BRAEMAR

BRAEMAR SHIPPING SERVICES PLC
("Braemar", the "Company" or the "Group")

16 May 2016

Preliminary results for the year ended 29 February 2016

Good Strategic Progress Continues

Braemar Shipping Services plc (LSE: BMS), a leading international provider of broking, consultancy, technical and other services to the shipping, marine, energy, offshore and insurance industries, today announces full year results for the year ended 29 February 2016.

FINANCIAL HIGHLIGHTS

- Revenue from underlying operations up over 9% to £159.1 million (2014/15: £145.6 million[1])
- 20% increase in underlying operating profit[2] to £13.8 million (2014/15: £11.5 million[1])
- Increase of 7.5% in underlying basic EPS[2] to 34.70p (2014/15: 32.28p)
- Strong free cash flow of £13.5m (2014/15: £7.3m)
- Net cash of £9.2m at 29 February 2016 (At 28 February 2015: £7.2m)
- Proposed full year dividend maintained at 26p per share; dividend cover increased to 1.3x (2014/15: 1.2x)

[1] Includes 7 months contribution from ACM Shipping Group PLC ("ACM")
[2] Defined as arising from continuing operations before non-recurring and acquisition related costs

OPERATIONAL HIGHLIGHTS

- The Group's diversification strategy ensured a resilient performance despite some challenging markets.

- Shipbroking division performed well and was significantly ahead of the same period last year, driven by the strength of the tanker markets.

- Total Shipbroking forward order book remains strong at approximately US$49 million, of which approximately US$26 million relates to 2016/17.

- Technical division performed in line with expectations, despite pressure from external macro-economic factors.

- Logistics division well set for future growth due to new opportunities in USA and Europe, despite having had a challenging year.

- New financing arrangements of up to £30m with HSBC established to provide flexibility for future M&A activity following our delivery of enhanced earnings through our successful merger to form Braemar ACM Shipbroking.

James Kidwell, CEO of Braemar, commenting on the results and outlook said:

"Braemar had a good year and achieved a strong, resilient performance despite some challenging shipping and energy markets. Our full year results showed a significant improvement on the prior year, demonstrating the success of our strategy to diversify and grow the Group."

"The Shipbroking business performed strongly as our diversity of services increased our competitive edge, enabling us to capitalise on a strong tanker market."

"Our Technical division continued to respond positively to conditions in the energy sectors. While we do not expect to see a short term recovery in oil and gas exploration, early and rapid management action to address these challenges mean that the division is appropriately structured for the current phase of the market cycle and well positioned for the long term."

"The Logistics division had a tough year, but is well set to deliver future growth having won some important new business."

David Moorhouse, Chairman of Braemar, commenting on the results and outlook said:

"We are pleased to have delivered on our objectives for the year, taking the opportunity to grow the business in both scale and strength during a period when activity in some of our core markets was reduced. We anticipate that our markets will continue to experience volatility and uncertainty, but that the balance of our portfolio creates greater stability which will enable us to continue to build the business. Our expectation for 2016/17 is for a broadly similar activity level overall, with the added potential for both organic and acquisitive growth."

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Notes to Editors:

About Braemar Shipping Services plc

Braemar Shipping Services plc is a leading international provider of knowledge and skill-based services to the shipping, marine, energy, offshore and insurance industries. Founded in 1972, Braemar employs nearly 1,000 people in more than 70 locations worldwide across its Shipbroking, Technical and Logistics divisions.

Braemar joined the Official List of the London Stock Exchange in November 1997 and trades under the symbol BMS.

For more information, including our investor presentation, visit www.braemar.com

Preliminary Announcement – Year Ended 29 February 2016

Chairman's statement

Braemar operates across the shipping, marine, energy, offshore and insurance sectors. We play a critical role in providing skills and knowledge in markets dominated by uncertain macro-economic factors. We face challenges arising from a lower level of oil and gas exploration, changes in global trade patterns and oversupplied shipping markets. Our diversified portfolio of businesses and active management strategy has enabled us to deliver a solid performance in the face of tough markets.

Results for the year

Revenue for the year increased by 9% to £159.1 million (2015: £145.6 million) and underlying operating profit from continuing operations by 19% to £13.8 million (2015: £11.5 million). Underlying earnings per share were 34.7 pence compared with 32.3 pence last year and fulfils our expectation of enhancement in the first full year following the merger with ACM.

The Shipbroking division performed strongly during the year. 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. The offshore and dry bulk shipping markets were weak and are expected to remain so for the foreseeable future. However we have already taken action to ensure we are appropriately structured for these conditions. Our total forward order book remains strong and is currently US$49 million, of which approximately US$26 million relates to 2016/17.

The businesses within our Technical division overall performed as expected. As previously reported, the continuing impact of low oil prices affected our Offshore businesses. However this was offset by a strong performance in our Engineering business, which is a market leader in the provision of LNG engineering services.

Our Logistics division reported a lower level of profitability, but invested to expand the business in the UK and USA and won new work which we expect will generate positive returns in the future.

Board and management

I was delighted to succeed Sir Graham Hearne as Chairman of the Group at the AGM in June 2015. We also welcomed Louise Evans to the Board, succeeding Martin Beer as Group Finance Director in June 2015.

Dividend

The Directors are recommending, for approval at the Annual General Meeting on 30 June 2016, an unchanged final dividend of 17 pence per share.

This dividend will be paid on 29 July 2016 to those on the register at close of business on 1 July 2016. Together with the 9 pence interim dividend, the Company's dividend for the year of 26 pence (2015: 26 pence) will be covered 1.3 times (2015: 1.2 times) by earnings from underlying operations.

Colleagues

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

Outlook

Our diversified portfolio of businesses has again put us in a strong position to handle the volatility of the shipping, marine, energy, offshore and insurance markets during the years ahead. We anticipate that our markets will continue to experience volatility and uncertainty, but that the balance of our portfolio creates greater stability which will enable us to continue to build the business.

Much has been achieved during recent years and I am encouraged by our continuing good progress. While there are likely to be market swings which affect our individual businesses, overall we expect the Group to achieve a broadly similar level of activity in the coming year. Over the longer term, we remain confident for the prospects of our diversified Group and will look to continue to grow our businesses both organically and by acquisition.

David Moorhouse CBE, FNI
Chairman
13 May 2016

Chief Executive's Statement

Trading performance

Braemar is a diversified group operating in the shipping, marine, energy, offshore and insurance markets. After a year of significant change in 2014/15, I am pleased to report this year's results which demonstrate the success of our on-going strategy to diversify and grow the business. The results show we made encouraging progress with revenue increasing by £13.5 million to £159.1 million and underlying operating profit increasing by £2.3 million to £13.8 million.

Revenue in our Shipbroking division increased by £17.1 million to £70.7 million and underlying operating profit by £4.1 million to £9.7 million. This growth was the result of the success of our merger with ACM last year where we created a stronger and larger business. Individual shipping markets have performed with highly differential results and we have benefited from the strong tanker markets where we have a larger presence. Volatility in these sectors has enhanced the demand for our broking services as clients seek to protect their market exposure. The Dry Bulk and Offshore markets were universally weak but we have ensured that all areas are appropriately structured for these market conditions.

The Technical division met our expectations with revenue increasing significantly by £4.6 million to £54.3 million, but underlying operating profit fell by £1.1 million to £5.2 million. The division includes a mix of businesses facing different market dynamics, and while certain business units have suffered from the falling oil price and slowdown in Asia, others have seen increased project activity.

Revenue in the Logistics division fell by £8.2 million to £34.1 million reflecting a lower level of freight forwarding business. Underlying operating profit also fell by £0.7 million in the year to £1.6 million. This was largely due to the set-up costs of our new office in Houston and the lead time to the start of new contracts. The profitability of the freight forwarding and bespoke projects departments was also affected by delays to specific infrastructure projects in the UK. Notwithstanding these factors, the division has laid the foundations for future growth and the early signs of recovery are underway.

Strategic developments

Our objective remains to build the Braemar Group as the most valued provider of knowledge and skill-based services to the shipping, marine, energy, offshore and insurance markets on a global basis. As we have built our three divisions in recent years we have created a global presence that provides us with a strong platform to add to our teams and existing businesses to achieve this.

Our Executive Committee meets regularly to explore opportunities to grow the Braemar Group and identify ways to enhance our three divisions. We continue to seek opportunities to expand either by acquisition or by developing our business organically. To this end we have recently concluded a structured refinancing arrangement with HSBC bank that will make up to £30 million available for future business development.

We invested in information technology and infrastructure across our offices during the year in order to better support the Group. We continued to roll out a common accounting system across all divisions and, once completed, our global Group will operate across a common accounting platform. This will enable an improved ability to share information across the Group and make it easier to bolt on or establish new enterprises.

We increased the resource for developing and training our staff to ensure there is career development and effective succession in place in all areas of the Group.

At the end of 2015, we relocated our two Technical London offices into a single location and fitted out the office to be consistent with our corporate brand. We have four hub offices in London, Singapore, Houston and Melbourne from which we will continue to build the Braemar Group.

I am very pleased with the progress the Group made during the year and believe that we can continue to develop the Group further. I am looking forward to working with the staff and leadership team to move into the next phase of Braemar's development.

James Kidwell
Chief Executive
13 May 2016

Review of Operations

Shipbroking Division – Braemar ACM Shipbroking

Braemar ACM is one of the largest shipbroking companies in the world. With brokers located in the key shipping geographies worldwide, covering voyage and contract chartering, sale and purchase, long term projects and market research across all the major commercial shipping sectors, Braemar ACM can deliver a comprehensive shipbroking service in any location and at any time.

The Shipbroking division reported strong growth with revenue up 32% on the prior year at £70.7 million and underlying profits up 73% at £9.7 million. This reflects the success of our July 2014 merger to form Braemar ACM Shipbroking.

Deep Sea Tankers

The Deep Sea crude oil and refined product desks operate predominantly out of London and Singapore with teams in Mumbai, Dubai, Connecticut and Houston. The teams delivered a strong performance in 2015/16 driven by increased oil production which stimulated demand for tankers and served to increase freight rates to levels not experienced since 2008.

The fall in oil prices continues to support global demand for oil. Crude oil trade surged during 2015 as refineries increased activity to meet demand for transport fuels and petrochemical feedstock. This increased consumption of oil and the demand for seaborne crude particularly stimulated the VLCC market. The global rise in supply of oil led to increased competition for tonnage which was further enhanced as Far Eastern countries diversified their crude intake from the Middle East to include the Atlantic Basin producers, thus increasing tonne miles and keeping freight rates strong. The rise in supply also allowed contangos to develop which created an incentive for oil traders to store oil, increasing the levels of land-based storage and leading to some discharge delays and a reduction in available tonnage.

Despite China's economic slowdown, it continued to fill its strategic petroleum reserves. The market also benefitted from relatively low growth in the global tanker fleet with a small number of new ships coming into the market. However ship owners also chose to defer demolition of other vessels to capitalise on the strong freight rates.

The strong spot market had a positive effect on the long-term period charter market and the freight futures market and our experienced teams were able to help clients in managing their exposure to volatile freight markets.

The fall in oil prices also boosted clean product demand globally, particularly in developing countries that lacked the refining infrastructure to meet their own product needs. Importantly, having started 2014 significantly underutilised, the world's refineries were able to meet this new demand. Rising demand was supported by rising average voyage duration.

For 2016/17 the market looks to remain uncertain. Low crude oil prices and longer voyage distances are expected to continue which may drive further growth in demand, but this could be offset by the effect of the delivery of new ships and an expected low level of demolition. With the lifting of economic sanctions against Iran, more Iranian crude oil volumes are expected but the effect on the market is unclear and may be offset by the utilisation of Iranian-owned crude tankers in the international market.

Specialised Tankers
Specialised Tankers covers the transportation of LNG, LPG, petrochemical gases, chemicals and smaller parcels of products. In 2015/16 each of the teams performed well and delivered growth performances.

The LNG and LPG markets have experienced overall fleet growth during recent years, with investment in VLGCs leading expansion. This growth in fleet size has generated an oversupply of freight against a lack of world wide demand which has resulted in low rates in the spot market and a diminishing need for time charters.

Offshore
Our offshore desk operates out of London, Aberdeen, Singapore and Houston. 2015/16 was a tough year with exploration activity significantly curtailed as major oil companies sought cost reductions. Reduced exploration activity led to decreased demand for vessels while supply increased as time-charter contracts came to an end resulting in a reduction in spot rates. It is likely that these market conditions will continue until we see a period of higher and more stable oil prices stimulating new exploration activity. Against this challenging backdrop, our Offshore team performed well to deliver a profitable performance.

Dry Bulk
The Dry Bulk Desk operates from offices in Australia, London, Singapore, India and China. Despite increased transaction volumes, 2015/16 was one of the poorest Dry Cargo freight markets on record due to the over supply of tonnage combined with weaker commodity demand. This was largely driven by the slowdown in the growth rate in China where iron ore and coal demand remains a significant influence on the Capesize market. Cape rates reached lows not experienced since the mid 1980's.

Going into 2016/17, the projected volume of new ships coming into the market is expected to put further pressure on the current imbalance between oversupply of tonnage and dry bulk demand. The full unwind of excess supply is likely to take some time and an increase in layup and demolition for the older vessels will be needed to correct the imbalance. In recent weeks freight rates have recovered somewhat, as measured by the increase in the Baltic Dry Index from its historic low in February 2016, and we are seeing increasing interest in investment in the sector.

Nevertheless, market weakness presents opportunities to build our business and we are selectively hiring experienced brokers to build our global reach in the Dry Bulk sector.

Sale and Purchase
Our sale and purchase team operates out of London, Singapore, Beijing and Shanghai. The team achieved a strong performance with second hand activity in the Dry Cargo market particularly strong. This was predominantly driven by the oversupply of tonnage and pressure on ship owners to sell. However, the opposite was true in the Tanker market as higher charter rates limited owners' desire to sell vessels.

The shipping markets are subject to regulation to standardise best practice, preserve the marine environment and reduce global warming gas emissions. We anticipate that the increased regulation will lead to more investment in fleet renewal and an acceleration of demolition of certain ships which will be replaced with new designs. However the timing of this activity is currently uncertain.

Technical Division
Braemar's Technical division provides energy loss adjusting, surveying, marine engineering and consultancy services to the shipping, marine, energy, offshore and insurance markets.

The division reported revenue up 9% on the prior year at £54.3 million, mainly as a result of strong growth in Braemar Engineering. Operating profit at £5.2 million was lower reflecting margin pressure and lower activity in the Offshore market.

Braemar Offshore
The fall in oil price resulted in markedly lower exploration and construction activities in the offshore energy sector as oil companies seek to reduce their own costs. A number of forecast large projects have either been shelved or delayed and many existing projects have been scaled down. Despite the challenging market environment, Braemar Offshore performed relatively well due to a pro-active approach to retain existing business and by expanding its service offering. The highly skilled and versatile staff employed across the eight offices in the Far East region have been key to this.

Braemar Engineering
Braemar Engineering continued to benefit from its market-leading position in the LNG sector and reported a strong result in 2015/16 based on both marine and shore-based LNG consulting for long term investment programmes. The team in the UK progressed with a major three-year project for the design, site supervision and crew training for six LNG ("liquefied natural gas") carrier newbuildings. The project has now delivered five of the six vessels with the final vessel due for completion in mid-2016. The office in Houston has also seen solid growth from its involvement in a significant project aimed at supplying LNG to vessels for use as bunker fuel. At the end of 2015, we announced our exclusive involvement in the development of a new cost-effective technology for the containment of LNG.

Braemar Adjusting
Braemar Adjusting was also affected by reduced activity in the oil and gas sector. Output from the four US shale basins declined with construction projects and major field development being postponed or experiencing significant regulatory delay. The active worldwide drilling fleet also reduced significantly during the last year, impacting all oil & gas service industries. However, over the last few years management took several strategic decisions which have helped build and shelter the business. These were to establish a strong presence in the Middle East, expand North American operations and to diversify the business to include refining, petrochemical, power and mining as well as upstream oil and gas. The business continues to recruit and develop staff and focus on growing its market share through the current market cycle to position the business for the future.

Braemar incorporating the Salvage Association
Braemar incorporating the Salvage Association performed well in the year against a backdrop of fewer casualty claims. Although the number of surveys undertaken was lower than the previous year an increase in the number of consultancy assignments, project cargo surveys and complex Hull & Machinery cases contributed to a higher level of revenue. This increase reflects our desire to expand the business into new areas of Marine Consultancy. The business has a wide network of offices and the performance across the different locations varied with an improvement in the Middle East and Americas offset by lower level activity in the South East Asian region where trading conditions are challenging. We also increased our workforce with both traditional and new skillsets which underlines our commitment to growth, supporting our global client base and maintaining the technical standards of our staff.

Braemar Howells

Despite the challenges faced in most marine and offshore oil sectors, Braemar Howells operated at a similar activity level to the prior year and achieved a higher operating profit due to cost savings flowing from a restructuring at the end of the previous financial year. The results benefited from a number of projects including a project to handle bitumen and the removal of the wreck of a vessel off the Pembrokeshire Coast. The business prides itself on the core skill of providing a 24/7 global incident response service, applying the Company's specialist knowledge and expertise as required. The International arm of the business currently operates in West and Central Africa, providing environmental consultancy and the hire of offshore drilling oil spill support packages.

Logistics Division – Cory Brothers

Cory Brothers Shipping Agency provides ship agency, freight forwarding and logistics services within the UK, Singapore and the US. Cory has extensive industry experience and maintains a worldwide reputation for customer care and insistence on the highest standards. An in-depth knowledge of client requirements across the division ensures the delivery of a first-class service.

Cory Brothers had a challenging year reflecting the tough Ship Agency and Logistics markets. Our strategy has been to focus on higher value work together with geographic expansion into European and US markets. We aim to provide clients with exceptional customer service while targeting regional and industry-specific growth opportunities.

Port Agency

The Ship agency business services UK ports, the port of Singapore, and has expanded into North America serviced from a new office in Houston. The agency business also has joint arrangements with many world wide agency partners most notably in Brazil, Amsterdam and Gibraltar. Our Global Hub business continues to grow through our blue chip customer base. The underlying UK port agency market has been difficult, but our market share has increased and ship numbers have been maintained. Markets continue to be challenging but there are signs of improvement in 2016. We are seeking to build our UK market share in the coming year as well as continuing to grow the Global Hub business and our presence in North America.

Forwarding and Logistics

Cory Logistics revenue fell in 2015-16 due to delays to major infrastructure project cargoes and the impact of lower activity in the Oil and Gas markets. We were able to sustain our position in key business areas through growth in new services as well as the existing contract business. This was achieved despite a market backdrop of volatile freight rates. The introduction of new Logistics teams in Houston, Atlanta and Singapore have provided new opportunities of growth.

Financial review

Summary Income Statement

	2016 £'000	Restated 2015 £'000	2014 £'000
Revenue	**159,125**	145,601	125,531
Cost of sales	**(33,365)**	(37,700)	(31,758)
Operating costs	**(109,329)**	(93,749)	(82,252)
Divisional operating profit – before central costs	**16,431**	14,152	11,521
Unallocated costs	**(2,673)**	(2,621)	(2,238)
Operating profit before exceptional and acquisition related items	**13,758**	11,531	9,283
Non-recurring and acquisition related items	**(3,445)**	(5,948)	(432)
Operating profit	**10,313**	5,583	8,851

Divisional highlights

	2016 £'000	Restated 2015 £'000	2014 £'000
Shipbroking			
Revenue	**70,699**	53,589	40,866
Divisional operating profit	**9,653**	5,588	2,635
Operating profit margin	**13.7%**	10.4%	6.4%
Employee numbers(1)	**334**	327	286(1)
Technical			
Revenue	**54,283**	49,646	45,748
Divisional operating profit	**5,201**	6,289	6,905
Operating profit margin	**9.6%**	12.7%	15.1%
Employee numbers(1)	**444**	410	385
Logistics			
Revenue	**34,143**	42,366	38,917
Divisional operating profit	**1,577**	2,275	1,981
Operating profit margin	**4.6%**	5.4%	5.1%
Employee numbers(1)	**189**	192	223

(1) Average annual equivalent number of employees.

Overview

Group revenue grew by 9.3% to £159.1 million, although the split of revenue across the three divisions has changed compared to last year. Revenue in Shipbroking has increased, primarily due to a full twelve months of results for the enlarged Shipbroking division. The Technical division reported higher revenue than last year, but revenue from Logistics decreased due to the lower level of revenue from freight forwarding. Operating profit margin has improved significantly in the Shipbroking division due to the improved business efficiency and economies of scale. The margin in the Technical division has reduced due to a changing mix of business within the division. The operating profit margin of the Logistics division has also reduced partly due to costs associated with establishing the new offices in the US and partly due to extended project lead times.

Non-recurring and acquisition-related items

Non-recurring costs largely relate to the completion of the integration of the Shipbroking businesses.

Intrinsically linked to the acquisition of ACM was a share plan that was put in place to retain key staff. The cost of this share plan is categorised as acquisition-related expenses and the charge in the year was £1.6 million (2014/15: £0.8 million). This charge will be approximately £1.6 million in 2016/17 and after that will reduce as the share awards start to vest. Finally, a charge of £1.1 million (2014/15: £1.8 million) has been incurred in relation to the amortisation of intangible assets arising from the acquisition of ACM as well as acquisitions from previous years.

Direct and operating costs

Cost of sales comprises freight and haulage costs incurred in the Logistics division and payments to sub-contractors, materials, and other costs directly associated with the revenue to which they relate in other divisions. The level of cost of sales has reduced in the year in the forwarding and liner business within the Logistics division due to a lower level of activity, but this has been partly offset by a higher level of direct costs in the Technical businesses. The level of operating costs in the year is higher than last year and partially due to the full year impact of costs in the combined Shipbroking business compared to only seven months of costs in the previous year. The level of costs has also increased in the Technical division following successful recruitment and retention of staff in Braemar SA and Braemar Engineering.

Central costs increased slightly during the year as a result of the increased size of the Group as well as non-recurring costs incurred in the first half associated with Group Board changes.

Finance costs

The net finance cost for the year of £0.4 million (2015: £0.3 million cost) reflects the cost of working capital and the term facilities required to complete the ACM merger.

Balance sheet

Net assets at 29 February 2016 were £107.3 million (2015: £104.3 million). The balance sheet is comparable to last year and there have been no significant capital transactions during the year. Net working capital is also at a similar level to last year but against an increase in business volumes, demonstrating our drive to improve cash conversion.

Borrowings and cash

At the balance sheet date, the Group has bank facilities of £15 million comprising a revolving facility of £10 million and an amortising term loan of £5 million that is repayable at £450,000 each quarter. At the end of the year the Group had net cash of £9.2 million (2015: £7.2 million) made up of £11.5 million of cash and £2.3 million of drawings of the facility.

The normal pattern of cash for the Group is for the second half of the year to show higher cash generation than the first half when the majority of staff bonuses are paid and the final dividend is paid to shareholders.

During April 2016, the Group entered a new banking relationship with HSBC. This provided total facilities of £30 million, made up of a revolving credit facility of £15 million and an accordion facility of £15 million. HSBC also provides access to global cash management opportunities, notably in our regional hubs of UK, Singapore and Australia.

Retirement benefits
The Group has a defined benefit pension scheme which is closed to new members. This scheme has a net liability of £1.2 million (2015: £1.5 million) which is recorded on the balance sheet at 29 February 2016. The current level of scheme specific funding is a cash contribution of £0.45 million annually.

Foreign exchange
The US dollar exchange rate relative to sterling moved by 10% in the year from US$1.55/£1 at the start of the year to US$1.39/£1 at the end of the year. A significant proportion of the Group's revenue is earned in US dollars and the movement of the exchange rate has had a positive impact on earnings. However, the Group has maintained its treasury policy during the year to mitigate the full impact of the movement in the US dollar and at the end of the year held US$31 million of forward cover at an average rate of US$1.477/£1.

Taxation
The Group's effective tax rate in relation to continuing operations in 2015/16 was 23.9% (2015: 26.5%). The rate is higher than the UK standard rate of corporation tax of 20% largely due to the effect of disallowed expenses, the effect of tax deducted on repatriating cash from overseas and higher overseas corporate tax rates. The Group's profits are spread across a number of jurisdictions with both higher and lower corporate tax rates.

Earnings per share
Underlying earnings per share have increased 7.5% to 34.70 pence and enables a dividend cover for the full year of 1.3 times.

Louise Evans FCA
Finance Director
13 May 2016

Consolidated income statement for the year ended 29 February 2016

	29 Feb 2016			28 Feb 2015 - Restated		
Continuing operations	**Underlying**	**Exceptional and acquisition-related items**	**Total**	Underlying	Exceptional and acquisition-related items	Total
Revenue	**159,125**	**-**	**159,125**	145,601	–	145,601
Cost of sales	**(33,365)**	**-**	**(33,365)**	(37,700)	–	(37,700)
Gross profit	**125,760**	**-**	**125,760**	107,901	–	107,901
Operating costs:						
Other operating costs	**(112,002)**	**-**	**(112,002)**	(96,370)	–	(96,370)
Acquisition-related expenses and amortisation	**-**	**(2,668)**	**(2,668)**	–	(3,738)	(3,738)
Non-recurring expenses	**-**	**(777)**	**(777)**	–	(7,619)	(7,619)
Gain on sale of property, plant and equipment	**-**	**-**	**-**	–	5,409	5,409
	(112,002)	**(3,445)**	**(115,447)**	(96,370)	(5,948)	(102,318)
Operating profit	**13,758**	**(3,445)**	**10,313**	11,531	(5,948)	5,583
Share of loss from joint ventures	**-**	**-**	**-**	(22)	(140)	(162)
Finance income	**45**	**-**	**45**	238	–	238
Finance costs	**(432)**	**-**	**(432)**	(531)	–	(531)
Profit before taxation	**13,371**	**(3,445)**	**9,926**	11,216	(6,088)	5,128
Taxation	**(3,198)**	**372**	**(2,826)**	(2,906)	719	(2,187)
Profit for the year	**10,173**	**(3,073)**	**7,100**	8,310	(5,369)	2,941
Loss for the year from discontinued operations	**-**	**(290)**	**(290)**	–	(356)	(356)
Profit for the year attributable to equity shareholders of the parent	**10,173**	**(3,363)**	**6,810**	8,310	(5,725)	2,585

Earnings per ordinary share						
Basic	**34.70p**		**23.23p**	32.28p		10.04p
Diluted	**31.53p**		**21.10p**	29.48p		9.17p

Consolidated statement of comprehensive income
for the year ended 29 February 2016

	29 Feb 2016 £'000	28 Feb 2015 £'000
Profit for the year	**6,810**	2,585
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Actuarial loss on employee benefit schemes – net of tax	**(296)**	(206)
Items that are or may be reclassified to profit or loss:		
Available for sale investments – net change in fair value	**-**	352
Foreign exchange differences on retranslation of foreign operations	**2,461**	1,309
Cash flow hedges – net of tax	**(937)**	(78)
Total comprehensive income for the year attributable to equity shareholders of the parent	**8,038**	3,962

Group balance sheet as at 29 February 2016

Assets	**As at 29 Feb 2016 £'000**	As at 28 Feb 2015 £'000
Non-current assets		
Goodwill	**76,912**	76,254
Other intangible assets	**2,684**	3,117
Property, plant and equipment	**5,104**	4,862
Investments	**1,537**	1,528
Deferred tax assets	**2,177**	1,548
Other long-term receivables	**355**	244
	88,769	87,553
Current assets		
Trade and other receivables	**58,135**	57,442
Cash and cash equivalents	**11,497**	16,289
	69,632	73,731
Total assets	**158,401**	161,284
Liabilities		
Current liabilities		
Derivative financial instruments	**1,233**	62
Trade and other payables	**43,020**	42,270
Short-term borrowings	**1,800**	6,800
Current tax payable	**1,640**	757
Provisions	**729**	1,273
	48,422	51,162
Non-current liabilities		
Long-term borrowings	**500**	2,300
Deferred tax liabilities	**430**	825
Provisions	**533**	1,242
Pension deficit	**1,211**	1,482
	2,674	5,849
Total liabilities	**51,096**	57,011
Total assets less total liabilities	**107,305**	104,273
Equity		
Share capital	**3,011**	2,998
Share premium	**52,314**	51,970
Shares to be issued	**(3,439)**	(3,611)
Other reserves	**26,474**	24,950
Retained earnings	**28,945**	27,966
Total equity	**107,305**	104,273

Consolidated cash flow statements for the year ended 29 February 2016

	29 Feb 2016 £'000	28 Feb 2015 £'000
Cash flows from operating activities		
Cash generated from operations	**13,459**	7,259
Interest received	**45**	238
Interest paid	**(432)**	(531)
Tax paid	**(2,688)**	(3,534)
Net cash generated from operating activities	**10,384**	3,432
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	**-**	(10,204)
Disposal of undertakings	**-**	(647)
Purchase of property, plant and equipment and computer software	**(2,098)**	(4,862)
Proceeds from sale of investments	**-**	800
Proceeds from sale of property, plant and equipment	**-**	9,573
Other long-term assets	**(111)**	(2)
Net cash used in investing activities	**(2,209)**	(5,342)
Cash flows from financing activities		
Proceeds from borrowings	**-**	14,839
Repayment of borrowings	**(6,800)**	(5,739)
Proceeds from issue of ordinary shares, excluding acquisitions	**357**	601
Dividends paid	**(7,648)**	(6,201)
Purchase of own shares	**(428)**	(228)
Net cash used in financing activities	**(14,519)**	3,272
(Decrease)/increase in cash and cash equivalents	**(6,344)**	1,362
Cash and cash equivalents at beginning of the period	**16,289**	13,694
Foreign exchange differences	**1,552**	1,233
Cash and cash equivalents at end of the period	**11,497**	16,289

Consolidated statements of changes in total equity for the year ended 29 February 2016

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 March 2014	2,167	12,218	(2,934)	23,719	30,116	65,286
Profit for the year	–	–	–	–	2,585	2,585
Available for sale investments – net change in fair value	–	–	–	–	352	352
Actuarial loss on employee benefits schemes – net of tax	–	–	–	–	(206)	(206)
Foreign exchange differences	–	–	–	1,309	–	1,309
Cash flow hedges net of tax	–	–	–	(78)	–	(78)
Total recognised income in the year	–	–	–	1,231	2,731	3,962
Dividends paid	–	–	–	–	(6,201)	(6,201)
Issue of shares	831	39,752	(525)	–	–	40,058
Purchase of own shares	–	–	(228)	–	–	(228)
ESOP shares allocated	–	–	76	–	(76)	–
Credit in respect of share option schemes	–	–	–	–	1,331	1,331
Deferred tax on items taken to equity	–	–	–	–	65	65
At 28 February 2015	2,998	51,970	(3,611)	24,950	27,966	104,273
Profit for the year	–	–	–	–	6,810	6,810
Actuarial loss on employee benefits schemes – net of tax	–	–	–	–	(296)	(296)
Foreign exchange differences	–	–	–	2,461	–	2,461
Cash flow hedges net of tax	–	–	–	(937)	–	(937)
Total recognised income in the year	–	–	–	1,524	6,514	8,038
Dividends paid	–	–	–	–	(7,648)	(7,648)
Issue of shares	13	344	–	–	–	357
Purchase of own shares	–	–	(428)	–	–	(428)
ESOP shares allocated	–	–	600	–	(600)	–
Credit in respect of share option schemes	–	–	–	–	2,698	2,698
Deferred tax on items taken to equity	–	–	–	–	15	15
At 29 February 2016	**3,011**	**52,314**	**(3,439)**	**26,474**	**28,945**	**107,305**

Note 1 – General Information

The financial information set out above does not constitute the Group's statutory accounts for the years ended 29 February 2016 or 28 February 2015 but is derived from those accounts. Statutory accounts for 2015 have been delivered to the registrar of companies, and those for 2016 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified; (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Note 2 – Accounting Policies

Whilst the financial information included in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted for use in the European Union, this announcement does not itself contain sufficient information to comply with IFRSs. The Group expects to distribute full accounts that comply with IFRSs as adopted for use in the European Union on 1 June 2016.

Note 3 – Segmental Results

2016	Shipbroking £'000	Technical £'000	Logistics £'000	Central £'000	**Total £'000**
Segment revenue	**70,699**	**55,612**	**34,143**	**-**	**160,454**
Inter-segment revenue	-	(1,329)	-	-	**(1,329)**
Revenue	**70,699**	**54,283**	**34,143**	**-**	**159,125**
Divisional operating profit	**9,653**	**5,201**	**1,577**	**(2,673)**	**13,758**
Acquisition-related expenses and amortisation	(2,476)	(159)	(33)	-	**(2,668)**
Non-recurring items	(777)	-	-	-	**(777)**
Operating profit	6,400	5,042	1,544	(2,673)	**10,313**
Finance expense – net					**(387)**
Profit before taxation					**9,926**
Taxation					**(2,826)**
Profit for the year from continuing operations					**7,100**

2015	Shipbroking £'000	Restated Technical £'000	Logistics £'000	Central £'000	**Restated Total £'000**
Revenue	53,589	49,646	42,366	–	**145,601**
Divisional operating profit	**5,588**	**6,289**	**2,275**	**(2,621)**	**11,531**
Acquisition-related expenses and amortisation	(3,574)	(103)	(61)	–	**(3,738)**
Non-recurring items	(6,825)	(179)	(251)	(364)	**(7,619)**
Gain on sale of property, plant and equipment	5,409	–	–	–	**5,409**
Operating profit	598	6,007	1,963	(2,985)	**5,583**
Finance expense – net					**(293)**
Joint ventures					**(162)**
Profit before taxation					**5,128**
Taxation					**(2,187)**
Profit for the year from continuing operations					**2,941**

Note 4 – Dividend

The Directors are proposing a final dividend in respect of the financial year ended 29 February 2016 of 17 pence per share taking the total dividend for the year to 26.0 pence (2015: 26.0 pence). This will absorb an estimated £5.0 million (2015: £5.0 million) of shareholders' funds.

Note 5 – 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 760,409 ordinary shares held by the Employee Share Ownership Plans (2015: 814,367 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.

Total operations	**2016** **£'000**	2015 £'000
Profit for the year attributable to shareholders	**6,810**	2,585

	pence	pence
Basic earnings per share	**23.23**	10.04
Effect of dilutive share options	**(2.13)**	(0.87)
Diluted earnings per share	**21.10**	9.17

Continuing operations	**2016** **£'000**	2015 £'000
Underlying profit for the year attributable to shareholders	**10,173**	8,310

	pence	pence
Basic earnings per share	**34.70**	32.28
Effect of dilutive share options	**(3.17)**	(2.80)
Diluted earnings per share	**31.53**	29.48

	shares	shares
Weighted average number of ordinary shares	**29,318,887**	25,745,240
Effect of dilutive share options	**2,947,075**	2,442,308
Diluted weighted average number of ordinary shares	**32,265,962**	28,187,548

Note 6 - Reconciliation of operating profit to net cash flow from operating activities

	2016 £'000	2015 £'000
Profit/(loss) before tax for the year from continuing operations	**9,926**	5,128
Loss before tax for the year from discontinued operations	**(290)**	(356)
Adjustments for:		
– Depreciation of property, plant and equipment	**1,540**	1,474
– Amortisation of computer software	**573**	408
– Amortisation of other intangible assets	**1,080**	1,772
– (Profit)/loss on sale of property, plant and equipment	**-**	(5,618)
– Other exceptional and acquisition-related items	**2,365**	9,822
– Finance income	**(45)**	(238)
– Finance expense	**432**	531
– Share of loss of joint ventures	**-**	22
– Share-based payments (excluding restricted share plan)	**1,110**	555
– Net foreign exchange gains and financial instruments	**(524)**	(428)
Changes in working capital:		
– Trade and other receivables	**(1,527)**	(3,426)
– Trade and other payables	**750**	1,169
Contribution to defined benefit pension scheme	**(488)**	-
Restructuring-related costs	**(1,632)**	(3,675)
Provisions	**189**	119
Cash generated from operations	**13,459**	7,259