 2011 the Group held forward currency contracts to sell US$13.0 million at an average rate of $1.57/£ and a variable forward window agreement to sell US$1.0 million per month with upper and lower limits of $1.4885 – $1.6510 for the months March 2011 to February 2012.

At 28 February 2010 the Group held forward currency contracts to sell US$8.0 million at an average rate of $1.55/£ and a variable forward window agreement to sell US$1.0 million per month with upper and lower limits of $1.4885 – $1.6510 for the months March 2010 to February 2012.

The fair value/carrying value of the derivative financial instruments of the Group are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book value</td>
<td>£’000</td>
</tr>
<tr>
<td>Forward currency contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>236</td>
<td>236</td>
</tr>
<tr>
<td>Liabilities</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Forward currency options</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td>Liabilities</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

The net fair value of forward currency contracts that are designated and effective as cash flow hedges amount to a £236,000 asset (2010: a £198,000 liability) which has been deferred in equity.

Amounts of £198,000 have been charged (2010: £825,000) to the income statement in respect of forward contracts which have matured in the period.

During the year ended 28 February 2010, the Group settled early the portion of its variable forward window agreement relating to the period from March 2010 to February 2011, realising a profit of £868,000. £686,000 of this profit was deferred in equity and was recognised in the income statement during the year ended 28 February 2011 as the forecast transactions occurred. The remaining amount of £182,000 was recognised in the income statement in the year ended 28 February 2010.

The fair value of financial instruments is based on quoted market prices at the balance sheet date.

The effect on equity and profit before tax of a 10% increase in the average dollar exchange rate in the year, with all other variables being equal, is approximately £2.6 million adverse (2010: £2.5 million). A 10% decrease in the average US dollar exchange rate is approximately £3.2 million favourable (2010: £3.1 million).
17 Derivative and other financial instruments continued

b) Interest rate risk

The Group minimises its exposure to interest rate risk by pooling sterling cash balances across the Group.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments which are exposed to interest rate risk:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Within one year £'000</td>
<td>Within one year £'000</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floating rate:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (see note 19)</td>
<td>25,634</td>
<td>27,930</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Within one year £'000</td>
<td>Within one year £'000</td>
</tr>
<tr>
<td><strong>Company</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floating rate:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (see note 19)</td>
<td>23</td>
<td>1,656</td>
</tr>
</tbody>
</table>

Cash balances are generally held on overnight deposits at floating rates depending on cash requirements and the prevailing market rates for the amount of funds deposited.

The other financial instruments of the Group are non-interest bearing.

The effect on equity and profit before tax of a 1% increase or decrease in the interest rate, all other variables being equal, is approximately £0.2 million (2010: £0.2 million).

c) Banking facilities

At 28 February 2011, the Group had an overdraft facility for £5.0 million (2010: £5.0 million). At 28 February 2011 none of the facility had been drawn (2010: £nil). The Company and its subsidiaries have provided cross guarantees and fixed and floating rate charges over their assets to secure the above overdraft facility.

d) Credit risk

There are no significant concentrations within the Group or Company.

Concentrations of credit risk with respect to trade receivables are limited due to the diversity of the Group’s customer base. The Directors believe there is no further credit risk provision required in excess of normal provisions for doubtful receivables, estimated by the Group’s management based on prior experience and their assessment of the current economic environment. The Group seeks to trade only with creditworthy parties and carries out credit checks where appropriate. As a result does not typically experience significant exposure to bad debts. The maximum exposure is the carrying amount as disclosed in note 16.

e) Capital management

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 28 February 2011 and 28 February 2010.

18 Restricted cash

At 28 February 2011, the Group held no restricted cash balances (2010: £5.5 million). Restricted cash comprises cash balances where the Group is holding cash as escrow agent for certain clients, pending completion of transactions in which the Group acted as broker and where the Group is holding payments due to clients on behalf of an insurer. The amounts are held in designated accounts and any interest earned is due to the clients. Restricted cash is denominated in US dollars. A corresponding liability is recorded on the balance sheet as client monies held as escrow agent.
19 Cash and cash equivalents
Cash and cash equivalents comprise £25.6 million held by the Group (2010: £27.9 million) and £23,000 held by the Company (2010: £1.7 million).

The carrying amount of these assets approximates to their fair value.

20 Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>Group 2011</th>
<th>Group 2010</th>
<th>Company 2011</th>
<th>Company 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>17,267</td>
<td>15,947</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Amounts owed to subsidiary undertakings</td>
<td>–</td>
<td>–</td>
<td>1,212</td>
<td>1,134</td>
</tr>
<tr>
<td>Other taxation and social security</td>
<td>1,279</td>
<td>1,249</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Deferred consideration</td>
<td>431</td>
<td>1,930</td>
<td>–</td>
<td>1,111</td>
</tr>
<tr>
<td>Other payables</td>
<td>1,269</td>
<td>2,407</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Other accruals and deferred income</td>
<td>20,816</td>
<td>20,173</td>
<td>70</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>41,062</td>
<td>41,706</td>
<td>1,295</td>
<td>2,258</td>
</tr>
</tbody>
</table>

The average credit period taken for trade payables is 42 days (2010: 40 days). The Directors consider that the carrying amounts of trade payables approximate to their fair value.

The amounts included in current liabilities are expected to be settled in less than 12 months.

21 Provisions

<table>
<thead>
<tr>
<th></th>
<th>2011 £'000</th>
<th>2010 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 March 2010</td>
<td>456</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange</td>
<td>(12)</td>
<td>(75)</td>
</tr>
<tr>
<td>(Released)/charged in the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilised in the year</td>
<td>(35)</td>
<td></td>
</tr>
<tr>
<td>At 28 February 2011</td>
<td>484</td>
<td></td>
</tr>
</tbody>
</table>

Employee entitlements relate to statutory long service leave in Braemar Seascope Pty Limited and the Braemar Falconer group.

The maturity profile of the provisions is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011 £'000</th>
<th>2010 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>267</td>
<td>288</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>267</td>
<td>288</td>
</tr>
<tr>
<td>Between one and two years</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Between two and three years</td>
<td>155</td>
<td>106</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>217</td>
<td>168</td>
</tr>
<tr>
<td>Total provisions</td>
<td>484</td>
<td>456</td>
</tr>
</tbody>
</table>

The Company has no provisions.
22 Share Capital

Group and Company

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Number</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>a) Authorised</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares of 10 pence each</td>
<td>34,903,000</td>
<td>34,903,000</td>
<td>3,490</td>
</tr>
<tr>
<td>b) Issued</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fully paid ordinary shares of 10 pence each</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at start of year</td>
<td>21,072,924</td>
<td>21,036,413</td>
<td>2,108</td>
</tr>
<tr>
<td>Shares issued and fully paid</td>
<td>23,184</td>
<td>36,511</td>
<td>2</td>
</tr>
<tr>
<td>As at end of year</td>
<td>21,096,108</td>
<td>21,072,924</td>
<td>2,110</td>
</tr>
</tbody>
</table>

During the year ended 28 February 2011, 6,000 shares were issued at 181.5 pence and 5,000 shares were issued at 245.0 pence as part of the 1997 Executive Scheme. A further 1,865 shares were issued at 314.0 pence, 9,980 shares were issued at 355.2 pence and 339 shares were issued at 353.20 pence as part of the Save As You Earn (“SAYE”) Scheme. No shares remained unpaid at 28 February 2011.

During the year ended 28 February 2010, 5,000 shares were issued at 181.5 pence and 14,200 shares were issued at 245.0 pence as part of the 1997 Executive Scheme. A further 16,420 shares were issued at 314.0 pence and 891 shares were issued at 196.40 pence as part of the Save As You Earn (“SAYE”) Scheme. No shares remained unpaid at 28 February 2010.

The Company has one class of ordinary shares which carry no right to fixed income.

c) Capital redemption reserve

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group and Company</td>
<td>£'000</td>
</tr>
<tr>
<td>Beginning and end of year</td>
<td>396</td>
</tr>
</tbody>
</table>

The capital redemption reserve arose on previous share buy-backs by the Company.

d) Share-based payments

The Company operates a variety of share-based payment schemes which are listed below.

The total charge for the year relating to all employee share-based payment plans was £829,000 (2010: £591,000) with a further £69,000 (2010: £44,000) incurred in respect of national insurance contributions, all of which related to equity-settled share-based payment transactions. At 28 February 2011, £69,000 (2010: £133,000) relating to national insurance contributions has been accrued in current liabilities but remains unsettled.

i. Share options

The Company operates a discretionary share option scheme, the Braemar Shipping Services Group 1997 Executive Option Scheme (“The 1997 Scheme”) which has now been superseded by the Braemar Shipping Services 2010 Executive Options Scheme (“the 2010 CSOP”) under which options are granted by the Remuneration Committee. The schemes are open to all UK employees and executive Directors and the exercise price of the options granted were at the market price at date of grant. The 2010 CSOP provides for the grant of two types of option – “Non-performance options” and “Performance options”. “Non-performance options” are granted to employees only in conjunction with the grant to such employees of an award under the Deferred Bonus Plan (see ii.) Unlike the “Performance Options”, the vesting and exercise of “Non-performance options” will not be subject to the satisfaction of performance conditions (although exercise will be dependent on continuous employment within the Group). During the year to 28 February 2011, 104,750 “Non-performance options” and no “Performance” options were granted under the CSOP.

The Company also operates a Save As You Earn (“SAYE”) Scheme. The scheme is open to all UK employees and executive Directors as well as certain International employees. Options were granted at 20% discount to the prevailing market price.
22 Share Capital continued

Details of the share options in issue and the movements in the year are given below:

<table>
<thead>
<tr>
<th>Share scheme</th>
<th>Year option granted</th>
<th>Number at 1 March 2010</th>
<th>Granted</th>
<th>Exercised</th>
<th>Lapsed</th>
<th>28 February 2011</th>
<th>Number at Exercise price (pence)</th>
<th>Exercisable between</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997 Executive Scheme</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>10,000</td>
<td>–</td>
<td>(6,000)</td>
<td>(2,000)</td>
<td>2,000</td>
<td>181.5</td>
<td>2006-2013</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>10,000</td>
<td>–</td>
<td>(5,000)</td>
<td>–</td>
<td>5,000</td>
<td>245.0</td>
<td>2007-2014</td>
<td></td>
</tr>
<tr>
<td></td>
<td>20,000</td>
<td>–</td>
<td>(11,000)</td>
<td>(2,000)</td>
<td>7,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAYE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>5,835</td>
<td>–</td>
<td>(1,865)</td>
<td>(3,970)</td>
<td>–</td>
<td>314.0</td>
<td>2009-2010</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>12,914</td>
<td>–</td>
<td>(9,980)</td>
<td>(71)</td>
<td>2,863</td>
<td>355.2</td>
<td>2010-2011</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>620,711</td>
<td>–</td>
<td>–</td>
<td>(51,802)</td>
<td>568,909</td>
<td>196.4</td>
<td>2011-2012</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>65,035</td>
<td>–</td>
<td>(339)</td>
<td>(4,641)</td>
<td>60,055</td>
<td>353.2</td>
<td>2012-2013</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>–</td>
<td>56,484</td>
<td>–</td>
<td>–</td>
<td>56,484</td>
<td>426.0</td>
<td>2013-2014</td>
<td></td>
</tr>
<tr>
<td></td>
<td>704,495</td>
<td>56,484</td>
<td>(12,184)</td>
<td>(60,484)</td>
<td>688,311</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>724,495</td>
<td>56,484</td>
<td>(23,184)</td>
<td>(62,484)</td>
<td>695,311</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Share options granted in 2003 and 2004 under the 1997 Executive Scheme are subject to a performance condition that the growth in the Company’s average adjusted earnings per share (EPS) over a period of no less than three financial years must exceed the growth in the retail price index (RPI) over the corresponding period by no less than 3% per annum compounded. If the performance condition is not satisfied at this point, no retesting of the performance condition is permitted in subsequent financial years until the option lapses. The base measurement period for the remaining options is the average of the EPS (as published in the Group’s Annual Report and Accounts) for the three financial years immediately preceding the grant of the relevant option. Exercise of an option is subject to continued employment.

Options are valued using a binomial pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

<table>
<thead>
<tr>
<th></th>
<th>SAYE</th>
<th>SAYE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant date</td>
<td>22 Dec 10</td>
<td>01 Feb 10</td>
</tr>
<tr>
<td>Share price at grant date</td>
<td>520.00p</td>
<td>433.00p</td>
</tr>
<tr>
<td>Exercise price</td>
<td>426.40p</td>
<td>253.20p</td>
</tr>
<tr>
<td>Number of employees</td>
<td>65</td>
<td>75</td>
</tr>
<tr>
<td>Shares under option</td>
<td>56,484</td>
<td>65,035</td>
</tr>
<tr>
<td>Vesting period (years)</td>
<td>3.0</td>
<td>3.1</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>20.13%</td>
<td>50.00%</td>
</tr>
<tr>
<td>Option life (years)</td>
<td>3.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Risk free rate</td>
<td>4.20%</td>
<td>2.92%</td>
</tr>
<tr>
<td>Expected dividends expressed as a dividend yield</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Possibility of ceasing employment before vesting</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Expectation of meeting performance criteria</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Fair value per option</td>
<td>70.28p</td>
<td>125.14p</td>
</tr>
</tbody>
</table>

The expected volatility is based on historical volatility over the last four years. The risk-free rate of return is based on LIBOR.
A reconciliation of option movements during the year is shown below:

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Weighted average exercise price</th>
<th>Number</th>
<th>Weighted average exercise price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outstanding at 1 March</strong></td>
<td>724,495</td>
<td>214.72p</td>
<td>727,714</td>
<td>205.06p</td>
</tr>
<tr>
<td><strong>Granted</strong></td>
<td>56,484</td>
<td>426.40p</td>
<td>65,035</td>
<td>353.20p</td>
</tr>
<tr>
<td><strong>Exercised</strong></td>
<td>(23,184)</td>
<td>283.14p</td>
<td>(36,511)</td>
<td>266.15p</td>
</tr>
<tr>
<td><strong>Lapsed</strong></td>
<td>(62,484)</td>
<td>215.22p</td>
<td>(31,743)</td>
<td>217.83p</td>
</tr>
<tr>
<td><strong>Outstanding at 28 February</strong></td>
<td>695,311</td>
<td>229.59p</td>
<td>724,495</td>
<td>214.72p</td>
</tr>
<tr>
<td><strong>Exercisable at 28 February</strong></td>
<td>9,863</td>
<td>372.13p</td>
<td>25,835</td>
<td>165.09p</td>
</tr>
</tbody>
</table>

The weighted average share price for share options exercised in the year is 525.57 pence (2010: 428.52 pence).

ii. Deferred bonus plan

During 2005 the Company put in place a Deferred Bonus Plan (“the Plan”) whereby part of the annual performance-related bonus is delivered in shares, on a discretionary basis, to staff including executive Directors. Under the Plan the shares are bought and held in an employee trust for three years after which the employee beneficiary will become absolutely entitled to the shares provided they remain in employment. Shares are valued at fair value at the date of grant.

During the year ended 28 February 2011, 46,750 shares at a value of £149,000 that were awarded to employees in May 2007 as part of the Plan were delivered to them in May 2010 following the three-year vesting period. In addition, 158,000 shares at a value of £597,000 that were awarded to employees in November 2007 were delivered to them in November 2010 following the three-year vesting period. Furthermore, 189,856 shares were awarded to employees during the year and a total of 53,750 shares lapsed.

During the year ended 28 February 2010, 62,750 shares at a value of £196,000 that were awarded to employees in May 2006 as part of the Plan were delivered to them in May 2009 following the three-year vesting period. In addition, 50,000 shares at a value of £157,000 that were awarded to employees in August 2006 were delivered to them in August 2009 following the three-year vesting period. Furthermore, 122,750 shares were awarded to employees during the year and a total of 40,000 shares lapsed.

As at 28 February 2011, 504,131 deferred shares had been awarded to employees (2010: 570,775) but not yet delivered.

iii. Long-term incentive plan ("LTIP")

The Company established an LTIP in 2006. LTIP awards take the form of a conditional right to receive shares at nil cost. The awards normally vest over three years and are subject to a performance condition based on earnings per share (EPS). If EPS has increased by RPI plus 4%, the awards vest up to 50% and if EPS has increased by 10% they vest up to 100% with a sliding scale in between.

In May 2010, out of the 80,000 shares awarded in May 2007, 26,668 shares at a value of £93,000 were delivered to the executive Directors of Braemar Shipping Services plc. At 28 February 2011, 53,332 shares remain outstanding (2010: 80,000 shares).

In addition, a further 196,144 shares were awarded to the executive Directors in June 2010.
23 Shares to be issued

Group and Company

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 March 2009</td>
<td>3,479</td>
</tr>
<tr>
<td>Share capital acquired in the year</td>
<td>72</td>
</tr>
<tr>
<td>ESOP shares allocated</td>
<td>(353)</td>
</tr>
<tr>
<td>At 28 February 2010</td>
<td>3,198</td>
</tr>
<tr>
<td>Share capital acquired in the year</td>
<td>916</td>
</tr>
<tr>
<td>ESOP shares allocated</td>
<td>(839)</td>
</tr>
<tr>
<td>At 28 February 2011</td>
<td>3,275</td>
</tr>
</tbody>
</table>

Shares to be issued are a deduction from shareholders’ funds and represent a reduction in distributable reserves.

An employee share ownership plan (ESOP) was established on 23 January 1995. The ESOP has been set up to purchase shares in the Company. These shares, once purchased, are held on trust by the Trustee of the ESOP, Close Trustees Guernsey Limited, for the benefit of the employees. As at 28 February 2011, the ESOP held 817,242 (2010: 871,760) ordinary shares of 10 pence each at a total cost of £3,275,000 (2010: £3,198,000) including stamp duty associated with the purchase. The funding of the purchase has been provided by the Company in the form of an interest-free loan and the Trustees have contracted with the Company to waive the ESOP’s right to receive dividends. The fees charged by the Trustees for the operation of the ESOP are paid by the Company and charged to the income statement as they fall due. The shares owned by the ESOP had a market value at 28 February 2011 of £3,726,624 (2010: £3,661,392). The distribution of these shares is determined by the Remuneration Committee and of the 817,242 held, 753,607 shares had been allocated at 28 February 2011 (2010: 650,775). 229,418 shares (2010: 112,750) have been released to employees during the year (see note 22).

24 Other reserves

<table>
<thead>
<tr>
<th></th>
<th>Capital redemption reserve £’000</th>
<th>Merger reserve £’000</th>
<th>Deferred consideration reserve £’000</th>
<th>Translation reserve £’000</th>
<th>Hedging reserve £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 March 2009</td>
<td>396</td>
<td>21,346</td>
<td>(355)</td>
<td>3,985</td>
<td>(352)</td>
<td>25,020</td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Transfer to net profit</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>643</td>
</tr>
<tr>
<td>– Fair value losses in the period</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>333</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>–</td>
<td>–</td>
<td>(34)</td>
<td>(164)</td>
<td>–</td>
<td>(164)</td>
</tr>
<tr>
<td>Consideration to be paid</td>
<td>–</td>
<td>–</td>
<td>(34)</td>
<td>–</td>
<td>–</td>
<td>(34)</td>
</tr>
<tr>
<td>Deferred tax on items taken to equity</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(273)</td>
<td>(273)</td>
<td></td>
</tr>
<tr>
<td>At 28 February 2010</td>
<td>396</td>
<td>21,346</td>
<td>(389)</td>
<td>3,821</td>
<td>351</td>
<td>25,525</td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Transfer to net profit</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(488)</td>
<td>(488)</td>
</tr>
<tr>
<td>– Fair value losses in the period</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>236</td>
<td>236</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>977</td>
<td>–</td>
<td>977</td>
</tr>
<tr>
<td>Deferred tax on items taken to equity</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td><strong>At 28 February 2011</strong></td>
<td><strong>396</strong></td>
<td><strong>21,346</strong></td>
<td><strong>(389)</strong></td>
<td><strong>4,798</strong></td>
<td><strong>172</strong></td>
<td><strong>26,323</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Capital redemption reserve £’000</th>
<th>Merger reserve £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 March 2009, 28 February 2010 and 28 February 2011</td>
<td>396</td>
<td>21,346</td>
<td>21,742</td>
</tr>
</tbody>
</table>
25 Non-controlling interest

At 1 March 2009
Profit for the period attributable to shareholders for the year 114
At 28 February 2010
Profit for the period attributable to shareholders for the year 144
At 28 February 2011
159

The minority interest represents 20% of Fred. Olsen Freight Limited acquired on 24 December 2007 which is not owned by the Group.

26 Cash generated from operations

<table>
<thead>
<tr>
<th></th>
<th>Group 2011</th>
<th>Group 2010</th>
<th>Company 2011</th>
<th>Company 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Profit before tax for the year from continuing operations</td>
<td>13,195</td>
<td>13,491</td>
<td>5,123</td>
<td>5,643</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Depreciation</td>
<td>1,202</td>
<td>1,064</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>– Amortisation</td>
<td>1,565</td>
<td>1,480</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>– Profit on sale of property plant and equipment</td>
<td>(20)</td>
<td>(5)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>– Finance income</td>
<td>(177)</td>
<td>(193)</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>– Finance expense</td>
<td>14</td>
<td>2</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>– Share of profit of joint ventures</td>
<td>(103)</td>
<td>(400)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>– Share based payments</td>
<td>829</td>
<td>591</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>– Net foreign exchange gains and financial instruments</td>
<td>(714)</td>
<td>686</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Changes in working capital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Trade and other receivables</td>
<td>(4,395)</td>
<td>1,745</td>
<td>14</td>
<td>1,304</td>
</tr>
<tr>
<td>– Trade and other payables</td>
<td>854</td>
<td>(3,417)</td>
<td>148</td>
<td>(191)</td>
</tr>
<tr>
<td>– Provisions</td>
<td>30</td>
<td>234</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>12,280</td>
<td>15,278</td>
<td>5,285</td>
<td>6,754</td>
</tr>
</tbody>
</table>

27 Business combinations

No acquisitions have taken place during the year ended 28 February 2011. In respect of businesses acquired in previous periods, the following transactions have taken place:

a) Braemar Steege Holdings Limited
In respect of the acquisition of Braemar Steege Holdings Limited (formerly Steege Kingston Partnership Limited) on 3 March 2008, the Group made the second and final stage payment in respect of this business on 18 May 2010. An amount of £960,000 was paid based on a multiple of the earnings before interest and tax in the two years following completion and was settled wholly in cash. An amount of £151,000 that had been additionally accrued in respect of this acquisition has been adjusted against goodwill following this final payment.

b) Sealion Shipping (S) Pte Limited
The Group also made the second stage payment of £102,000 in respect of this business on 3 September 2010. This amount was based on a multiple of the earnings before interest and tax in the period following completion and was paid against a deferred consideration liability in current liabilities (note 20). It was settled wholly in cash.

c) Freight Action Limited
During the year, the Group made a final payment of £125,000 in relation to the acquisition of Freight Action Limited in October 2008. This payment was made wholly in cash and was paid against a deferred consideration liability in current liabilities (note 20).

d) Other acquisitions
Finally, during the year the Group made payment in respect of the acquisitions of Cagnoil Limited (£47,000), LPG Connect (£41,000) and Fred. Olsen Freight Limited (£18,000). All of these payments were made in cash and were paid against deferred consideration liabilities in current liabilities (note 20).
28 Pensions
The Group participates in a number of defined contribution schemes. Contributions of £2,478,000 (2010: £2,802,000) were paid in the year and contributions of £nil were due to these schemes at 28 February 2011 (2010: £nil).

29 Financial commitments
a) Operating lease commitments
Future minimum rentals payable under non-cancellable operating leases as at 28 February are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Lease minimum payments</th>
<th>Sub-lease income</th>
<th>Net minimum lease repayments</th>
<th>Other £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>1,680</td>
<td>(65)</td>
<td>1,615</td>
<td>186</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>4,391</td>
<td>(93)</td>
<td>4,298</td>
<td>153</td>
</tr>
<tr>
<td>Over five years</td>
<td>1,875</td>
<td>–</td>
<td>1,875</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td><strong>7,946</strong></td>
<td><strong>(158)</strong></td>
<td><strong>7,788</strong></td>
<td><strong>339</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Lease minimum payments</th>
<th>Sub-lease income</th>
<th>Net minimum lease repayments</th>
<th>Other £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>1,538</td>
<td>(67)</td>
<td>1,471</td>
<td>203</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>3,123</td>
<td>(150)</td>
<td>2,973</td>
<td>152</td>
</tr>
<tr>
<td>Over five years</td>
<td>2,548</td>
<td>–</td>
<td>2,548</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td><strong>7,209</strong></td>
<td><strong>(217)</strong></td>
<td><strong>6,992</strong></td>
<td><strong>355</strong></td>
</tr>
</tbody>
</table>

The Group leases various offices and a warehouse under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights.

The Group also leases plant and machinery under non-cancellable operating lease agreements.

There were no commitments under operating leases in the Company.

b) Other commitments
On completion of the acquisition of 80% of Fred. Olsen Freight Limited on 27 December 2007, the Group entered into a put and call option agreement to acquire the remaining 20% of the share capital of Fred. Olsen Freight Limited. The terms of the put option provide that the Group could be required to purchase the remaining portion of the business at any time up until 24 December 2015 and the call option allows the Group to exercise its right in any event on 24 December 2015 if the option has not been exercised by the vendors prior to this date. The value of the deferred consideration at 28 February 2011 was £389,000 (2010: £389,000) and is based on current forecasts. It is included in deferred consideration in current liabilities (note 20), although the exact payment may take place at any time over the period to 2015. The call option has not been reflected in the financial statements as it is assessed to have nil value.

30 Contingent liabilities
The Company has given a guarantee to HM Revenue and Customs in respect of duty deferment in the amount of £2.0 million (2010: £1.3 million). Further guarantees to HM Revenue and Customs and third parties total £0.7 million (2010: £0.7 million). In addition, the Company and its subsidiaries have provided cross guarantees and fixed and floating rate charges over their assets to secure the above overdraft facility (see note 17).
31 Related party transactions
During the period the Group entered into the following transactions with joint ventures and investments:

<table>
<thead>
<tr>
<th>Company</th>
<th>2011 to/from (£’000)</th>
<th>Dividends (£’000)</th>
<th>Balance due from (£’000)</th>
<th>2010 to/from (£’000)</th>
<th>Dividends (£’000)</th>
<th>Balance due from (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delphis UK</td>
<td>(24)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>24</td>
</tr>
<tr>
<td>Braemar Quincannon Limited</td>
<td>(6)</td>
<td>48</td>
<td>54</td>
<td>(5)</td>
<td>–</td>
<td>54</td>
</tr>
<tr>
<td>Braemar Quincannon Pte Limited</td>
<td>33</td>
<td>–</td>
<td>33</td>
<td>(336)</td>
<td>338</td>
<td>–</td>
</tr>
<tr>
<td>London Tankers Broker Panel</td>
<td>258</td>
<td>–</td>
<td>252</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>London Central Cruise Moorings</td>
<td>15</td>
<td>–</td>
<td>15</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

All recharges to related parties are carried out on an arm’s-length basis.

Under the Merger Agreement dated 7 March 2001 between the Company and Braemar Shipbrokers Ltd, the vendors gave a joint and several indemnity to the Company for any warranty and tax indemnity claims up to an aggregate of £10 million.

During the year ended 28 February 2006, the Company received an assessment for corporation tax and interest totalling £2.2 million which is recoverable under the indemnity and which is currently being appealed. Following receipt of the appeal the Company received funds of £1.6 million from the vendors which were paid to the Inland Revenue in order to prevent interest accruing. Such funds would become repayable to the vendors in the event that the appeal is successful. £0.6 million (2010: £0.6 million) remains outstanding pending the appeal result. The Company does not expect to incur any cost in respect of this assessment or these contingent liabilities.

The Chief Executive and a Director of the Group are Braemar Shipbrokers vendors and are therefore party to the transactions referred to above.

Key management compensation is disclosed in note 4.

During the year the Company entered into the following transactions with subsidiaries and joint ventures:

<table>
<thead>
<tr>
<th>Company</th>
<th>2011 to/from (£’000)</th>
<th>Dividends (£’000)</th>
<th>Balance due from (£’000)</th>
<th>2010 to/from (£’000)</th>
<th>Dividends (£’000)</th>
<th>Balance due from (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Braemar Shipbrokers Limited</td>
<td>(5,248)</td>
<td>5,248</td>
<td>(589)</td>
<td>(2,858)</td>
<td>2,858</td>
<td>(589)</td>
</tr>
<tr>
<td>Braemar Seascope Limited</td>
<td>235</td>
<td>–</td>
<td>215</td>
<td>252</td>
<td>–</td>
<td>(20)</td>
</tr>
<tr>
<td>Wavespec Limited</td>
<td>(306)</td>
<td>–</td>
<td>1,243</td>
<td>–</td>
<td>–</td>
<td>1,551</td>
</tr>
<tr>
<td>Cory Brothers Shipping Agency Limited</td>
<td>(5)</td>
<td>–</td>
<td>(5)</td>
<td>(513)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Braemar Howells Limited</td>
<td>–</td>
<td>–</td>
<td>(1,150)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Braemar Seascope Pty Limited</td>
<td>(126)</td>
<td>126</td>
<td>–</td>
<td>(1,212)</td>
<td>1,212</td>
<td>–</td>
</tr>
<tr>
<td>Braemar Falconer Pte Limited</td>
<td>–</td>
<td>–</td>
<td>(1,411)</td>
<td>(90)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Braemar Steege Limited</td>
<td>–</td>
<td>–</td>
<td>(525)</td>
<td>–</td>
<td>–</td>
<td>(525)</td>
</tr>
</tbody>
</table>

32 Post balance sheet events
On 9 May 2011, the Group acquired the business and certain assets of BMT Marine and Offshore Surveys Limited (‘BMTMOS’) from the Administrator, Deloitte. BMTMOS provides Hull and Machinery, P&I and Marine Warranty survey services around the globe and its clients operate primarily in the insurance, shipping and offshore industries. The business has 94 employees, most of whom are marine surveyors, who operate from 21 offices around the world. Going forward the business will join with the established marine survey operations of the group’s Technical division and will trade under the Braemar name.

The cash consideration for the transaction was £2.4 million, paid on completion. In its financial year to 30 September 2010 BMTMOS reported a normalised EBITDA of £0.9 million, and at that date the book value of assets acquired was £3.5 million.
## Five year financial summary

### Consolidated income statement

<table>
<thead>
<tr>
<th></th>
<th>12 Months to February 2007 £'000</th>
<th>12 Months to February 2008 £'000</th>
<th>12 Months to February 2009 £'000</th>
<th>12 Months to February 2010 £'000</th>
<th>12 Months to February 2011 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuing operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group revenue</td>
<td>73,831</td>
<td>100,964</td>
<td>127,144</td>
<td>119,024</td>
<td>126,135</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(64,343)</td>
<td>(86,996)</td>
<td>(111,457)</td>
<td>(106,124)</td>
<td>(113,206)</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>(284)</td>
<td>(452)</td>
<td>(1,074)</td>
<td>(1,480)</td>
<td>(1,565)</td>
</tr>
<tr>
<td>Goodwill Impairment</td>
<td>(950)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(63,109)</td>
<td>(86,544)</td>
<td>(110,383)</td>
<td>(104,644)</td>
<td>(111,641)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>9,488</td>
<td>13,968</td>
<td>15,687</td>
<td>12,900</td>
<td>12,929</td>
</tr>
<tr>
<td>Interest (expense)/income – net</td>
<td>319</td>
<td>380</td>
<td>291</td>
<td>191</td>
<td>163</td>
</tr>
<tr>
<td>Share of profit from joint ventures</td>
<td>207</td>
<td>370</td>
<td>246</td>
<td>400</td>
<td>103</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>10,014</td>
<td>14,718</td>
<td>16,224</td>
<td>13,491</td>
<td>13,195</td>
</tr>
<tr>
<td>Taxation</td>
<td>(3,585)</td>
<td>(4,797)</td>
<td>(4,704)</td>
<td>(3,806)</td>
<td>(3,378)</td>
</tr>
<tr>
<td><strong>Profit after taxation</strong></td>
<td>6,429</td>
<td>9,921</td>
<td>11,520</td>
<td>9,685</td>
<td>9,817</td>
</tr>
<tr>
<td>Dividends</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim</td>
<td>1,340</td>
<td>1,602</td>
<td>1,721</td>
<td>1,767</td>
<td>1,817</td>
</tr>
<tr>
<td>Final proposed</td>
<td>2,438</td>
<td>3,147</td>
<td>3,121</td>
<td>3,283</td>
<td>3,447</td>
</tr>
<tr>
<td>Earnings per ordinary share – pence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>32.08p</td>
<td>48.99p</td>
<td>56.70p</td>
<td>47.93p</td>
<td>48.41p</td>
</tr>
<tr>
<td>Diluted</td>
<td>31.65p</td>
<td>48.69p</td>
<td>55.72p</td>
<td>47.26p</td>
<td>47.43p</td>
</tr>
</tbody>
</table>
**Five year financial summary**

**Consolidated balance sheet**

<table>
<thead>
<tr>
<th></th>
<th>As at 28 Feb 2007 £'000</th>
<th>As at 29 Feb 2008 £'000</th>
<th>As at 28 Feb 2009 £'000</th>
<th>As at 28 Feb 2010 £'000</th>
<th>As at 28 Feb 2011 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>22,606</td>
<td>25,826</td>
<td>28,137</td>
<td>28,740</td>
<td>30,006</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>1,582</td>
<td>2,315</td>
<td>3,921</td>
<td>4,247</td>
<td>4,277</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>5,478</td>
<td>5,820</td>
<td>6,189</td>
<td>6,510</td>
<td>6,813</td>
</tr>
<tr>
<td>Investments</td>
<td>1,538</td>
<td>1,890</td>
<td>2,344</td>
<td>1,485</td>
<td>1,694</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>642</td>
<td>754</td>
<td>810</td>
<td>1,208</td>
<td>1,797</td>
</tr>
<tr>
<td>Other receivables</td>
<td>81</td>
<td>155</td>
<td>176</td>
<td>169</td>
<td>238</td>
</tr>
<tr>
<td></td>
<td>31,927</td>
<td>36,760</td>
<td>41,577</td>
<td>42,359</td>
<td>43,325</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>21,820</td>
<td>26,875</td>
<td>38,055</td>
<td>36,918</td>
<td>40,741</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>27</td>
<td>107</td>
<td>160</td>
<td>–</td>
<td>314</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>–</td>
<td>3,952</td>
<td>–</td>
<td>5,521</td>
<td>–</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>14,634</td>
<td>21,635</td>
<td>25,194</td>
<td>27,930</td>
<td>25,634</td>
</tr>
<tr>
<td></td>
<td>36,481</td>
<td>52,569</td>
<td>63,409</td>
<td>70,369</td>
<td>66,689</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>68,408</td>
<td>89,329</td>
<td>104,986</td>
<td>112,728</td>
<td>110,014</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>29,011</td>
<td>39,540</td>
<td>46,221</td>
<td>41,706</td>
<td>41,062</td>
</tr>
<tr>
<td>Current tax payable</td>
<td>2,402</td>
<td>3,017</td>
<td>2,689</td>
<td>3,346</td>
<td>2,379</td>
</tr>
<tr>
<td>Provisions</td>
<td>294</td>
<td>48</td>
<td>88</td>
<td>288</td>
<td>267</td>
</tr>
<tr>
<td>Client monies held as escrow agent</td>
<td>–</td>
<td>3,952</td>
<td>–</td>
<td>5,521</td>
<td>–</td>
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<td>Non-current liabilities</td>
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<td><strong>Total assets less total liabilities</strong></td>
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<td>41,527</td>
<td>52,947</td>
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<td>64,818</td>
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<td><strong>Equity</strong></td>
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<td>Share capital</td>
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<td>Share premium</td>
<td>8,554</td>
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<td>Shares to be issued</td>
<td>(1,547)</td>
<td>(2,527)</td>
<td>(3,479)</td>
<td>(3,198)</td>
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<td>20,687</td>
<td>25,020</td>
<td>25,526</td>
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<td>Retained earnings</td>
<td>5,390</td>
<td>11,717</td>
<td>18,268</td>
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<td>35,940</td>
<td>41,199</td>
<td>52,833</td>
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<td>Minority interest</td>
<td>309</td>
<td>328</td>
<td>114</td>
<td>144</td>
<td>159</td>
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<tr>
<td><strong>Total equity</strong></td>
<td>36,249</td>
<td>41,527</td>
<td>52,947</td>
<td>59,127</td>
<td>64,818</td>
</tr>
</tbody>
</table>
Shareholder information

Registered Office
Braemar Shipping Services plc
35 Cosway Street
London
NW1 5BT
Company number: 2286034

Registrars
Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire
HD8 0LA
Telephone: 0870 162 3100

Corporate stockbroker
Arbuthnot Securities
Arbuthnot House
20 Ropemaker Street
London
EC2Y 9AR

Public relations
Pelham Bell Pottinger
5th Floor Holborn Gate
330 High Holborn
London
WC1V 7QD

Legal advisor
Nabarro
Lacon House
84 Theobald's Road
London
WC1X 8RW

Bankers
The Royal Bank of Scotland plc
Shipping Business Centre
5-10 Great Tower Street
London
EC3P 3HX

Independent auditors
KPMG Audit Plc
15 Canada Square
London
E14 5GL

Timetable
AGM: 22 June 2011
Ex dividend date for 2010/11 final dividend: 29 June 2011
2010/11 Final dividend record date: 1 July 2011
2010/11 Final dividend payment date: 27 July 2011
2010/11 Interim results announcement: Late October 2011
Offices and contacts

**Shipbroking**

**Businesses:**
- Braemar Seascope
- Braemar Futures

**Principal Offices:**
- 35 Cosway Street
  - London
  - NW1 5BT
- Great Eastern Centre
  - 1 Pickering Street – #8/01
  - Singapore 048659

**Other office UK:**
- Aberdeen

**Other offices overseas:**
- Perth, Australia
- Melbourne, Australia
- Shanghai, China
- Beijing, China
- New Delhi, India
- Mumbai, India
- Genoa, Italy
- Monte Carlo, Monaco

**Web address:**
- www.braemarseascope.com

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**Technical**

**Businesses:**
- Braemar Falconer
- Braemar Steege
- Wavespec

**Principal Offices:**
- Great Eastern Centre
  - 1 Pickering Street – #8/01
  - Singapore 048659
- 10000 Memorial Drive, Suite 150
  - Houston, TX 77024
- 11-13 Crosswall
  - London
  - EC3N 2JY
- Fullbridge Mill
  - Fullbridge
  - Maldon
  - Essex CM9 4LE

**Other office UK:**
- 2nd Floor, Centurion House
  - 37 Jewry Street
  - London EC3N 2ER

**Other offices overseas:**
- Calgary, Canada
- Mexico
- Miami, USA
- Rio de Janeiro, Brazil
- Caracas, Venezuela
- Jakarta, Indonesia
- Kuala Lumpur, Malaysia
- Mumbai, India
- Perth, Australia
- Shanghai, China
- Shenzhen, China
- Tianjin, China
- Vung Tau, Vietnam
- Puerto Rico
- Quito, Ecuador
- Seattle, USA
- Los Angeles, USA
- Atlanta, USA

**Web address:**
- www.braemarfalconer.com
- www.braemarsteege.com
- www.wavespec.com
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</table>

Annual Report 2011
The Group is divided into four operating divisions: Shipbroking, Technical, Logistics and Environmental. These work together to offer a unique combination of skills for clients, at any time, anywhere in the world.

We recognise that the needs of our clients are ever-changing and our aim is to provide a skilled and professional workforce to address those needs.

We will continue to develop our worldwide presence to meet the challenges of our international marketplace.