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The Group comprises three operating divisions. These work together to offer a unique combination of skills for clients, at any time, anywhere in the world.

Shipbroking

Strengthening our global network

Following the merger with ACM, Braemar Seascope was renamed Braemar ACM. Braemar ACM provides shipbroking services to owners and charterers of vessels around the globe from a network of 14 offices based on three principal hubs in London, Singapore and Melbourne.

The Braemar ACM brokers in these locations are specialists in their areas of expertise covering the vast majority of shipping sectors. Whether facilitating sale and purchase transactions or arranging spot or time charters, our merged teams are dedicated to their clients' needs 24 hours a day, 365 days per year.

As we operate in almost all sectors of the market there is a natural balance to the broking portfolio.

Technical

Blending into a strong network

Braemar's Technical division provides a range of shipping and energy sector related services from a network of 27 offices around the world.

Braemar's Technical division has a wide marine and energy sector technical service skill base. This covers loss adjusting for both the shipping and energy markets, marine warranty surveys, marine engineering consultancy and environmental consultancy and clean-up work.

The markets in which we operate are subject to different economic drivers which limit the exposure to any one market dynamic.

Logistics

Expanding global reach

The logistics business trades as Cory Brothers and has been a force in ship agency and logistics for more than 150 years.

As a leading ship agent we provide critical on-shore services to ease the passage of our clients' vessels as they transit through ports in the UK, Singapore and increasingly elsewhere around the globe. We also provide freight forwarding and logistics solutions for clients who require a more tailored service.

We are able to provide our clients with first-class service through the use of bespoke systems which can generate superior management information.

Global coverage





What we do

The home of integrated marine and energy services

Braemar provides expert market knowledge and professional skills and advice in the shipping and offshore energy markets. We provide technical and practical advice and services to the owners and users of vessels, insurers and major energy companies.

We build long-term relationships with our clients based on trust and mutual understanding. Each segment of our portfolio of businesses specialises in a different area of knowledge and skill but are all interconnected and often service the same clients.

Our assets are our people, their client relationships, our information systems and our brand. "Braemar" is about expertise, trust, reliability, respectability and ethical conduct.

Our divisions

- Shipbroking
- Technical
- Logistics

Financial highlights

Outlook for the full year continues to be in line with the Board's expectations

Revenue from underlying operations in the first half

£79.6m

(Interim 2014/15: £64.5m¹)

Underlying basic EPS²

18.6p

(Interim 2014/15: 11.7p)

Underlying pre-tax profit

£7.0m

(Interim 2014/15: £3.6m)

Interim dividend pence per share (remains unchanged)

9.0p

(Interim 2014/15: 9.0p)

Operational highlights

- Shipbroking division has performed well and is significantly ahead of the same period last year, led by the continued strength of the tanker markets
- Total Shipbroking forward order book remains consistent at approximately US\$56 million
- Technical division performed well, achieving a 34% increase in underlying profit growth
- Logistics' division performance unchanged and well set for future growth

(1) Includes 1 month contribution from ACM Shipping Group PLC ("ACM")

(2) Underlying basic EPS is defined as EPS from continuing operations before non-recurring and acquisition-related costs



David Moorhouse CBE
Chairman

"The Board is confident that we are well positioned to grow our earnings in the years ahead with any volatility in the shipping market balanced by the stability created through our diversified portfolio of businesses."

Results

Revenue from underlying operations was £79.6 million in the first half of this year compared with £64.5 million in the first half of 2014/15. Profit before tax, before taking into account acquisition related items and other non-recurring costs, was substantially higher at £7.0 million compared with £3.6 million last year. Underlying basic earnings per share from operations were 18.6 pence per share compared with 11.7 pence per share for the same period last year.

The first half results include acquisition related expenses and amortisation of £1.8 million compared with £3.3 million last year. These costs mainly relate to the merger with ACM Shipping Group PLC ("ACM") in July 2014 and have been charged against profits, resulting in a reported profit before tax of £5.3 million compared with a pre-tax profit of £0.3 million for the first half last year.

Trading

The Shipbroking division performed strongly during the first half. Our breadth of services ensured that we were able to capitalise on the rise in activity in the tanker markets driven by increased oil production and tonne miles. Although the Dry Cargo and Offshore markets were weaker, our cost structure is appropriate for this period in the cycle. Our total forward order book remains consistent at circa US\$56 million, of which approximately US\$14 million relates to 2015/16.

The Technical division performed well, achieving profit growth of 34%. While the reduction in the oil price had an impact on our offshore activities, this was more than offset by continued progress made by Braemar Engineering, our consulting engineering business, which has long established expertise in LNG vessel engineering.

The Logistics division has delivered profit in line with the prior year and has a number of business development opportunities beginning to come to fruition.

Dividend

The Board has declared an unchanged interim dividend of 9.0 pence per share. The interim dividend will be paid on Friday 18 December 2015 to shareholders on the register at the close of business on Friday 20 November 2015.

Colleagues

Braemar is a people business. As always, the Board would like to recognise and thank everyone in the Group for their untiring efforts to establish Braemar as the most valued provider of knowledge based services to the shipping, marine, energy, offshore and insurance markets across the globe. It is the hard work and enthusiasm of our staff that continue to deliver our business performance.

Outlook

Your Board is confident that we are well positioned to grow our earnings in the years ahead with the volatility of the shipping markets balanced by the stability created through our diversified portfolio of businesses. The Board's expectation for the Group for the year as a whole remains unchanged and is supported by the early indications of trading in the second half.

David Moorhouse CBE

Chairman
27 October 2015



James Kidwell
Chief Executive

“Braemar has made tremendous progress in the last year and I look forward to working with the Board to lead the Group into the next phase of our development.”

All our divisions operate in highly competitive markets and, during 2014, we made a number of important managerial and structural changes across our divisions to enable them to best meet the various challenges they face. Braemar's strong performance in the first half of 2015/16 has begun to reflect the benefit of these changes and we believe we are well structured to respond to the variable markets in which we continually operate.

The trading performance in our major business units is detailed below.

Shipbroking

Revenue

£33.3m

(Interim 2014/15: £21.0m)

Divisional operating profit¹

£4.6m

(Interim 2014/15: £1.4m)

Overall, the Shipbroking division performed well and was significantly ahead of the same period last year and our total forward book remains consistent at approximately US\$56 million. Much of the increase in profits may be attributed to the full period impact of our merger with ACM, which is now fully integrated into the Group.

The increase both in oil production and crude oil tonne miles transported over the last twelve months has had a beneficial effect on the tanker market and freight rates have been strong throughout our first half and are expected to remain so for the fourth calendar quarter 2015. Our strong presence in tankers – the largest of our broking sub sectors – has enabled us to capitalise on these advantageous market conditions.

However, the fall in the oil price has had the opposite effect on the offshore market where exploration budgets have been cut back significantly and the demand for offshore supply vessels and other offshore assets has fallen commensurately. With lower oil prices the tanker and offshore markets can behave counter-cyclically and with our greater weighting in tankers we would expect a net benefit to Shipbroking income while oil supply and tanker demand are strong.

The dry bulk market is suffering from an over-supply of tonnage and a softening in Chinese demand for raw materials – particularly iron ore and coal. Although the market will take time to re-balance, we have a good cargo base which maintains our volume of transactions and we are appropriately structured to operate in these difficult conditions.

(1) Divisional operating profit is a management KPI used consistently throughout this report and represents the operating profit of the division before acquisition-related and non-recurring costs

Chief Executive's review of activities continued

Sale and purchase activity – both in second hand and demolition – has been steady. The rise in the tanker market stimulated investment interest in the sector especially earlier in the period and we have been involved in a number of significant market transactions, some of which will benefit income in the second half. In addition, the time charter market for tankers has seen a rise in both rates and activity and we have been able to conclude some good multi-year business for our clients this half.

Overall there is a good balance to our shipbroking business and we consider it to be appropriately structured to operate in challenging markets over the next few years.

Technical

Revenue

£28.6m

(Interim 2014/15: £22.9m)

Divisional operating profit

£3.1m

(Interim 2014/15: £2.3m)

The Technical division has performed well, showing underlying profit growth of 34%. While the reduction in the oil price has had a detrimental impact in some parts of the division, this has been more than offset by growth elsewhere.

Braemar Engineering, our consulting engineering business, has had a very successful first half as it continued to utilise its long established expertise in LNG vessel engineering. It is currently working on a number of major LNG projects for clients based in Europe, USA and Africa and is well positioned to capitalise on future growth in LNG as a clean fuel source.

Braemar Offshore, our marine warranty surveying and engineering consultancy business, which operates mainly in the Asia Pacific, was affected by the slowdown in Offshore-related activity following the drop in the oil price. However the business has continued to diversify its activity and geographic footprint in order to achieve a solid performance.

Braemar (Incorporating The Salvage Association), our hull and machinery damage surveying and marine consultancy business, performed steadily throughout the first half of the year. The number of new instructions fell compared with last year reflecting global market conditions for new claims; however the average incident value has increased. The business continued to pursue successfully its strategy of portfolio diversification via strategic recruitment of key experienced staff.

Braemar Adjusting, our energy loss adjusting business, performed well against the backdrop of the downturn in the oil and gas sectors of its market with the Middle East office a major contributor during the first half. Despite the market pressure, we were able to maintain good staff utilisation and have managed expenditure whilst continuing to focus on business development activity. As a result we are beginning to see an increase in the volume of instructions in both onshore and offshore business.

Braemar Howells, our incident response and environmental consultancy services business has reported good results for the first half without attending any major incidents in the period. The business remains well placed to respond globally to significant environmental incidents and will continue working closely with the other Braemar businesses.

Logistics

Revenue

£17.6m

(Interim 2014/15: £20.6m)

Divisional operating profit

£1.0m

(Interim 2014/15: £1.0m)

We have focussed our efforts on higher value added forwarding and logistics projects and the first half results reflect the benefit of this approach.

While the general port agency market has been quiet, business performance in the UK was secured by several ongoing and ad hoc support projects. The new Houston office is beginning to secure port agency business and we continue to recruit key staff to drive commercial focus. During the period we augmented our Singapore port agency with added commercial sales skills in order to develop local markets.

Sea freight volatility continued, although imports were strong within the Logistics sector. We are developing new client relationships following our strategic decision to develop specialist areas such as Reefer and European overland. Contract logistics remains a key sector with our highly customer oriented approach and innovative use of digital technologies including our proprietary "Shiptrak" software allowing us to add value by optimising our customers' processes.

Other operating costs

Unallocated costs

£1.6m (Interim 2014/15: £1.1m)

Unallocated other costs were higher than previous year due to the increased size of the Group and one off costs associated with Group Board changes.

Acquisition-related expenses & amortisation

£1.3m (Interim 2014/15: £1.2m)

The increased cost in respect of the amortisation of other intangible assets is the result of a full six month charge following the merger with ACM during 2014.

Non recurring costs

£0.5m (Interim 2014/15: £2.1m)

During the period the Group charged £0.5 million in restructuring related costs across the Group. The majority of costs relate to the integration of the Shipbroking businesses following the merger with ACM.

Foreign exchange

A large proportion of the Group's income is US\$ denominated and the average rate of exchange for conversion of US\$ income in the six months to 31 August 2015 was \$1.535/£ (interim 2013/14: \$1.55/£, full year 2014/15: \$1.55/£). The rate of translation as at 31 August 2015 was \$1.538/£ (31 August 2014: \$1.66/£).

The Group continues to apply its hedging policy and at 31 August 2015 held forward currency contracts to sell US\$17 million at an average rate of \$1.52/£.

Taxation

The effective underlying rate of corporation tax on profits was 25.0% (interim 2014/15: 25.2%). The rate is higher than the UK standard rate of corporation tax mainly due to disallowed expenses and costs associated with share based payments.

Balance sheet

Net assets at 31 August 2015 were £103.3 million (interim 2014/15: £102.9 million). Reductions in non-current assets include the amortisation of the forward order book following the merger with ACM and the reduction in property, plant and equipment arising from the disposal of the Group's former head office. This has been offset by the movement in Long-Term Liabilities following repayment of long-term borrowings.

Cash flow

Net debt was £3.1 million at 31 August 2015 compared with £4.9 million at 31 August 2014 and net cash of £7.2 million at 28 February 2015. Gross debt has fallen from £14.8 million at 31 August 2014 to £11.0 million at 31 August 2015 due to use of proceeds from the sale of the Group's former head office to repay term debt. The majority of the remaining cashflows have followed the normal business cycle whereby the second half is more cash generative due to the timing of staff bonus payments and the final dividend, though there has been an increase in working capital requirements arising from revenue growth. We are actively seeking to reduce the level of working capital without inhibiting the normal business operations and the objective of growing the business.

Braemar has made tremendous progress in the last year and I look forward to working with the Board to lead the Group into the next phase of our development and build the Braemar corporate brand to be the most valued provider of knowledge and skill-based services to the marine and offshore markets on a global basis.

James Kidwell

Chief Executive
27 October 2015

Braemar Shipping Services plc

Consolidated income statement

	Notes	Unaudited Six months to 31 Aug 2015 £'000	Unaudited Six months to 31 Aug 2014 £'000	Audited Year ended 28 Feb 2015 £'000
Continuing operations				
Revenue	4	79,585	64,473	145,848
Cost of sales		(17,427)	(17,348)	(37,700)
Gross profit		62,158	47,125	108,148
Operating costs				
Operating costs excluding amortisation of other intangible assets and exceptional items		(55,063)	(43,519)	(96,876)
Acquisition-related expenses and amortisation	5	(1,270)	(1,212)	(3,738)
Non-recurring expenses	5	(491)	(2,123)	(7,716)
Gain on sale of property, plant and equipment		–	–	5,409
		(56,824)	(46,854)	(102,921)
Operating profit	4	5,334	271	5,227
Finance income		39	47	238
Finance costs		(174)	(97)	(531)
Share of loss after tax from joint ventures		–	(30)	(162)
Profit before taxation		5,199	191	4,772
Taxation	6	(1,298)	(339)	(2,187)
Profit/(loss) for the period/year		3,901	(148)	2,585
Attributable to:				
Equity holders of the parent		3,901	(148)	2,585
Earnings per ordinary share	7			
Basic – underlying operations		18.62p	11.68p	31.27p
Diluted – underlying operations		16.87p	10.37p	28.56p
Earnings/(loss) per ordinary share	7			
Basic – profit for the period/year		13.32p	(0.65)p	10.04p
Diluted – profit for the period/year		12.07p	(0.58)p	9.17p

Braemar Shipping Services plc

Consolidated statement of comprehensive income

Review of operations

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	Unaudited Six months to 31 Aug 2015 £'000	Unaudited Six months to 31 Aug 2014 £'000	Audited Year ended 28 Feb 2015 £'000
Profit/(loss) for the period/year	3,901	(148)	2,585
Other comprehensive income/(expense)			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial loss on employee benefit schemes – net of tax	–	–	(206)
<i>Items that are or may be reclassified to profit or loss:</i>			
Available for sale investments – net change in fair value	–	352	352
Foreign exchange differences on retranslation of foreign operations	(1,195)	332	1,309
Cash flow hedges – net of tax	131	(39)	(78)
Total comprehensive income for the period/year	2,837	497	3,962
Attributable to:			
Equity holders of the parent	2,837	497	3,962

Braemar Shipping Services plc

Consolidated balance sheet

	Notes	Unaudited As at 31 Aug 2015 £'000	Unaudited As at 31 Aug 2014 £'000	Audited As at 28 Feb 2015 £'000
Assets				
Non-current assets				
Goodwill		76,219	76,551	76,254
Other intangible assets		2,487	4,037	3,117
Property, plant and equipment		4,314	6,486	4,862
Investments		1,602	3,267	1,528
Deferred tax assets		1,538	2,360	1,548
Other receivables		237	297	244
		86,397	92,998	87,553
Current assets				
Trade and other receivables		63,005	57,165	57,442
Cash and cash equivalents		7,900	9,939	16,289
		70,905	67,104	73,731
Total assets		157,302	160,102	161,284
Liabilities				
Current liabilities				
Short-term borrowings		9,551	4,914	6,800
Trade and other payables		38,374	36,924	42,332
Current tax payable		960	561	757
Provisions		722	1,056	1,273
		49,607	43,455	51,162
Non-current liabilities				
Long-term borrowings		1,400	9,925	2,300
Deferred tax liabilities		745	1,599	825
Pensions deficit		1,299	1,363	1,482
Provisions		911	885	1,242
		4,355	13,772	5,849
Total liabilities		53,962	57,227	57,011
Net assets		103,340	102,875	104,273
Equity				
Share capital	10	3,011	2,978	2,998
Share premium	10	52,302	51,427	51,970
Shares to be issued		(3,245)	(2,873)	(3,611)
Other reserves	11	23,886	24,012	24,950
Retained earnings		27,386	27,331	27,966
Total equity		103,340	102,875	104,273

Braemar Shipping Services plc

Consolidated cash flow statement

Review of operations

Financial statements

Shareholder information

	Notes	Unaudited Six months to 31 Aug 2015 £'000	Unaudited Six months to 31 Aug 2014 £'000	Audited Year ended 28 Feb 2015 £'000
Profit before tax for the period/year		5,199	191	4,772
Adjustments for:				
– Depreciation of property, plant and equipment		722	540	1,474
– Amortisation of computer software		298	179	408
– Amortisation of other intangible assets		568	334	1,772
– Profit on sale of property, plant and equipment		–	–	(5,618)
– Other exceptional and acquisition-related items		1,193	3,001	9,822
– Finance income		(39)	(47)	(238)
– Finance expense		174	97	531
– Share of loss of joint ventures		–	30	22
– Share based payments (excluding restricted share plan)		450	508	555
– Net foreign exchange gains and financial instruments		(321)	–	(428)
Changes in working capital:				
– Trade and other receivables		(5,643)	(3,208)	(3,426)
– Trade and other payables		(3,955)	(2,444)	1,169
Restructuring-related costs		(1,199)	(975)	(3,675)
Provisions		(183)	20	119
Cash (used in)/generated from operations		(2,736)	(1,774)	7,259
Interest received		39	47	238
Interest paid		(174)	(97)	(531)
Tax paid		(1,201)	(2,142)	(3,534)
Net cash (used in)/generated from operating activities		(4,072)	(3,966)	3,432
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	5	–	(9,690)	(10,204)
Disposal of undertakings		–	(550)	(647)
Purchase of property, plant and equipment and computer software		(485)	(1,072)	(4,862)
Proceeds from sale of investments		–	–	800
Proceeds from sale of property, plant and equipment		–	–	9,573
Other long-term assets		(67)	(54)	(2)
Net cash used in investing activities		(552)	(11,366)	(5,342)
Cash flows from financing activities				
Proceeds from borrowings		7,751	14,839	14,839
Repayment of borrowings		(5,900)	–	(5,739)
Proceeds from issue of ordinary shares, excluding acquisitions		343	37	601
Dividends paid	8	(4,989)	(3,507)	(6,201)
Purchase of own shares		(280)	(35)	(228)
Net cash from financing activities		(3,075)	11,334	3,272
(Decrease)/increase in cash and cash equivalents		(7,699)	(3,998)	1,362
Cash and cash equivalents at beginning of the period/year		16,289	13,694	13,694
Foreign exchange differences		(690)	243	1,233
Cash and cash equivalents at end of the period/year		7,900	9,939	16,289

Braemar Shipping Services plc
Consolidated statement
of changes in equity

	Notes	Share capital £'000	Share premium £'000	Shares to be issued £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 March 2015		2,998	51,970	(3,611)	24,950	27,966	104,273
Profit for the period		–	–	–	–	3,901	3,901
Foreign exchange differences		–	–	–	(1,195)	–	(1,195)
Cash flow hedges net of tax		–	–	–	131	–	131
Total comprehensive income		–	–	–	(1,064)	3,901	2,837
Dividends paid	8	–	–	–	–	(4,989)	(4,989)
Issue of shares		13	332	–	–	–	345
Purchase of shares		–	–	(280)	–	–	(280)
ESOP shares allocated		–	–	646	–	(646)	–
Credit in respect of share option schemes		–	–	–	–	1,154	1,154
Balance at 31 August 2015		3,011	52,302	(3,245)	23,886	27,386	103,340
At 1 March 2014		2,167	12,218	(2,934)	23,719	30,116	65,286
(Loss)/profit for the period		–	–	–	–	(148)	(148)
Available for sale investments – net change in fair value		–	–	–	–	352	352
Foreign exchange differences		–	–	–	332	–	332
Cash flow hedges net of tax		–	–	–	(39)	–	(39)
Total comprehensive income		–	–	–	293	204	497
Dividends paid	8	–	–	–	–	(3,507)	(3,507)
Issue of shares		811	39,209	–	–	–	40,020
Purchase of shares		–	–	(35)	–	–	(35)
ESOP shares allocated		–	–	96	–	(96)	–
Credit in respect of share option schemes		–	–	–	–	614	614
Balance at 31 August 2014		2,978	51,427	(2,873)	24,012	27,331	102,875

1. General information

The interim consolidated financial statements of the Group for the period ended 31 August 2015 were authorised for issue in accordance with a resolution of the Directors on 27 October 2015. Braemar Shipping Services plc is a Public Limited Company incorporated and domiciled 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 the employee share ownership trust. The address of its registered office is One Strand, Trafalgar Square, London WC2N 5HR, United Kingdom.

These interim condensed consolidated financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The audited statutory accounts for the year ended 28 February 2015 have been delivered to the Registrar of Companies in England and Wales. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statements under Section 498 of the Companies Act 2006. The interim condensed consolidated financial statements have been prepared on a going concern basis.

Forward-looking statements

Certain statements in this half-yearly 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 be 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.

Accounting estimates and critical judgements

Preparation of the Group's financial statements requires the use of estimates and critical judgements that affect the reported amounts of assets and liabilities, income and expense. Management make specific applications of judgement, not involving estimation, in the preparation of the financial statements, in particular the approach to revenue recognition and business combinations. Principal areas where 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, other intangible assets and impairment of trade receivables.

2. Basis of preparation and statement of compliance

This consolidated interim financial information for the six months ended 31 August 2015 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union. The half-yearly condensed consolidated financial report should be read in conjunction with the annual financial statements for the year ended 28 February 2015, which have been prepared in accordance with IFRSs as adopted by the European Union.

3. Accounting policies

Changes in accounting policies

The accounting policies adopted in the preparation of these interim consolidated financial statements are consistent with those of the annual financial statements for the year ended 28 February 2015, as included in those annual financial statements. New standards and interpretations in issue but not yet effective as at the date of authorisation of these financial statements are deemed not to have a material impact on the results or net assets of the Group.

Braemar Shipping Services plc
Unaudited notes to the financial
information for the six months
ended 31 August 2015
continued

4. Segmental information

	Shipbroking £'000	Technical £'000	Logistics £'000	Unallocated costs £'000	Total £'000
Six months to 31 August 2015					
Segment revenue	33,336	29,018	17,627	–	79,981
Intersegment revenue	–	(396)	–	–	(396)
Revenue	33,336	28,622	17,627	–	79,585
Divisional operating profit/(loss)	4,597	3,149	981	(1,632)	7,095
Acquisition-related expenses and amortisation	(1,201)	(52)	(17)	–	(1,270)
Non-recurring items	(491)	–	–	–	(491)
Operating profit/(loss)	2,905	3,097	964	(1,632)	5,334
Finance expense – net					(135)
Profit before taxation					5,199
Taxation					(1,298)
Profit for the period from continuing operations					3,901
Segment operating assets	93,145	36,269	16,848	–	146,262
Segment operating liabilities	(16,575)	(7,099)	(17,631)	–	(41,306)
Six months to 31 August 2014					
Revenue	20,980	22,938	20,555	–	64,473
Divisional operating profit/(loss)	1,355	2,342	1,046	(1,137)	3,606
Acquisition-related expenses and amortisation	(1,143)	(52)	(17)	–	(1,212)
Non-recurring items	(1,715)	(32)	(301)	(75)	(2,123)
Operating (loss)/profit	(1,503)	2,258	728	(1,212)	271
Finance expense – net					(50)
Share of loss from joint ventures					(30)
Profit before taxation					191
Taxation					(339)
Loss for the period from continuing operations					(148)
Segment operating assets	96,290	30,039	17,791	–	144,120
Segment operating liabilities	(17,342)	(3,728)	(17,322)	–	(38,392)

4. Segmental information continued

Year ended 28 February 2015	Shipbroking £'000	Technical £'000	Logistics £'000	Unallocated costs £'000	Total £'000
Revenue	53,589	49,893	42,366	–	145,848
Divisional operating profit/(loss)	5,588	6,030	2,275	(2,621)	11,272
Acquisition-related expenses and amortisation	(3,574)	(103)	(61)	–	(3,738)
Non-recurring items	(6,825)	(276)	(251)	(364)	(7,716)
Gain on sale of property, plant and equipment	5,409	–	–	–	5,409
Operating profit	598	5,651	1,963	(2,985)	5,227
Finance expense – net					(293)
Share of loss from joint ventures					(162)
Profit before taxation					4,772
Taxation					(2,187)
Profit for the period from continuing operations					2,585
Segment operating assets	94,450	31,196	16,288	–	141,934
Segment operating liabilities	(21,448)	(5,838)	(19,062)	–	(46,348)

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.

5. Non-recurring and acquisition-related items

On 25 July 2014 the Company acquired 100% of the share capital of ACM Shipping Group plc for consideration of £50.4 million. This gave rise to a charge of £0.7 million during the six months to 31 August 2015 in respect of the group share retention plan.

During the period, the Group incurred the following non-recurring and acquisition-related items:

a) Acquisition-related expenses and exceptional items

The Group incurred £702,000 (six months to 31 August 2014: £878,000) in respect of the acquisition of ACM and a charge of £568,000 (six months to 31 August 2014: £334,000) in relation to the amortisation of acquisition-related intangible assets.

b) Non-recurring expenses

During the year the Group incurred £491,000 (six months to 31 August 2014: £2,123,000) in relation to restructuring activities as a result of the acquisition of ACM.

6. Taxation

Current tax expense for the interim periods presented is the expected tax payable on the taxable net income for the period, calculated as the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. Current tax for current and prior periods is classified as a current liability to the extent that it is unpaid. Amounts paid in excess of amounts owed are classified as a current asset.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are enacted or substantively enacted at the balance sheet date.

The Group's consolidated effective tax rate for the six months ended 31 August 2015 was 25.0% (six months ended 31 August 2014: 25.2%).

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7. Earnings per share

	Six months to 31 Aug 2015 £'000	Six months to 31 Aug 2014 £'000	Year ended 28 Feb 2015 £'000
Total operations			
Profit/(loss) for the period attributable to equity holders of the parent	3,901	(148)	2,585
	pence	pence	pence
Basic (loss)/earnings per share	13.32	(0.65)	10.04
Effect of dilutive share options	(1.25)	0.07	(0.87)
Diluted (loss)/earnings per share	12.07	(0.58)	9.17

Underlying operations excluding non-recurring items and amortisation of other intangible assets

	Six months to 31 Aug 2015 £'000	Six months to 31 Aug 2014 £'000	Year ended 28 Feb 2015 £'000
Profit for the period attributable to equity shareholders of the parent	5,450	2,649	8,051
	pence	pence	pence
Basic earnings per share	18.62	11.68	31.27
Effect of dilutive share options	(1.75)	(1.31)	(2.71)
Diluted earnings per share	16.87	10.37	28.56

8. Dividends

The following dividends were paid by the Group:

	Six months to 31 Aug 2015 £'000	Six months to 31 Aug 2014 £'000	Year ended 28 Feb 2015 £'000
Ordinary shares of 10 pence each			
Final of 17.0 pence per share (2014: 17.0 pence per share)	4,989	3,507	3,507
Interim of 9.0 pence per share paid (2014: 9.0 pence per share)	–	–	2,694
	4,989	3,507	6,201

The Directors have declared an interim dividend of 9 pence per ordinary share, payable on 18 December 2015 to shareholders on the register on 20 November 2015.

9. Goodwill, intangible assets and property, plant and equipment

	Goodwill, intangible assets and property, plant and equipment £'000
Six months ended 31 August 2015	
Opening net book amount at 1 March 2015	84,233
Additions	485
Depreciation and amortisation	(1,588)
Exchange movements	(110)
Closing net book value at 31 August 2015	83,020
Six months ended 31 August 2014	
Opening net book amount at 1 March 2014	37,358
Acquisitions (see Note 12)	49,596
Additions	1,072
Depreciation and amortisation	(1,053)
Exchange movements	101
Closing net book value at 31 August 2014	87,074

10. Share capital

	Number of shares (thousands)	Ordinary Shares £'000	Share Premium £'000	Total £'000
At 1 March 2015	29,983	2,998	51,970	54,968
Shares issued and fully paid	126	13	332	345
At 31 August 2015	30,109	3,011	52,302	55,313
At 1 March 2014	21,671	2,167	12,218	14,385
New shares issued for ACM acquisition	8,094	810	39,172	39,982
Shares issued and fully paid	11	1	37	38
At 31 August 2014	29,776	2,978	51,427	54,405

11. Other reserves

	Capital redemption reserve £'000	Merger reserve £'000	Translation reserve £'000	Hedging reserve £'000	Total other reserves £'000
At 1 March 2015	396	21,346	3,258	(50)	24,950
Cash flow hedges					
– Transfer to net profit	–	–	–	63	63
– Fair value gains in the period	–	–	–	101	101
Foreign exchange differences	–	–	(1,195)	–	(1,195)
Deferred tax on items taken to equity	–	–	–	(33)	(33)
At 31 August 2015	396	21,346	2,063	81	23,886
At 1 March 2014	396	21,346	1,949	28	23,719
Cash flow hedges					
– Transfer to net profit	–	–	–	(35)	(35)
– Fair value gains in the period	–	–	–	(14)	(14)
Foreign exchange differences	–	–	332	–	332
Deferred tax on items taken to equity	–	–	–	10	10
At 31 August 2014	396	21,346	2,281	(11)	24,012

All other reserves are attributable to the equity holders of the parent company.

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12. Related parties

The Group's related parties are unchanged from 28 February 2015 except for the changes to the Board of Directors of Braemar Shipping Services plc and there have been no significant related party transactions in the six months ended 31 August 2015.

For further information about the Group's related parties, please refer to the Group's annual financial statements for the year ended 28 February 2015.

Principal risks

The Directors consider that the principal risks and uncertainties that could have a material effect on the Group's performance are unchanged from those identified on pages 14 to 16 of the 2015 Annual Report. These include risks associated with our staff and cost structure arising from reliance on key people and our ability to retain our most important and high quality staff; risks arising from commercial, worldwide and external forces which influence shipping markets such as commodity prices, rates of growth in each market and the risk of increased competition across our various businesses; financial risks including foreign exchange risk from fluctuations in the value of the US dollar; professional conduct risks whereby the Braemar brand is damaged due to professional error or error resulting in loss of value of client assets; continuing business integration risk following the Braemar ACM merger during 2014.

The Group holds professional indemnity insurance to an amount considered adequate for its size and potential exposure.

Statement of Directors' responsibilities

The Directors confirm, to the best of their knowledge, that the consolidated interim financial information has been prepared in accordance with IAS34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure and Transparency rules of the United Kingdom's Financial Conduct Authority.

The Directors of Braemar Shipping Services plc are listed below.

By order of the Board

David Moorhouse CBE, Chairman
Jürgen Breuer
Louise Evans, Finance Director
Alastair Farley
James Kidwell, Chief Executive
Mark Tracey
Alex Vane, Company Secretary

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2015 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, condensed consolidated cash flow statement, condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Ian Griffiths for and on behalf of KPMG LLP

Chartered Accountants
15 Canada Square, London, E14 5GL
27 October 2015

Shareholder information

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