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29 May 2025

BRAEMAR PLC
("Braemar", the "Company" and together with its subsidiaries the "Group")

Audited Final Results for the year ended 28 February 2025

Strategy underpinning solid performance and confidence in new medium-term growth targets

Braemar Plc (LSE: BMS), a leading provider of expert investment, chartering and risk management advice to the shipping and energy markets, announces its audited final results for the year ended 28 February 2025 (“FY25” or the “Period”).

James Gundy, Group Chief Executive Officer, commented:

“Our solid overall performance shows our strategy is working. As market conditions became more challenging in the second half, we have seen the benefits of the work we have done in recent years to build a business with a more diversified revenue base. This underpins our confidence in producing sustainable returns through the shipping cycle and our future growth targets.

Strong performances in our Investment Advisory and Risk Advisory segments partially offset the fall in Chartering revenues, helping generate underlying operating profits (before acquisition related costs) of £16.7 million, 88% higher than FY21 when we last set our medium-term targets.

We continue to develop our growth platform, by driving our three key strategic pillars of operational excellence, diversification and consolidation. To this end, we made further investments in our teams and infrastructure while maintaining strict discipline with a clear focus on shareholder value when evaluating opportunities. This included the launch of a new office in South Korea and a Container Chartering desk; shortly after year end, we obtained regulatory approval for our Securities business to operate a UK Organised Trading Facility (UK OTF).

Looking ahead, amid current market challenges comes opportunity. While there is clearly short-term uncertainty around the global economic outlook and currency volatility, I believe that this will present us with further opportunities to hire talent, make strategically suitable acquisitions and grow our market share. The medium to long-term fundamentals continue to look favourable and we will seize the opportunity to make investments that will drive shareholder value.

Our updated strategic framework (as set out below in the Chairman’s statement) clearly lays out how we plan to grow the business, and I look forward to working with my talented colleagues to achieve these ambitious but achievable targets”.

RESULTS HIGHLIGHTS

Financial performance

	Underlying results*			Statutory results		
	FY25	FY24	% change	FY25	FY24	% change
Revenue	£141.9m	£152.8m	-7%	£141.9m	£152.8m	-7%
Operating profit (before acquisition-related expenditure)	£16.7m	£18.1m	-7%	£16.0m	£15.0m	7%

Operating profit	£15.6m	£16.5m	-6%	£11.2m	£9.0m	24%
Profit before tax	£13.4m	£14.6m	-8%	£9.2m	£7.5m	23%
Profit after tax	£9.8m	£10.8m	-9%	£6.1m	£4.6m	32%
Underlying earnings per share (basic)	31.30p	36.62p	-15%	19.41p	15.65p	24%
Total dividend per share	7.0p	13.0p	-46%	7.0p	13.0p	-46%
Net cash/(debt)	£ (2.5m)	£1.0m	nm	£ (2.5m)	£1.0m	nm

* Underlying results measures above are before specific items, including some acquisition-related charges and internal independent investigation costs.

- Robust financial performance
    - Revenue of £141.9 million, 7% below the prior year due to lower revenue from Chartering in the second half partially offset by a strong performance from Investment Advisory, demonstrating the benefits of the Group's diversified business model
    - Underlying operating profit (before acquisition-related expenditure) of £16.7 million (FY24: £18.1 million)
    - Underlying operating profit of £15.6 million, a decrease of 6%, with costs continuing to be well controlled
    - Reported profit before tax of £9.2 million, (FY24: £7.5 million), with lower underlying operating profit offset by lower specific items than the prior year
- Balance sheet remains strong
    - Net debt position of £2.5 million at 28 February 2025, swiftly turning to a positive net cash position at the start of the new financial year after timing of certain working capital items
    - Total dividends for the year of 7.0 pence per share (FY24: 13.0 pence), with a final dividend of 2.5 pence per share proposed, in line with updated Capital Allocation Framework (as set out below in the Chairman's statement and the financial review)
    - Intention to commence an on-market share buyback programme of up to £2.0 million, reflecting the board's belief that the Company's share price undervalues the business and confidence in the cash generation capabilities of the Group, also providing a positive enhancement to future EPS. Total shareholder returns maintained.

Operational highlights

- Delivering resilience through diversification
    - Average revenue per head remained strong at £345,000, 8% down on the prior year reflecting the weaker market conditions in the second half
    - New office opened in South Korea and Container Chartering desk launched
    - UK OTF approved in May 2025 to support further growth in Risk Advisory
    - Acquisition pipeline is strong

Final Dividend

The board will recommend a final dividend for the year ended 28 February 2025 of 2.5 pence for approval by shareholders at the Company's Annual General Meeting to be held on 2 July 2025. Subject to shareholder approval, the final dividend will be paid on 8 September 2025 to shareholders who are on the register at the close of business on 1 August 2025, with a corresponding ex-dividend date of 31 July 2025. The last date for Dividend Reinvestment Plan ("DRIP") elections will be 15 August 2025.

Current trading and outlook

- Strong forward order book maintained, standing at $82.2 million as at 28 February 2025 (FY24: $82.6 million),
- Tanker rates are recovering from the lows in H2 although macro conditions remain weaker at the start to the year given increased geopolitical uncertainty and a weaker USD. Underlying operating profit (before acquisition-related items) for FY26 is now expected to be in the range of £13 million to £14 million
- Despite short-term uncertainty, market fundamentals remain strong and the business is well placed to take advantage of opportunities that present themselves

New growth targets for FY30

- Launch of updated strategic framework, with operational targets for FY26 and financial targets for FY30, to support delivery of our ongoing growth strategy by driving operational excellence, diversification and consolidation

- FY26 output: hiring 10 new brokers; expanding into one new jurisdiction; globalising tanker operations; and completing one M&A transaction
- FY30 output: £200m of Group revenues; £30m Risk Advisory revenues; 15% underlying operating profit margin; and net debt maintained below 1.5x EBITDA through all years

Board

In recognition of his role now encompassing a wider remit, the board is delighted to announce that Group Chief Financial Officer, Grant Foley, will be promoted to Group Chief Financial and Operating Officer with effect from 1 June 2025.

Analyst Presentation

Management will host a briefing for analysts at 09.30 BST today at Braemar's offices at One Strand, Trafalgar Square, London, WC2N 5HR. For further details, please contact the team at Houston via braemar@houston.co.uk.

Investor Webcast

Braemar will also host a webcast via the Investor Meet Company platform later today, commencing at 14:00 BST. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 09:00 BST this morning, or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet BRAEMAR PLC via: https://www.investormeetcompany.com/braemar-plc/register-investor

The 2025 Annual Report and Accounts will be available on the Company's website (www.braemar.com) shortly.

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Chairman's Statement

I am pleased to report a solid financial performance for the Group this year. The results demonstrate the benefits of the extensive work we have done since launching our strategy in FY21, building a broader and more resilient business able to generate shareholder returns across the shipping cycle.

Braemar is a global business, with 411 dedicated staff members working for the Group across 18 offices in 13 countries. During the year, the geopolitical backdrop around the world became more challenging, particularly in the second half where global charter rates have historically been stronger than the first half. This resulted in our teams having to deal with an uncertain environment and increased regulation, particularly as a consequence of conflicts and a complex sanctions regime. Nevertheless, using our depth and reach of relevant data, our industry technology and insight, Braemar staff have successfully supported our clients to achieve their goals.

Despite these challenges, as we look ahead, we remain confident in our growth strategy and will continue to build an increasingly more resilient business. We are well placed to deal with the global challenges and uncertainty that we face, and to capitalise on opportunities to scale our operations in the years ahead. This underpins our confidence in achieving our growth targets for FY30 outlined in our new strategic framework.

Results for the year

Revenue for the year at £141.9 million (FY24: £152.8 million), was 7% lower than the prior year due a weaker performance from Chartering as global charter rates, notably in the Tanker and Dry Cargo markets, came under pressure, particularly in the second half of the financial year. Underlying operating profit was £15.6 million, £1 million lower than FY24 with the lower revenue partially offset by lower operating costs, with costs continuing to be well controlled.

Reported profit before tax at £9.2 million was £1.7 million higher than the prior year, due to lower specific non-recurring costs, in particular the costs of the independent internal investigation in FY24 (£2.6 million). Underlying earnings per share were 31.30p (FY24: 36.62p) and reported earnings per share 19.41p (FY24: 15.65p).

As at 28 February 2025, the Group had a small net debt position of £2.5 million, due to minor temporary adverse working capital movements immediately prior to year end. As expected, the Group returned to a positive net cash position in early March 2025.

We continued to strengthen our teams over the course of the year and were delighted to welcome a number of new colleagues into the Group, as we invested further in our platform for growth by adding to our broking and operational teams.

Board

In March 2025, Tristram Simmonds, Group Chief Operating Officer, left the Group. Tristram joined the business following the acquisition of Atlantic Brokers in 2018, and on behalf of the board I would like to thank him for his service and contribution to the Group.

In recognition of his role now encompassing a wider remit, I am delighted to announce that Group Chief Financial Officer Grant Foley will be promoted to Group Chief Financial and Operating Officer with effect from 1 June 2025. Grant leads all support functions as well as Braemar's Securities business (subject to regulatory approval) and has made a significant positive impact on the Group since joining in August 2023. I am confident that our executive team will continue to execute our growth strategy effectively and I look forward to working with my colleagues in the coming year.

Strategy

We remain committed to delivering on our strategic vision to position Braemar as a trusted broker of choice to the global shipping and energy markets. A key part of that growth strategy is to further strengthen our business lines through investment in our high calibre teams and making complementary acquisitions.

However, during the financial year we saw a set of circumstances that made this particularly difficult to execute.

Firstly, the economics of talent investment. Similar to the talent economics that we saw in the professional services industry post COVID-19, at times during the year, the cost of talent investment in our industry reached levels that we regarded as uneconomic. We therefore intentionally chose not to participate in investment during these periods, preferring to retain staff and maintain a disciplined approach to ensure that we can generate sustainable returns for shareholders. I am pleased to note that the economics of talent investment have now stabilised to what we regard as more attractive levels and we are not burdened with uneconomic decisions which could have been made had we chosen to participate.

Secondly, the impact of the UK stock market's performance on our ability to execute on transactions. According to Calastone data, over the last 12 months there has been just one month of positive inflow of funds to UK equities in the year and, indeed, for the quarter ending 31 March 2025, £3.48 billion was withdrawn from the UK market, making it the worst quarter on record. The impact of this is that UK equity market liquidity has generally been compromised, and we have suffered from an undervalued share price, creating a significant difference in public and private market valuations and impacting our ability to execute transactions that would be accretive for our shareholders. Once these harmonise, we are well placed to execute on our M&A strategy.

Despite the above challenges, we continue to see significant growth opportunities, organically in a more stable talent market and inorganically as other industry players see the benefits from leveraging scale.

As we look ahead over the next five years, the board is pleased to today announce an updated strategic framework. This sets out our near-term and medium-term growth targets, built around clear strategic pillars to deliver our ambition to become a trusted broker of choice to the shipping and energy markets with annual revenues of at least £200 million by FY30.

Capital Allocation Framework

In support of the newly launched strategic framework, the board today provides an update on our intentions for future uses of cash generated from operations. The Group's updated Capital Allocation Framework reflects a balance between growth investment and returning cash to investors.

First, we will continue to invest in talent to grow the business, while remaining focused on driving efficiencies and improved margins.

Second, we will continue to look for acquisitions that allow the Group to accelerate its growth and meet our strict value enhancing criteria.

Third, we will return capital to shareholders through dividends and share buybacks, as we grow the business.

Dividend

Since 2021, the Company has operated a progressive dividend policy, and the business has grown underlying operating profits substantially from £8.9 million in FY21 to £15.6 million this year. Total dividends have grown by 160% from 5.0 pence per share in FY21 to 13.0 pence per share in FY24. Despite this, our share price has remained broadly unchanged. In short, our progressive dividend policy, despite the yield being increasingly attractive, has not generated increased equity value to shareholders.

With this in mind, while the Company will continue to pay a dividend in line with our updated Capital Allocation Framework, it will reduce the dividend to a level that the board believes remains attractive and will use surplus capital to purchase (and then cancel) its own Company shares. For this year, cash saved from a reduced dividend will support a share buyback programme of up to £2 million. Reflecting this, the board will recommend a final dividend for the year ended 28 February 2025 of 2.5 pence for approval by shareholders at the Company's Annual General Meeting to be held on 2 July 2025.

This final dividend, together with the interim dividend of 4.5 pence already paid on 13 January 2025, represents a total dividend for the year of 7 pence. The final dividend will be paid on 8 September 2025 to shareholders who are on the register at the close of business on 1 August 2025, with a corresponding ex-dividend date of 31 July2025. The last date for Dividend Reinvestment Plan ("DRIP") elections will be 15 August 2025.

Our people

Braemar's assets are its people, and we have continued to invest in our teams throughout the year, opening a new office in South Korea and establishing presences in Connecticut (USA) and Monaco as well as building out existing desks. We have remained focused on maintaining Braemar as an attractive place to work, retaining existing talent and hiring where it makes economic sense to do so, benefiting all stakeholders.

Once again, I have been impressed by the commitment and resilience of our staff and on behalf of the board I would like to take this opportunity to thank our people for their dedication, hard work and focus.

Outlook

We have produced a solid financial performance this year that demonstrates our strategy is delivering. We will continue to execute our strategy, focusing on operational excellence, diversification across our business and acquisition opportunities.

Today, the global economy faces a number of challenges, including ongoing conflicts, a potential tariff-driven trade war and more volatile foreign currency markets. These are likely to have some short-term impact as charterers and owners adjust and manage an uncertain environment. Shipping has always adapted to change with new trade patterns and routes, and we believe that this will be no different.

Reflecting the wider geo-political uncertainty, chartering activity for the start of the new financial year has been weaker than the same period last year, while Investment and Risk Advisory are at similar levels. The forward order book remains strong and there are early signs of some improvement in Chartering revenues.

The board remains confident in the long-term prospects for the Group. The opportunity to significantly grow the business remains compelling and this market dynamic will likely provide additional opportunities for non-organic growth. With a clear strategy and strong platform to support this we are focused on generating revenue of at least £200 million with underlying operating profit margins of over 15% by FY30.

Nigel Payne

Chairman

28 May 2025

Group Chief Executive Officer's Statement

I am pleased to announce that despite weaker chartering conditions in the second half we have produced another solid financial performance.

In 2021, we laid out our strategic objective to build a more resilient business that could deliver sustainable profits through the shipping cycle. I am pleased to report underlying operating profit (before acquisition-related items) of £16.7 million for FY25, 88% higher than FY21 (£8.9 million) and achieved through the strategic focus of building a more diversified revenue mix.

The deep knowledge and understanding across our teams has come to the fore as the markets we operate in have become increasingly complex during the year. Our clients have relied heavily on our expertise to navigate the challenges posed by ongoing conflicts and trade tensions, and global fleets continued to age with newbuild capacity remaining restricted.

The 'Dark Fleet' of vessels moving sanctioned oil continued to grow in the year and is now estimated to comprise 1,400 vessels. At the same time, the sanctions regime has increased in its complexity. We have continued to invest in our compliance function throughout the year, increasing headcount and using the latest technology to further improve our systems and processes.

Robust performance

Group revenue for the year at £141.9 million, was £10.9 million lower than the prior year primarily driven by weaker Chartering revenue being partially offset by a stronger Investment Advisory performance with Risk Advisory broadly unchanged.

Chartering revenues were weaker, driven by lower revenues in Tankers and Dry Cargo, particularly in the second half. This was partially offset by a strong performance from Sale & Purchase with increases in newbuilding and second-hand transactions.

Costs continued to be well controlled, with underlying operating costs of £124.1 million, £9.9 million lower than the prior year, primarily due to lower staff bonus costs in the year.

Revenue per head at £345,000 (FY24: £373,000) remained strong by industry standards, although lower than the prior year due to the weaker revenue performance.

Investing

We have continued to invest throughout the year, opening our new office in South Korea and establishing presences in Connecticut (USA) and Monaco, obtaining our Organised Trading Facility licence in the UK shortly after the year end, applying for our European Organised Trading Facility, and hiring talented individuals in a highly competitive market for talent.

We have also completed an upgrade of IT systems and continued to invest in our support functions to ensure that we are well set to support the growth of the business in an increasingly complex environment.

During the year, we evaluated a number of potential acquisition opportunities. Market consolidation is an important part of our strategy; however, we remain patient and well-disciplined to ensure that we execute on the right transactions for the Group both financially and strategically.

Strategy

Our strategy remains broadly unchanged; however, we are pleased today to be announcing the launch of a more detailed strategic framework. This framework articulates our growth ambition for the next five years, provides further detail on the strategic areas of focus through which we will continue to drive growth, and provides detail on the output and targets against which we will measure our performance in the coming years, as we seek to grow revenues to at least £200 million by FY30.

There are three pillars to this framework

1. Diversification
2. Consolidation
3. Operational excellence

Within this framework we have clearly defined objectives in the short and medium term that will drive our progress.

Environmental, Social & Governance

Braemar has a clear ESG framework in place, with ongoing initiatives designed to reduce environmental impact, protect fragile ecosystems and create a more diverse, representative workforce.

As a Group, we are committed to minimising our environmental impact and continuing to make progress in our efforts to facilitate climate-smart shipping. We have also committed to a series of future initiatives to support our ESG aims and remain on track to achieve our goals in the 2025 calendar year.

Although shipping remains an efficient form of transport, we are well placed to advise our clients on how they can reduce the environmental impact that their vessels and charters have.

We have continued to hire from a broad range of backgrounds and cultures and with offices in 13 countries, Braemar has a diverse and talented workforce.

Once again, I am very proud of the work that has been done across all of our offices to support a number of charities and good causes, making a positive impact to many.

Outlook

The strategy of diversifying the Group's revenues across Shipbroking and Securities has delivered a robust performance for the year. Through our newly articulated strategic framework and priorities, we will continue to build upon this.

We enter FY26 with a strong forward order book of $82.2 million, broadly unchanged from the prior year. However, although recent years have also been characterised by an uncertain geopolitical backdrop, FY26 has the added complexities of potential tariffs, trade wars, a weaker US dollar and an increasingly complex sanctions regime. Underlying operating profit (before acquisition-related items) for FY26 is now expected to be in the range of £13 million to £14 million.

We remain focused on building a business that can deliver shareholder value throughout the shipping cycle and our strategic framework provides clear direction and a roadmap to get the Group to £200 million of revenue by FY30.

While the short-term outlook in our markets is uncertain, I am very excited about the opportunities that the Group has across all areas of the business to grow revenues, profit and cash generation.

I would like to take this opportunity to thank our colleagues for their hard work and dedication, as well as our clients and partners for their ongoing support.

James Gundy

Group Chief Executive Officer

28 May 2025

Financial Review

The Group delivered a solid financial performance for FY25. While the first-half performance showed an improvement on the prior year, the second-half was significantly weaker. The typical increase in rates usually seen in the second-half did not materialise with Tanker rates actually weakening. This was partially offset by a stronger performance from Investment Advisory.

Underlying profit before tax at £13.4 million was £1.2 million lower than the prior year, due to the weaker revenue performance and subsequently lower bonus costs.

At the year end, the Group had a net debt position of £2.5 million due to adverse temporary working capital movements, however this returned to a net cash position swiftly after year end.

Reflecting the Group's updated Capital Allocation Framework, the Group has revised its dividend policy, and the board is recommending a final dividend of 2.5 pence, making the full-year dividend 7 pence, a decrease of 46% on the prior year (FY24: 13 pence). The cash saved from the lower dividend will be used to support a share buyback programme of up to £2 million, maintaining total shareholder returns.

Summary Income Statement FY25

- Underlying operating profit £15.6 million (FY24: £16.5 million).
- Underlying operating profit (before acquisition-related expenditure) £16.7 million (FY24: £18.1 million).
- Underlying profit before tax £13.4 million (FY24: £14.6 million)
- Statutory operating profit £11.2 million (FY24: £9.0 million).
- Statutory profit before tax £9.2 million (FY24: £7.5 million).

	Underlying			Statutory		
	FY25 £'000	FY24 £'000	% inc/(dec)	**FY25 £'000**	FY24 £'000	% inc/(dec)
Revenue	141,860	152,751	(7)%	141,860	152,751	(7)%
Operating profit	15,597	16,548	(6)%	11,173	9,044	24%
Profit before tax	13,433	14,608	(8)%	9,222	7,523	23%
Profit after tax	9,840	10,820	(9)%	6,102	4,624	32%
Earnings per share	31.30p	36.62p	(15)%	19.41p	15.65p	24%

Revenue

Revenue from continuing operations was 7% lower than the prior year. Chartering revenues were 14% lower at £89.4 million (FY24: £103.9 million), primarily due to weaker Tanker and Dry Cargo rates, particularly in the second half. Investment Advisory revenues were £30.2 million (FY24: £25.7 million), an increase of 17% with a strong performance from Sale & Purchase. Risk Advisory was slightly lower at £22.3 million (FY24: £23.1 million).

The majority of the Group's revenue is earned in US dollars and the exchange rate moved from a low of $1.22/£1 to a high of $1.34/£1 during the year. Total USD revenues at $179 million were lower than the prior year (FY24: $189 million).

At 28 February 2025, the Group held forward currency contracts to sell $116 million at an average rate of US$1.26/£1.

Operating costs

Operating costs at £124.1 million were £9.9 million lower than the prior year (FY24: £134.0 million). Staff costs were £9.9 million lower than the prior year, offset by ongoing investment in IT and increased professional fees including in relation to establishing the UK Organised Trade Facility to drive further growth in Risk Advisory.

Central costs

Central costs increased by 10% to £5.6 million (FY24: £5.0 million), primarily due to increased investment in staff and office costs.

Specific items

Alternative performance measures ("APMs")

Braemar uses APMs as key financial indicators to assess the performance of the Group. Management considers that the APMs used by the Group help to provide an alternate assessment of business performance, by excluding items which management does not believe relate to business performance in the period and provide useful information to investors and other interested parties. We have separated the impact of individually material capital transactions, such as acquisitions and disposals, from ongoing trading activity to allow a focus on ongoing operational performance. Our APMs include underlying operating profit and underlying earnings per share.

Items that are not considered to be part of the ongoing trade of the Group have been presented as specific. These items are material in both size and/or nature and we believe may distort understanding of the underlying performance of the business if not identified separately. Details of these items can be found in Note 2.2 to these Financial Statements.

	FY25 £'000	FY24 £'000
Underlying operating profit before specific items	**15,597**	**16,548**
Specific items – Acquisition-related expenditure	(3,711)	(4,405)
Specific items – Other operating costs	(928)	(3,182)
Specific items - Other operating income	215	83
Operating profit	**11,173**	**9,044**

Acquisition-related expenditure includes £3.6 million in relation to the acquisition of Southport Maritime Inc. (FY24: £3.6 million) and £0.7 million (FY24: £nil) within other operating costs that relates to the impairment of a right-of-use lease asset.

Net finance costs

Net finance costs for the year increased by £0.5 million to £2.0 million (FY24: £1.5 million). Interest payable on the Group's revolving credit facility reduced slightly to £2.2 million from £2.4 million as the Group maintained a lower average drawdown through the year. This was offset by finance income decreasing by £0.5 million due to a £0.3 million gain on derivative contracts in the prior year.

Balance sheet

Net assets at 28 February 2025 were £84.2 million an increase of £4.5 million from the prior year (FY24: £79.6 million). The year saw an overall decrease in total assets of £4.2 million, primarily due to an increase in trade and other receivables (£3.2 million) offset by a reduction in cash (£7.5 million).

Total liabilities decreased by £8.7 million, due to lower trade and other payables, primarily due to a lower bonus accrual at the year-end, given the weaker revenue performance.

Borrowings and cash

At the Balance Sheet date, the Group had a revolving credit facility with HSBC of £30.0 million. The facility also provides access to a global cash pooling facility in the UK, USA, Germany and Singapore, which enables efficient management of liquidity between its main regional hubs. At the end of the year, the Group had net debt of £2.5 million (FY24: £1.0 million net cash), lower than the previous year due to lower cash receipts towards the end of the financial year.

Retirement benefits

The Group has a defined benefit pension scheme, which was closed to new members during FY16. The scheme has a surplus of £2.5 million (FY24: surplus £1.4 million), which is recorded on the Balance Sheet as at 28 February 2025. The most recent funding valuation was carried out as at March 2023 and showed a surplus of £0.3 million.

Taxation

The Group's underlying effective tax rate in FY25 was a charge of 27% (FY24: 26%), slightly higher than the UK corporation tax rate, reflecting the international operations of the Group.

Capital management

The Group manages its capital structure and adjusts it in response to changes in economic conditions and its capital needs. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares and debt instruments. The Group has a policy of maintaining positive cash balances, whenever possible, which can be supported by short-term use of its revolving credit facility. This is drawn down as required, to provide cover against the peaks and troughs in our working capital requirements.

ESOP Trust

During the year, the Company requested that SG Kleinwort Hambros Trust Company (CI) Ltd, as Trustee of the Company's ESOP Trust, purchase shares in Braemar Plc. During the year, a total of 880,344 shares in the Company were purchased by the Trustee and 1,600,095 shares were released; as a result, at 28 February 2025, the ESOP held 1,583,460 shares (FY24: 2,303,211 shares). The total cash outflow as a result of these share purchases was £2.4 million (FY24: £6.1 million).

Dividend

The directors are recommending for approval at the AGM on 2 July 2025, a final dividend of 2.5 pence per share, to be paid on 8 September 2025. The total dividend of 7.0 pence for the year is covered 4.4 times by the underlying earnings per share from operations of 31.30 pence. The total cash outflow in respect of dividends paid during the year ended 28 February 2025 was £5.5 million (FY24: £2.4 million).

Going concern

With the trading cash flows generated during the year, the Group remains in a robust liquidity position. The Group will maintain its prudent approach to working capital forecasting and credit controls. The Group's revolving credit facility was renewed during the financial year, extending the term to November 2027 and provides the seasonal working capital that is required. Accordingly, the accounts have been prepared on a going concern basis.

Grant Foley

Group Chief Financial Officer

28 May 2025

Operating Review

Market Review and Outlook

While many shipping markets continued to perform well during the first half of FY25, rates weakened in the second half of the financial year. The usual Tanker rate increase in the fourth quarter did not materialise leading to softer rates at the start of the 2025 calendar year. Chartering's Offshore market continued to perform well and Investment Advisory saw robust results, with strong performances across both newbuilding and second-hand.

Geopolitical events, sanctions and tariffs are creating some uncertainty and may have a short-term impact, but we remain confident in the medium-term outlook for shipping as it adapts to these challenges.

The global fleet continues to grow but at a slower pace. Reduced shipyard capacity and market uncertainty have resulted in a slowdown in new ship deliveries and shipowners are extending the economic lifespan of older ships resulting in an ageing fleet. Once the uncertainty starts to recede, we believe that we will start to see activity increase once again.

We now present a summary of our three business segments: Chartering, Investment Advisory and Risk Advisory

CHARTERING

Chartering's revenue decreased by 14% to £89.4 million from £103.9 million in FY24, representing 63% of Braemar's total revenue.

Tankers – £42.9 million (FY24: £54.7 million)

Tanker revenues were 21% lower than prior year with freight markets easing during 2024. With reduced seasonal demand in the fourth quarter particularly from weaker Chinese imports, there was a reduction in crude tanker earnings in the second half of the year. While the weakening of refining margins throughout the year impacted the product tanker market. The sanctioning by western governments of tankers involved in Russian and Iranian trades helped tighten tanker supply towards the end the year, partly offsetting the earnings reduction for crude tankers. The ‘Dark Fleet’ has continued to extend the economic lifespan of older tankers and during 2024 shipbuilders delivered the fewest new tankers so far this century.

Dry Cargo – £21.0 million (FY24: £22.1 million)

Dry cargo revenues decreased by 5% to £21 million. Although dry bulk carrier earnings began the 2025 financial year strongly, all four main bulker sizes experienced a slowdown by year-end. Easing of the Panama Canal restrictions, muted seasonal demand in the fourth quarter especially from China and ongoing fleet growth, all put downward pressure on rates. For the first time since 2008, the fourth quarter was the lowest of the year for Capesize time charter at $18,301/day compared with $28,128/day in the same quarter a year earlier. Vessel earnings in the smallest dry bulk carrier sizes showed the most resilience, although even the Handysize underperformed the prior year towards the end of the year hitting its lowest point in February since 2020.

Offshore Energy Services – £9.0 million (FY24: £7.9 million)

Offshore revenues grew to £9.0 million in the year, up 14% from the prior year. Investment in new offshore energy projects has boosted marine activity. Supply constraints drove rate improvements during the year, particularly for longer-term fixtures. Additionally, an increase in offshore sale and purchase activity, along with growing interest in newbuildings, has bolstered this year's performance. The desk's forward book has expanded further and remains strong, with a positive outlook ahead.

Specialised Tankers – £16.5 million (FY24: £19.2 million)

**LNG and LPG & Petrochemicals are subsets of Specialised Tankers*
Specialised Tankers revenue decreased to £16.5 million, 14% lower than the prior year. The specialised market faced uncertainty driven by geopolitical instability, shifting trade routes, and energy transitions. Ageing fleets and high newbuild costs should limit oversupply and support freight rates, but demand remains unpredictable. Earnings softened across all major chemical tanker segments and this trend continued into Q1 2025, though rates remain significantly above pre-COVID levels. A number of key hires were made across our five locations.

LNG

Record levels of newbuild LNG carriers were delivered during the year, despite ongoing delays in key infrastructure projects to increase LNG production capacity. The influx of new tonnage coupled with limited demand growth exerted downward pressure on spot rates. With shipyards operating at full capacity and lead times for new orders stretching out to 2029, newbuild prices remained at historically high levels. Owners continued to face the challenge of securing new tonnage in the short-term to meet the anticipated increase in demand once delayed LNG production projects come online.

LPG & Petrochemicals

The LPG and Petrochemical desk performed well over the last 12 months, bolstered by our product broking section. The desk has had success in securing new accounts and has invested in further talent hires to support future growth. The gas market had a strong year, especially in Chartering, with increased demand for larger vessels due to projected growth in LPG, Ethane, and Ammonia exports. U.S. petrochemical exports boosted employment in the sector and kept shipping markets tight. However, the smaller LPG and petrochemical market was less active compared to the previous year, with fewer available vessels due to aging fleets, although freight rates remained strong.

INVESTMENT ADVISORY

Investment Advisory's revenue increased by 17% to £30.2 million (FY24: £25.7 million), representing 21% of the Group’s revenue.

Corporate Finance – £2.3 million (FY24: £2.2 million)

Corporate Finance revenues at £2.3 million increased marginally from the previous financial year. Once again, the year was characterised by shipowners having significant equity with less reliance on sourcing debt financing, especially for second-hand tonnage. However, several financings were arranged, especially for Asian, European and Middle Eastern clients whereby the debt capital was sourced predominantly from APAC-based lenders. Continued competition among maritime financiers combined with decreasing overall interest rates has started to create more activity, in particular for newbuilding projects.

In relation to M&A business, Corporate Finance was able to successfully expand into non-maritime sectors like real estate and industrial production.

Sale & Purchase – £27.9 million (FY23: £23.5 million)

Sale & Purchase performed strongly with revenue increasing by 18% to £27.9 million. Second hand activity was split across tankers, bulkers and containers with strong asset values and a high volume of transactions contributing to a strong year. This strength was driven by favourable charter market conditions and a preference by some owners to supplement fleet renewal plans with second hand ships, given the long lead times and higher costs associated with newbuilds. The newbuilding order book continued to grow throughout the year, with orders placed in China, Korea and Japan across various segments. The strong newbuild market reflected a mix of environmental compliance pressure, limited yard space, strong second-hand prices, and future demand expectations, all encouraging shipowners to invest in new tonnage despite higher costs and extended delivery timelines.

Towards the end of the year, uncertainties around tariff policy and rules on American port calls, has caused many clients to pause investment projects, with the Container markets being hit harder than other sectors and Tankers and Bulkers seemingly less affected.

RISK ADVISORY (SECURITIES)

Risk Advisory's revenue decreased by 3% to £22.3 million (FY24: £23.1 million), representing 16% of total revenue. Braemar's Securities business consists of four derivatives markets: Dry Cargo FFA, Coal, Natural Gas, Oil, and Tanker FFA.

Dry Cargo Derivatives

Despite weaker-than-expected demand growth, slower global economic expansion, and elevated inventory levels, persistent geopolitical tensions have helped sustain average freight rates throughout the sector. Despite the reduction in trade volumes, the desk has experienced growth in its client base and a rising interest in its proprietary pricing platform, braemarscreen.com, leading to an increase in overall market share.

Coal

Once again, the Coal desk maintained its position as the leading provider of brokering services to the European-delivered ARA market, which is used to benchmark the key API2 instrument, the most traded coal futures contract globally.

Natural Gas Derivatives

The Gas market has experienced another volatile year, driven by geopolitical tensions. The performance of the Natural Gas desk has been consistent with last year, with a focus on building out the regulatory foundations in order to expand into both new markets and new geographies. Having obtained a UK FCA approved Organised Trading Facility (OTF) licence shortly after the year-end and with work already in progress to secure a European OTF, the desk is well positioned to grow in the coming years.

Oil Derivatives

Geopolitical tensions continued to drive crude and oil product markets. Fuel oil derivatives trading remained focused on Asia, though the team grew its market share in Europe. The customer base has expanded beyond shipping-related hedging to include banks, refiners, trading firms, and hedge funds.

Tanker Derivatives

The Tanker FFA market continued to be volatile yet again throughout the year. Volumes were up 8.5% across FFA routes. The ongoing geopolitical tensions, spanning from Russia-Ukraine to Israel-Gaza and the Trump presidency mean that continued growth and volatility is expected for the remainder of 2025. The Braemar FFA desk is a joint venture with GFI and remains the leading global facilitator in wet freight and LPG FFAs and we will continue to ensure we remain at the forefront of market opportunity as it arises.

Principal Risks and Uncertainties for the year ended 28 February 2025

Risk management

Effective risk management forms an integral part of how we operate. It is essential for delivering our strategic objectives as well as protecting our relationships and reputation.

The Group's risk management framework

Risk awareness is a key element of Braemar's organisational culture at all levels and is key in managing risks to our business, helping to ensure the process of risk identification, assessment and response is embedded within daily operational and functional activities across the Group.

The board is responsible for managing the Group's risks, overseeing the internal control framework, and determining the nature and extent of the principal risks the Group is willing to take to achieve its long-term objectives. The Group's risk management and internal control frameworks are continually monitored and reviewed by the board and the Audit &Risk Committee, with support from the Risk Committee. The board is committed to maintaining the highest standards of conduct in all aspects of its business, but in considering the other matters set out in Section 172 of the Companies Act 2006, the directors are mindful that the approach must be balanced with both employee interests and the Group's need to foster business relationships. Group policies and procedures have been designed to ensure that the level of risk to which the Group is exposed is consistent with the Group's risk appetite and aligned with the Group's long-term strategy.

Reporting to the Chair of the Audit &Risk Committee and administratively to the Chief Financial Officer, the Head of Internal Audit and Risk leads the Internal Audit and Risk Management function.

Risk management process

The Group's Risk Management framework incorporates both bottom-up and top-down identification, evaluation, and management of risks. Within our framework:

- senior management has initial responsibility for identifying, monitoring, and updating business risks; while
- the management teams of group IT, HR, Legal, Compliance and Finance assess their respective functions for operational and functional risks not identified by senior management.

The Group's risk management framework is managed via an online system which is accessible to the senior management team and operational and functional management teams globally. The system's functionality has allowed for enhanced monitoring and reporting automation. The system allows for:

- Group-wide real-time updating,
- Distribution and completion of periodic internal control self-assessment surveys,
- Ongoing monitoring of risks and mitigation activities at Group, operational, and functional levels, and
- Risk management reporting at Group, regional, and company location levels.

The Group's risk management framework considers both the likelihood and the impact of identified risks materialising. Risks are mitigated, where possible, by the implementation of control activities, which are evaluated as part of the risk-based internal audit plan to determine their effectiveness in mitigating or reducing risk to acceptable levels.

All identified risks are aggregated and reviewed to assess their impact on the Group's strategic objectives and the resources required to manage them effectively. Principal risks are aggregated together with associated issues or areas of uncertainty. Inherent risks can be significant, but our control processes and management actions reduce the risk level.

The risk management process evaluates the timescale over which new or emerging risks may occur. The risk management process also considers the potential impact and likelihood of risks, as well as the timescale over which risks may occur. The outcome of this process is then reviewed with further consideration and assessment provided by the Risk Committee, the Audit &Risk Committee, and the board.

Oversight and evaluation of the effectiveness of Braemar's risk management framework is led by the Group Chief Financial Officer, supported by the Risk Committee whose membership includes the Company Secretary, Head of Internal Audit and Risk and Head of Compliance, and representatives of other functions and locations of the business. The Risk Committee monitors risks regularly, taking into consideration the appetite, tolerance, and potential impact for specific risks on the Group.

Principal risks

The principal risks which may impact the Group's ability to execute its strategic objectives have remained unchanged since 2024. The risks that follow, while not exhaustive, are those principal risks which we believe could have the greatest impact on our business and have been discussed at meetings of the board, the Risk Committee and the Audit &Risk Committee. The board reviews these risks in the knowledge that currently unknown, non-existent or immaterial risks could turn out to be significant in the future and confirms that a robust assessment has been performed. The Audit & Risk Committee reviews and approves the principal risks and any related mitigation plans.

In today's increasingly complex and volatile global environment, Braemar recognises the heightened risks and uncertainties that impact its operations. Geopolitical and economic uncertainty, economic fluctuations, and an evolving regulatory landscape contributes to a challenging risk management landscape. We remain committed to proactively identifying, assessing, and mitigating these risks to ensure the resilience and sustainability of our business.

Risk mitigation

As part of our risk management process, the Group takes various measures to mitigate risk throughout the year. These measures include:

- Ongoing periodic review and updating of policies and procedures, including AML and KYC, to enhance/strengthen the Group's Governance Framework, with ongoing monitoring of employee training completion rates.
- A signature authorisation and delegation of authority policy, complemented by independent assurance activities
- Usage of common finance, HR and operations systems across the Group supported by our IT team.
- Strategic recruitment supported by the Group HR team.
- Establishment of board-approved Group budgets with ongoing performance monitoring against budgets/reforecasts and investigation of significant variances.
- Regular reporting of treasury management activity to the board by the Group Chief Financial Officer.
- Ongoing monitoring of contractual risk by the Group Legal team.
- Operation of the Group's whistleblowing procedure.
- Maintenance of appropriate insurance cover.
- Continued investment in information technology and cyber security to strengthen security policies, technical and operational controls, skilled resources and up-to-date training dedicated to the prevention of cybercrime.
- Compliance systems and processes used to manage the risk of financial crime and sanctions breaches in an increasingly complex environment
- Regular functional reporting of existing department risks, emerging risks and the status of ongoing mitigation measures

Principal risks

The directors have carried out an assessment of the principal and emerging risks facing the Group. The most significant risks to which the board considers the Group is exposed, based on the evaluation process described in the Group's risk management framework are set out below.

Risk	Summary of impact	Mitigating control and management actions	Net risk change
Competition risk and market consolidation Competition in the shipping industry is becoming increasingly intense, and there is a growing trend towards market consolidation, and hiring established brokers as companies seek to gain scale and reduce costs.	Loss of established brokers could impact revenues. Increasing consolidation could impact the Group's M&A strategy for growth.	• Maintain a geographically diverse and balanced shipbroking and securities offering to prevent overreliance on a single supplier, location or revenue stream. • Quarterly horizon-scanning exercises are conducted by the leadership team to assess emerging trends in the market and identify areas of the business	↑

		that could be targeted by competitors.	
Cybercrime/data security Cybercrime could result in loss of business assets or disruption to the Group's IT systems and its business. Lack of appropriate data security could result in loss of data.	Loss of service and associated loss of revenue. Reputational damage. Potential for material losses due to fraud or phishing.	• Developed a two-year Security & Resilience Strategy with board-level approval. Implementation of a robust set of risk controls through adoption of the National Institute of Standards & Technology ("NIST") Cyber Security Framework and ISO 27001 Standard. • IT processes prioritise cyber security through regular penetration testing, endpoint protection, firewalls, a trusted third-party software-defined wide area networking ("SD-WAN") solution, software patching, frequent complex password changes, MFA, strict access control procedures, and tested IT Disaster Recovery Plans. • Outsourced Security Operations Centre ("SOC") supporting the wider cyber security control environment by providing 24x7 monitoring, enhanced threat detection and response capabilities, reduced incident impact through continuous monitoring, ensuring faster remediation by centralising security operations. Cyber due diligence for third-party risk to evaluate the security posture of vendors and identify vulnerabilities, prevent unauthorised access, and mitigate exposure to cybercrime through external attack vendors.	-
Geopolitical and macroeconomic Braemar's businesses are reliant on global trade flows and may be negatively impacted by geopolitical and/or macroeconomic issues, such as changes in crude oil price, restrictions in global trade due to pandemics sanctions, and changes in supply and demand.	A downturn in the world economy could affect transaction volumes, resulting in reduced revenue. Changes in shipping rates and/or changes in the demand or pricing of commodities could affect global supply activity. Note: The continued conflict between Russia and Ukraine together with the fast-changing global	• Diversification on a sector and geographic basis reduces dependency on individual business areas. • Monthly performance review of each business area in each region to ensure the Group is appropriately resourced across its activities and geographies. • Ongoing management of costs based on current and reasonably foreseeable market conditions. The brokers' bonus is based on profits and is therefore responsive to market swings. • Enhanced KYC procedures and ongoing monitoring of	↑

	sanctions regime has increased the potential impact of risks associated with both geopolitical and/or macroeconomic issues and compliance with relevant laws and regulations. Political change, ongoing regional conflicts, increased trade tensions, the uncertainty in US tariffs and sanctions have heightened geopolitical and macroeconomic risks. These developments can lead to increased volatility in international markets, affecting trade relationships, investment decisions, and economic stability worldwide.	compliance with governance policies, sanctions, and other legal / regulatory requirements across the Group to help ensure laws and regulations are not breached. • The diverse service offering, led by experts in their fields, means the Group is in the best position to find new opportunities in volatile market conditions and able to take advantage of market turnarounds.	
Compliance with laws and regulations Braemar generates revenues from a global business that exposes the Group to risks associated with legal and regulatory requirements.	Legal and regulatory breaches could result in fines, and sanctions being imposed on our business, and the loss of Braemar's ability to continue operating. Failure to meet all reporting obligations could lead to reputational damage which could then lead to loss of revenue and staff. The associated risk relating to the increasingly complex and fast-moving sanctions regime is identified as a separate standalone principal risk, 'Sanctions and trade restrictions'.	• Group-wide training programme, to help ensure employee awareness of, and compliance with, all relevant legal and regulatory obligations: • Braemar corporate governance framework; • Braemar risk management methodology; • Compliance with our policies, including our AML/KYC policies' (enhanced) customer due diligence requirements; and • Enhanced KYC procedures and ongoing monitoring of compliance with governance policies and legal/regulatory requirements across the Group to help ensure requirements are not breached. • A global network of legal advisers is used for expert advice on complex and/or regional matters, where applicable. • For the Securities business, lexicons and transcripts from	-

		communication monitoring solutions are regularly reviewed to detect any potential inappropriateness or wrongdoing. • Gifts received and issued are recorded on a Gifts Register which is reviewed by the Compliance function against tiered approval thresholds.	
Currency fluctuations The Group is exposed to foreign exchange risk because a large proportion of its revenue is generated in US dollars while its cost base is in multiple currencies. The increase in risk is driven by heightened geopolitical volatility	A change in exchange rates could result in a financial gain or loss.	• The Group hedges in accordance with the Hedging Strategy. Forward currency (US$) contracts are entered into to mitigate the risk of adverse currency movements. • Hedging performance is regularly reported into the Executive Committee, board and other relevant governance structures.	↑
Disruptive technology Shipbroking is still largely a business that is transacted via personal relationships dependent on quality service. Hence the risk of technological change (including artificial intelligence), disintermediation and increased customer demands for enhanced technological offerings could render aspects of our current services obsolete, potentially resulting in loss of customers.	Relationships could be devalued and replaced by disruptive technology platforms, resulting in increased competition, consequent price reductions, and loss of revenue.	• Investment in technology through partnering with best-in-class providers, such as Zuma Labs. • Quarterly horizon-scanning exercises are conducted by the leadership team which aim to identify emerging trends and disruptive forces in this area while monitoring the competitive landscape.	↑
Environment and climate change Seaborne transportation is estimated to create approximately 3% of the world's carbon emissions and there will be increased pressure to reduce that in future years. Failure to monitor and address the risks associated with that reduction process could result in loss of revenue for Braemar and its customers and counterparties	The Groups profitability and liquidity could be negatively impacted if customers are lost as a result of our not keeping pace with our peers and industry best practice. Non-compliance with regulations or disclosure requirements could result in fines or penalties.	• Investment in the offshore renewables market and technology to allow the Group and its clients to offset carbon emissions. • Ongoing development and ESG strategy which allows the Group to monitor and report on environmental and climate-related risks.	-

	Failure to appropriately monitor and mitigate these risks could lead to Braemar suffering serious reputational damage. Note: Management does not expect climate-related risks to have a material impact on the Group's short-term financial performance.		
Integration risk Braemar's shipbroking-focused growth strategy makes use of strategic hires and acquisitions to increase the size of the business. Integrating and aligning any new acquisition with the Group poses various challenges from an operational and financial perspective.	Inefficiencies and/or reduced expected synergies realised after integrating new acquisitions into the Group and aligning them with the respective Group strategies.	• Performance of new business is monitored through regular dialogue with relevant business leaders. • Focus on alignment of systems, processes and teams to optimise efficiencies and support synergy realisation • Compliance and legal mechanisms are in place to ensure the purchase meets any relevant regulatory requirements and the target company aligns appropriately with the relevant Group values. • Prioritisation of identified growth opportunities to ensure resources are appropriately allocated to opportunities with the best potential return on investment.	
People and Culture Braemar is a people-based business and people are vital to its success. Inadequate policies and reward structures could incentivise negative behaviours, create internal conflict, lead to reputational damage, and contribute to failure in attracting and /or retaining skilled personnel. Failure to adapt to, or align with, market expectations, including the offering of flexible or hybrid working arrangements, could result in the inability to attract and retain skilled personnel.	Employee relations claims / litigation / tribunals attribute to negative behaviours or actions, increases the potential for reputational damage because of negative publicity in the public domain. Loss of key staff could result in reduced revenue. Strategic growth objectives may not be achieved if Braemar fails to attract and retain valued employees l.	• Review of HR policies, to ensure behavioural expectations and employment practices for managers and employees are clearly defined. • Ongoing development of a culture of engagement and professional development, including implementation of performance management objectives, clearly defined pathways for career progression, and succession planning at senior management levels. • Annual review of compensation with external benchmarking helps to ensure remuneration packages continue to be appropriate and competitive.	↑

Lack of appropriate consideration of environmental and wider social issues could also contribute to the inability to attract and retain skilled personnel.			
Sanctions and trade restrictions Braemar operates in a global landscape of international and financial sanctions with a variety of associated compliance requirements.	Conducting business with sanctioned entities, through sanctioned regions and facilitating transport of sanctioned goods will lead to non-compliance with sanctioned regimes resulting in financial penalties/fines and reputational damage. Note: Increased scrutiny from regulatory bodies and rising geopolitical and macroeconomic issues, including the continued Russia/Ukraine and conflict, has increased the potential impact of risks associated with breaches of sanctions and trade restriction requirements.	• KYC procedures performed by the Group Compliance teams with support from the Legal team and Braemar's global network of legal advisers. • Through strategic and targeted recruitment, increasing our in-house KYC and sanctions-monitoring capabilities enhances our ability to navigate the intricate landscape of sanctions regulations and mitigate associated risks within our business operations. • Technology solutions used to optimise the efficiency of sanctions screening performed. • External assurance providers performing internal audit reviews over the sanctions process and validating the implementation of recommendations previously raised to management. • Targeted training programme aimed at management and senior desk heads to further raise awareness of, and compliance with, all relevant legal and regulatory obligations.	-

Internal audit
The Group's internal audit function is monitored and reviewed by the Audit & Risk Committee, to ensure that the Group's risk management and internal control processes are working effectively. A detailed description of the Group's internal audit function can be found on page 59 of the Annual Report.

Going concern
The Group generated net cash from operating activities of £5.9 million in the year, above the £5.2 million in the prior year. Although the business had a modest net debt position at the end of the year of £2.5 million (FY24: £1.0 million net cash), due to the timing of certain working capital items. Given the ongoing geopolitical uncertainty, the Group has started the year slower than the prior year, however, the fundamentals of the business and industry remain strong and the directors believe that the Group is well positioned to manage its risks going forward.

A more detailed analysis of the risks facing the business is outlined in Note 1. The analysis concludes that there is no material uncertainty relating to going concern, based on cash flow forecast for a 15-month period from the signing of these accounts to 31 August 2026. The directors have a reasonable expectation that the Company and Group have adequate resources to continue to trade for at least twelve months from the date of the approval of these Financial Statements and for this reason they continue to adopt the going concern basis in preparing the Financial Statements.

Viability statement

In accordance with the UK Corporate Governance Code, the directors have assessed the prospects of the Group over a period of four years, which they believe is an appropriate period based on the Group's current financial position, banking facilities, budgets and forecasts, strategy, principal risks, and exposure to potentially volatile market forces.

In recent years, during the COVID pandemic and delayed publication of the FY23 annual report and accounts, the Group's bankers, HSBC, have been highly supportive. The Group met all of its financial covenant tests during the year and is confident that it will continue to do so.

The facilities with HSBC expire in November 2027, and more detail can be found in Note 1 to the Financial Statements. The viability assessment has been carried out over a four-year period from the balance sheet date to 28 February 2029, by which time new banking facilities will need to have been concluded. It therefore assumes that similar banking facilities will be made available to the Group for the whole of this time. The directors' assessment considers those current facility terms and includes a review of the financial impact of significant adverse scenarios.

In generating those scenarios, consideration was also given to the following risks to the business that have been identified in the Annual Report as new or increasing:

Competition risk and market consolidation
Competition in the shipping industry is becoming increasingly intense, and there is a growing trend towards market consolidation, as companies seek to gain scale and reduce costs. Loss of established brokers could impact revenues. Increasing consolidation could impact the Group's M&A strategy for growth. Quarterly horizon-scanning exercises are conducted by the leadership team to assess emerging trends in the market and identify areas of the business that could be targeted by competitors.

Cybercrime and data security
Cybercrime could result in loss of business assets or disruption to the Group's IT systems and its business. Lack of appropriate data security could result in loss of data. Loss of service and associated loss of revenue. Reputational damage. Potential for material losses due to fraud or phishing. To address the persistent threat of cyber-attacks, and to enhance security measures already in place, Braemar has developed a two-year Security & Resilience Strategy with Board level approval. Implementing a robust set of risk controls through adoption of the National Institute of Standards & Technology (NIST) Cyber Security Framework and ISO 27001 Standard. Our Security Operations Centre (SOC) supports the wider cyber security control environment, providing 24x7 monitoring.

Geopolitical and macroeconomic
Braemar's businesses are reliant on global trade flows and as such may be negatively impacted by geopolitical and/or macroeconomic issues. A downturn in the world economy could affect transaction volumes, resulting in reduced revenue. Changes in shipping rates and/or changes in the demand or pricing of commodities could affect global supply activity. Political change, ongoing regional conflicts, increased trade tensions, the uncertainty in US tariffs and sanctions have heightened geopolitical and macroeconomic risks.

Currency fluctuations
The Group is exposed to foreign exchange risk because a large proportion of its revenue is generated in US dollars while its cost base is in multiple currencies. The increase in risk is driven by heightened geopolitical volatility.

People and Culture
Braemar is a people-based business and people are vital to its success. Inadequate policies and reward structures could incentivise negative behaviors, create internal conflict, lead to reputational damage, and contribute to failure in attracting and /or retaining skilled personnel.

Revenue was chosen as the main variable in generating the adverse scenarios as there are no costs of sale within the business and the remaining costs are largely fixed or made up of bonus pools which will vary in line with the levels of revenue. Set against those falls in revenue is the likely effectiveness of potential mitigations that are reasonably believed to be available to the Group over this period.

In considering these potential mitigations, the board was mindful of its duties under Section 172 of the Companies Act 2006 and considered the potentially competing interests of different stakeholder groups and the potential long-term consequences of the actions, including the use of funds for employee remuneration (and the role this plays in the retention of staff), paying dividends, making investments and repaying debt.

The assessment involves the production of cash flow forecasts designed to assess the ability of the Group to operate both within the banking facility covenants and liquidity headroom. The main downside sensitivities used were annual revenue reductions of 7.5% and 15% (both excluding forward order book) from May 2025 to July 2026 and stabilised thereafter. Under the 7.5% case the board concluded that with only very minor cost-saving or cash management mitigations available to it, the Group could continue to operate under the current banking facilities over the period. Under the 15% case certain additional cost saving and cash mitigation actions were required to allow the Group to continue to operate within the current banking facilities, all of which were within the board's control.

The assessment also incorporated a "reverse stress test" which was designed to identify scenarios under which the Group's banking facilities would be inadequate to continue as a going concern despite using all the mitigating options available. The result of this test shows that all available mitigations would be exhausted, and facilities breached if there was approximately a 32% (excluding forward order book) decrease in forecast revenue from May 2025 through to July 2026.

The directors have concluded that whilst future outcomes cannot be guaranteed or predicted with certainty the revenue and operating margin scenarios that would lead to such a failure are highly unlikely. They also noted that the facility headroom in terms of liquidity remained adequate even under the reverse stress test conditions and that it was the leverage covenant which would be breached if revenue fell by more than 32% (excluding forward order book) and then only during 2026.

There is no evidence indicating that revenues will fall to levels indicated in this test and that the likelihood is therefore remote and that there is therefore no material uncertainty in this regard, nor any impact on the basis of preparation of the Financial Statements. There is also a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next four financial years.

Consolidated Income Statement

For the year ended 28 February 2025

		28 Feb 2025			29 Feb 2024		
	Notes	**Underlying £'000**	**Specific items £'000**	**Total £'000**	Underlying £'000	Specific items £'000	Total £'000
Revenue	2.1	**141,860**	**-**	**141,860**	152,751	-	152,751
Other operating income	2.2	**-**	**215**	**215**	-	83	83
Operating expense:							
Operating costs	2.2, 2.3	**(124,090)**	**(928)**	**(125,018)**	(134,004)	(3,182)	(137,186)
Acquisition-related expenditure	2.2	**(1,134)**	**(3,711)**	**(4,845)**	(1,502)	(4,405)	(5,907)
Impairment of financial assets	2.3	**(1,039)**	**-**	**(1,039)**	(697)	-	(697)
Total operating expense		**(126,263)**	**(4,639)**	**(130,902)**	(136,203)	(7,587)	(143,790)
Operating profit/(loss)		**15,597**	**(4,424)**	**11,173**	16,548	(7,504)	9,044
Share of associate profit/(loss) for the year	3.4	**-**	**-**	**-**	12	-	12
Finance income	2.2, 2.5	**553**	**213**	**766**	871	419	1,290
Finance costs	2.2, 2.5	**(2,717)**	**-**	**(2,717)**	(2,823)	-	(2,823)
Profit/(loss) before tax		**13,433**	**(4,211)**	**9,222**	14,608	(7,085)	7,523
Taxation	2.7	**(3,593)**	**473**	**(3,120)**	(3,788)	889	(2,899)
Profit/(loss) for the year		**9,840**	**(3,738)**	**6,102**	10,820	(6,196)	4,624
Profit/(loss) attributable to equity shareholders of the Company		**9,840**	**(3,738)**	**6,102**	10,820	(6,196)	4,624

		Underlying	**Total**	Underlying	Total
Earnings per ordinary share					
Basic	2.8	**31.30p**	**19.41p**	36.62p	15.65p
Diluted	2.8	**26.74p**	**16.58p**	29.96p	12.80p

Consolidated Statement of Comprehensive Income

For the year ended 28 February 2025

	Notes	**28 Feb 2025 £'000**	29 Feb 2024 £'000
Profit for the year		**6,102**	4,624
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
- Actuarial gain on employee benefit schemes – net of tax	5.1	**1,025**	173
Items that may be reclassified to profit or loss:			
- Foreign exchange differences on retranslation of foreign operations	6.4	**295**	(1,783)
- Net investment hedge	6.4	**(19)**	249
- Cash flow hedges – net of tax	6.4	**(1,201)**	1,231
Other comprehensive income/(expense)		**100**	(130)
Total comprehensive income attributable to owners of the parent		**6,202**	4,494

Consolidated Balance Sheet

As at 28 February 2025

	Notes	**As at 28 Feb 2025 £'000**	As at 29 Feb 2024 £'000 (restated)	As at 1 Mar 2023 £'000 (restated)
Assets				
Non-current assets				
Goodwill	3.1	**71,243**	71,337	71,407
Other intangible assets	3.2	**2,608**	3,185	3,980
Property, plant and equipment	3.5, 3.6	**10,135**	5,582	5,320
Other investments	3.3	**1,720**	1,633	1,780
Investment in associate	3.4	**713**	713	701
Derivative financial instruments	4.4	**205**	249	30
Deferred tax assets	2.7	**3,368**	2,979	4,794
Pension surplus	5.1	**2,548**	1,414	1,120
Other long-term receivables	4.1	**1,768**	4,589	8,554
		94,308	91,681	97,686
Current assets				
Trade and other receivables	4.2	**40,887**	37,730	43,323
Derivative financial instruments	4.4	**192**	1,287	1,224
Current tax receivable	2.7	**1,554**	2,925	973
Cash and cash equivalents	4.5	**20,477**	27,951	34,735
		63,110	69,893	80,255
Total assets		**157,418**	161,574	177,941
Liabilities				
Current liabilities				
Derivative financial instruments	4.4	**592**	315	1,447
Trade and other payables	4.3	**34,732**	43,611	57,310
Current tax payable	2.7	**1,659**	1,625	4,141
Provisions	7.1	**2,433**	3,080	2,575
Convertible loan notes	4.7	**2,401**	2,978	3,001
		41,817	51,609	68,474
Non-current liabilities				
Long-term liabilities	4.6	**29,448**	29,819	29,919
Deferred tax liabilities	2.7	**358**	8	344
Derivative financial instruments	4.4	**116**	43	697
Trade and other payables		**498**	416	542
Provisions	7.1	**1,026**	58	734
Convertible loan notes	4.7	**-**	-	550
		31,446	30,344	32,786
Total liabilities		**73,263**	81,953	101,260
Total assets less total liabilities		**84,155**	79,621	76,681
Equity				
Share capital	6.1	**3,292**	3,292	3,292
Share premium	6.1	**-**	-	53,796
ESOP reserve	6.3	**(4334)**	(7,140)	(10,607)
Other reserves	6.4	**7,440**	8,365	28,819
Retained earnings		**77,757**	75,104	1,381
Total equity		**84,155**	79,621	76,681

Registered number: 02286034

Consolidated Cash Flow Statement

For the year ended 28 February 2025

	Notes	**28 Feb 2025 £'000**	29 Feb 2024 £'000
Profit before tax		**9,222**	7,523
Adjustment for:			
Depreciation and amortisation charges	3.2, 3.5	**3,812**	3,805
Impairment of ROU asset	3.6	**743**	-
Share scheme charges	2.2	**5,563**	6,442
Loss on disposal of property, plant and equipment		**3**	-
Net foreign exchange loss/(gain) with no cash impact		**232**	497
Gain relating to disposal of Cory Brothers	2.2	**(128)**	(83)
Fair value loss on unlisted investments	2.2	**(87)**	147
Net finance cost	2.5	**1,951**	1,533
Share of (profit)/loss in associate from continuing and discontinued operations	3.4	**-**	(12)
Fair value movement on financial instruments charged to profit or loss		**-**	89
Operating cash flows not included in profit:			
Cash settlement of share-based payment		**(163)**	(52)
Contribution to defined benefit scheme	5.1	**-**	(37)
Operating cash flow before changes in working capital		**21,148**	19,852
(Increase)/decrease in receivables		**(2,153)**	6,252
Decrease in payables		**(9,854)**	(12,142)
Increase/(decrease) in provisions		**5**	(138)
Cash flows from operating activities		**9,146**	13,824
Interest received		**427**	508
Interest paid		**(2,610)**	(2,677)
Tax paid[1]		**(3,028)**	(7,103)
Tax received[1]		**2,006**	630
Net cash generated from operating activities		**5,941**	5,182

[1] In the prior year, tax received of £0.6 million was offset against tax paid and presented as a net amount of £6.5 million. Due to an increase in the amount of tax refunded in the current year, tax paid and tax received have been presented separately in the current year, and the prior year presentation has been similarly updated to aid comparability.

Cash flows from investing activities			
Purchase of property, plant and equipment	3.5	**(615)**	(503)
Purchase of other intangible assets	3.2	**-**	(32)
Proceeds related to disposal of Cory Brothers	4.9	**1,666**	1,397
Principal received on finance lease receivables	3.6	**240**	626
Net cash generated from investing activities		**1,291**	1,488
Cash flows from financing activities			
Repayment of RCF loan facility		**(4,000)**	(5,098)
Proceeds from RCF loan facility		**-**	4,500
Repayment of principal under lease liabilities	3.6	**(3,106)**	(3,143)
Cash proceeds on exercise of share awards settled by release of shares from ESOP		**514**	826
Dividends paid	6.2	**(5,497)**	(2,440)
Purchase of own shares	6.3	**(2,376)**	(6,125)
Settlement of convertible loan notes	4.7	**(584)**	(598)
Net cash used in financing activities		**(15,049)**	(12,078)
(Decrease)/increase in cash and cash equivalents		**(7,817)**	(5,408)
Cash and cash equivalents at beginning of the year	4.5	**27,951**	34,735
Foreign exchange differences		**343**	(1,376)
Cash and cash equivalents at the end of the year	4.5	**20,477**	27,951

Consolidated Statement of Changes in Total Equity

For the year ended 28 February 2025

	Notes	Share capital £'000	Share premium £'000	ESOP reserve £'000	Other reserves £'000	Retained (deficit)/ earnings	Total equity £'000
At 1 March 2023		**3,292**	**53,796**	**(10,607)**	**28,819**	**1,381**	**76,681**
Profit for the year		-	-	-	-	4,624	4,624
Actuarial gain on employee benefits schemes – net of tax		-	-	-	-	173	173
Foreign exchange differences		-	-	-	(1,783)	-	(1,783)
Net investment hedge		-	-	-	249	-	249
Cash flow hedges – net of tax		-	-	-	1,231	-	1,231
Other comprehensive income		-	-	-	(303)	173	(130)
Total comprehensive income		-	-	-	(303)	4,797	4,494
Tax on share awards	2.7	-	-	-	-	(205)	(205)
Dividends	6.2	-	-	-	-	(2,440)	(2,440)
Capital reduction			(53,796)		(20,151)	73,947	-
Acquisition of own shares	6.4	-	-	(6,125)	-	-	(6,125)
ESOP shares allocated	6.3	-	-	9,592	-	(8,766)	826
Cash paid for share-based payments	6.3	-	-	-	-	(52)	(52)
Share-based payments	5.2	-	-	-	-	6,442	6,442
		-	(53,796)	3,467	(20,151)	68,926	(1,554)
At 29 February 2024		**3,292**	**-**	**(7,140)**	**8,365**	**75,104**	**79,621**
Profit for the year		-	-	-	-	6,102	6,102
Actuarial gain on employee benefits schemes – net of tax		-	-	-	-	1,025	1,025
Foreign exchange differences		-	-	-	295	-	295
Net investment hedge		-	-	-	(19)	-	(19)
Cash flow hedges – net of tax		-	-	-	(1,201)	-	(1,201)
Other comprehensive income		-	-	-	(925)	1,025	100
Total comprehensive income		-	-	-	(925)	7,127	6,202
Tax on share awards	2.7	-	-	-	-	291	291
Dividends	6.2	-	-	-	-	(5,497)	(5,497)
Acquisition of own shares	6.3	-	-	(2,376)	-	-	(2,376)
ESOP shares allocated	6.3	-	-	4,661	-	(4,327)	334
Disposal of EBT shares		-	-	521	-	(341)	180
Cash paid for share-based payments	5.2	-	-	-	-	(163)	(163)
Share-based payments	5.2	-	-	-	-	5,563	5,563
		-	-	2,806	-	(4,474)	(1,668)
At 28 February 2025		**3,292**	**-**	**(4,334)**	**7,440**	**77,757**	**84,155**

Notes to the Financial Statements

General information

Braemar plc (the "Company") is a public company limited by shares incorporated in the United Kingdom under the Companies Act. The Company is registered in England and Wales and its registered address is 1 Strand, Trafalgar Square, London, United Kingdom, WC2N 5HR. The consolidated Financial Statements of the Company as at and for the year ended 28 February 2025 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group Financial Statements of Braemar Plc for the year ended 28 February 2025 were authorised for issue in accordance with a resolution of the directors on 28 May 2025.

1 Basis of preparation

1.1 Basis of preparation and forward-looking statements

The financial information set out above does not constitute the Group's statutory accounts for the years ended 28 February 2025 or 29 February 2024 but is derived from those accounts. Statutory accounts for 2024 have been delivered to the registrar of companies, and those for 2025 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.

The financial information included in this preliminary announcement has been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The Group expects to distribute full accounts that comply with UK-adopted international accounting standards and with the requirements of the Companies Act 2006. The Financial Statements have been prepared under the historic cost convention except for items measured at fair value as set out in the accounting policies below.

The consolidated Financial Statements incorporate the Financial Statements of Braemar Plc and all its subsidiaries made up to 28 February each year or 29 February in a leap year.

Subsidiaries are entities that are controlled by the Group. Control exists when the Group has the rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The results of subsidiaries sold or acquired during the year are included in the accounts up to, or from, the date that control exists. All intercompany balances and transactions have been eliminated in full.

Certain statements in this Annual Report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it gives no assurance that these expectations will prove to have been correct. These forward-looking statements involve risks and uncertainties, so actual results may differ materially from those expressed or implied by these forward-looking statements.

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

New standards, amendments and interpretations effective for the financial year beginning 1 March 2024
The following amendments to IFRS Accounting Standards have been applied for the first time by the Group:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback (Amendments)"
- Amendments to IFRS 7 and "IAS 7 Supplier Finance Arrangements"

During the year, the Group has applied "Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1". The amendments clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date.

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification.

Under the Group's previous accounting policy, a financial liability with an equity conversion feature was classified as current or non-current disregarding the impact of the equity conversion option. The Group's accounting policy has now changed such that equity conversion options which are not accounted for as an equity instrument separately from the liability component of a compound financial instrument, are taken into account in determining the classification of a liability as current or non-current. The impact of the change in accounting policy at February 2024 is to reclassify £2.3 million of Convertible Loan Notes previously classified as non-current, to be classified as current liabilities (February 2023 £2.3 million). There has been no impact to profit or loss, cash flows or retained earnings as a result of the change in accounting policy.

Other than this, the adoption of the above has not had any material impact on the amounts reported or the disclosures in these Financial Statements.

New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 March 2024 and not early adopted
There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective in future periods and have not been early adopted by the Group:

- Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” titled Lack of Exchangeability
- IFRS 18 “Presentation and Disclosures in Financial Statements”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (“MPMs”) in the notes to the financial statements
- improve aggregation and disaggregation.

Except for IFRS 18, the adoption of these standards and amendments is not expected to have a material impact on the Financial Statements of the Group in future periods.

1.2 Going concern

The Group Financial Statements have been prepared on a going concern basis. In reaching this conclusion regarding the going concern assumption, the directors considered cash flow forecasts to 31 August 2026 which is more than twelve months from the date of signing of these Financial Statements.

A set of cash flow forecasts (“the base case”) have been prepared by management to cover the going concern period and reviewed by the directors based on revenue and cost forecasts considered reasonable in the light of work done on budgets for the current year and the current shipping markets. In putting together these forecasts, particular attention was paid to the following factors:

- Expected market demand, the impact on market rates and the Group’s forward order book.

- The Group's compliance with sanctions put in place as a result of the conflict in the Ukraine has meant additional work reviewing compliance obligations on a regular basis as the laws have been amended but did not have a material effect on trading in FY25, nor is it expected to have an impact in FY26.

- The level of likely cost inflation, particularly around salaries.

- Adverse movement in foreign exchange rates, particularly USD that can have an impact on revenues. The Group has a hedging programme in place to partially mitigate this impact.

- The impact that trade tariffs and a potential trade war could have on performance.

- Geopolitical tensions can cause volatility in shipping markets, but, if anything, that uncertainty can give rise to additional opportunities for the business to support the industry and clients further. There is therefore no expectation that the current global political tensions will have an adverse impact on trading in FY26.

- The impact of climate change is not expected to have any material impact on the business in the short term and indeed could lead to additional opportunities.

The directors have considered trading performance during the current year and have concluded that none of these factors are currently likely to have a significantly adverse impact on the Group’s future cash flows.

At 28 February 2025 the Group had net debt of £2.5 million (2024: £1.0 million net cash). As at 30 April 2025 the Group had net bank cash of £4.6 million.

	Notes	30 April 2025 £m	28 Feb 2025 £m	29 Feb 2024 £m
Secured revolving credit facilities	4.6	**(21.8)**	**(22.9)**	**(27.0)**
Cash	4.5	**26.4**	**20.4**	**28.0**
Net cash/(debt)		**4.6**	**(2.5)**	**1.0**

The Group’s revolving credit facility (“RCF”) is for £30.0 million plus an accordion limit of £10.0 million and had an initial termination date of November 2025. During the year, the Group exercised an option to extend the facility by two years which was approved by the lender, extending the term to November 2027. Drawdown of the accordion facility is subject to additional credit approval. The RCF agreement has an EBITDA leverage covenant of 2.5x and a minimum interest cover of 4x. At 31 May 2024, 31 August 2024, 30 November 2024 and 28 February 2025 the Group met all financial covenant tests In addition, there is a further requirement to provide HSBC with the Group’s audited financial statements within six months of the year-end.

The cash flow forecasts in the base case assessed the ability of the Group to operate both within the banking covenants and the facility headroom, including a number of downside sensitivities on budgeted revenue, including a reverse stress test scenario. The directors consider revenue as the key assumption in the Group’s budget. The cost base is largely fixed or made up of discretionary bonuses, which are directly linked to profitability. Based on two flex scenarios; a revenue decrease of 7.5% and a revenue decrease of 15% (both excluding forward order book) from the base case, only very minor mitigations were necessary to meet banking covenants.

A reverse stress test was also performed to ascertain the point at which the covenants would be breached in respect of the key assumption of budgeted revenue decline. This test indicated that the business, alongside certain mitigating actions which are fully in control of the directors, would be capable of withstanding a reduction of approximately 32% (excluding forward order book) in budgeted revenue from the base case assumptions from May 2025 through to July 2026. In light of current trading, forecasts and the Group's performance over FY25, the directors assessed this downturn in revenue and concluded the likelihood of such a reduction remote, especially in the light of the forward order book of $82.2 million at the end of February 2025 ($31 million of which is for the financial year ending February 2026), such that it does not impact the basis of preparation of the Financial Statements and there is no material uncertainty in this regard.

1.3 Use of estimates and critical judgements

The preparation of the Group's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Key estimates are those that the Group has made in the process of applying the Group's accounting policies and that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year. Critical judgements are those that the Group makes, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

The following table provides a summary of the Group's key estimates and critical judgements, along with the location of more detailed information relating to those judgements.

Judgement applied to	Judgements excluding estimates	Estimates	Location of further information
Revenue recognition	Yes		Note 2a – Revenue Recognition
Classification and recognition of specific items	Yes		Note 2.2 – Specific items
Impairment of goodwill		Yes	Note 3.1 – Goodwill
Lease term		Yes	Note 3.6 – Leases
Provision for impairment of trade receivables and contract assets		Yes	Note 4.2 – Trade and other receivables
Recoverability and valuation of defined benefit pension scheme	Yes	Yes	Note 5.1 – Long-term employee benefits
Share option vesting		Yes	Note 5.2 – Share-based payments
Uncertain commission obligations		Yes	Note 7.1 - Provisions

There have been no material transactions in the current or prior year requiring significant judgement to be applied, and as a result, acquisition accounting for business combinations is no longer considered by the Group to be a significant estimate or judgement.

Climate-related risks and opportunities

Management has considered the impact of climate-related risks in respect of impairment of goodwill, recoverability of receivables and the recoverability of deferred tax assets in particular and does not consider that climate-related risks have a material impact on any key judgements, estimates or assumptions in the consolidated Financial Statements.

In the prior year, climate change was assessed as part of ongoing discussions of key and emerging risks for the Group and the shipping and energy sectors within which it operates. Consideration of the potential short to medium-term impact of the Environment and Climate Change risk resulted in its inclusion as a Group Principal Risk.

1.4 Material accounting policies

The accounting policies applied by the Group in relation to specific transactions and balances are disclosed in the note to which they relate. The following section includes those accounting policies which apply pervasively across the Financial Statements and to avoid repetition are disclosed in this note.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets acquired;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity; and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a gain on purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Due to the nature of the Group's business, amounts paid or shares issued to sellers are often linked to their continued employment. An assessment is performed to determine whether the amounts are part of the exchange for the acquiree, or should be treated as a transaction separate from the business combination. Transactions that are separate from the business combination are accounted for in accordance with the relevant IFRSs which generally results in the amounts being treated as a post-combination remuneration expense.

Foreign currencies

Transactions and balances

Transactions in currencies other than 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 currencies are recognised in the Income Statement.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into derivative financial instrument contracts, mainly forward foreign currency exchange contracts which are designated as cash flow hedges (see Note 4.4). For a qualifying hedge relationship, the fair value gain or loss on the hedging instrument is recognised as part of revenue when the underlying transaction is recognised in accordance with the Group's revenue recognition policy.

Translation to presentation currency

The presentational currency of the Group is sterling. Assets and liabilities of overseas subsidiaries, branches and associates are translated from their functional currency into 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 recognised through other comprehensive income ("OCI") in the foreign currency translation reserve (see Note 6.4).

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. The Group finances overseas investments partly through the use of foreign currency borrowings in order to provide a net investment hedge over the foreign currency risk that arises on translation of its foreign currency subsidiaries. For effective hedge relationships, the gain or loss on the hedging instrument is recognised in equity through other comprehensive income.

Impairment

The carrying amount of the Group's assets, other than financial assets within the scope of IFRS 9 and deferred tax assets, are reviewed for impairment as described below. If any indication of impairment exists, the asset's recoverable amount is estimated. The recoverable amount is determined based on the higher of value-in-use calculations and fair value less costs to sell, 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.

Goodwill 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.

The carrying value of intangible assets with a finite life is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying values of other intangible assets are reviewed for impairment at least annually or when there is an indication that they may be impaired.

Right-of-use assets are reviewed for impairment to account for any loss when events or changes in circumstances indicate the carrying value may not be fully recoverable.

Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Where an impairment loss subsequently reverses, the carrying amount of the assets, with the exception of goodwill, 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 is not subsequently reversed.

Contingent assets

Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

2 Performance-related information

Revenue recognition

Key judgement
Revenue recognition IFRS 15 “Revenue from Contracts with Customers” requires judgement to determine whether revenue is recognised at a “point in time” or “over time” as well as determining the transfer of control for when performance obligations are satisfied. For Chartering, in relation to single voyages, the Group has defined the performance obligation to be satisfied at the point in time where the negotiated contract between counterparties has been successfully completed, being the discharge of cargoes, and therefore revenue is recognised at this point in time. This is a critical judgement since revenue recognition would differ if the performance obligations were deemed to be satisfied over a time period, or at a different point in time. For time charters, the performance obligation is to provide operational support and act on behalf of the principal over the course of hire. As a result, the Group believes the performance obligation is satisfied over the period of hire and revenue is recognised accordingly.

Revenue is recognised in accordance with satisfaction of performance obligations. Revenue of the Group consists of:

i) **Chartering desks** – The Group acts as a broker for several types of shipping transactions, each of which gives rise to an entitlement to commission:

Deep Sea Tankers, Specialised Tankers and Gas, Dry Cargo and Offshore:

- for single voyage chartering, the contractual terms are governed by a standard charterparty contract in which the broker’s performance obligation is satisfied when the cargo has been discharged according to the contractual terms; and
- for time charters, the commission is specified in the hire agreement and the performance obligation is spread over the term of the charter at specified intervals in accordance with the charter party terms.

ii) **Risk Advisory desks**

Securities:

- for income derived from commodity broking, the commission is recognised when a binding contractual arrangement is entered into between the two parties, at which point, the Group has fulfilled its performance obligation.

iii) **Investment Advisory**

Financial:

- income comprises retainer fees and success fees generated by corporate finance-related activities. Revenue is recognised in accordance with the terms agreed in individual client terms of engagement. Recurring monthly retainers allow customers to benefit from services when required, and as such, are generally recognised in the month of invoice. Success fees are recognised at the point when the performance obligations of the particular engagement are fulfilled.

Sale and Purchase:

- in the case of second-hand sale and purchase contracts, the broker’s performance obligation is satisfied when the principals in the transaction complete on the sale/purchase and the title of the vessel passes from the seller to the buyer;
- with regard to newbuilding contracts, the commission is recognised when contractual stage payments are made by the purchaser of a vessel to a shipyard which in turn reflects the performance of services over the life of the contract; and
- for income derived from providing ship and fleet valuations, the Group recognises income when a valuation certificate is provided to the client and the service is invoiced.

Dividend income from investments is recognised when the right to receive payment is established.

2.1 Business segments

Based on the way in which information is presented to the Group’s Chief Operating Decision Maker, the Group’s operating segments are Chartering, Investment Advisory and Risk Advisory. The Chief Operating Decision Maker is considered to be the Group’s board of directors. These three segments are managed separately on the basis of the nature of the services offered to clients and differences in the regulatory environment applicable to each segment.

The table below shows the make-up of the Group’s segments by underlying component.

Segment	**Chartering**
Component	Deep Sea Tankers Specialised Tankers Offshore Dry Cargo
Segment	**Investment Advisory**
Component	Corporate Finance Sale and Purchase
Segment	**Risk Advisory**
Component	Securities

Each of Chartering, Investment Advisory and Risk Advisory are managed separately, and the nature of the services offered to clients is distinct between the segments. The Chartering segment includes the Group's shipbroking business, Risk Advisory includes the Group's regulated securities business and Investment Advisory focuses on transactional services.

The segmental analysis is consistent with the way the Group manages itself and with the format of the Group's internal financial reporting. The board considers the business from both service line and geographic perspectives. A description of each of the lines of service is provided in the Operating and Financial Review. The Group's main geographic markets comprise the UK, Singapore, the US, Australia, Switzerland, Germany and the Rest of the World. The Group's geographical markets are determined by the location of the Group's assets and operations.

Central costs relate to board costs and other costs associated with the Group's listing on the London Stock Exchange. All segments meet the quantitative thresholds required by IFRS 8 as reportable segments.

Underlying operating profit is defined as operating profit for continuing activities before specific items, including restructuring costs, gain/loss on disposal of investments and acquisition and disposal-related items.

The segmental information provided to the board for reportable segments for the year ended 28 February 2025 is as follows:

	Revenue		Operating profit	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Chartering	**89,352**	103,945	**11,552**	13,630
Investment Advisory	**30,167**	25,696	**6,107**	3,872
Risk Advisory	**22,341**	23,110	**3,493**	4,086
Trading segments revenue/results	**141,860**	152,751	**21,152**	21,588
Central costs			**(5,555)**	(5,040)
Underlying operating profit			**15,597**	16,548
Specific items included in operating profit			**(4,424)**	(7,504)
Operating profit			**11,173**	9,044
Share of associate's profit/(loss) for the year			**-**	12
Net finance expense			**(1,951)**	(1,533)
Profit before taxation			**9,222**	7,523

Geographical segment – by origin of invoice

The Group manages its business segments on a global basis. The operation's main geographical area and also the home country of the Company is the United Kingdom.

Geographical information determined by origin of invoice is set out below:

	Revenue	
	2025 £'000	2024 £'000
United Kingdom	**77,294**	81,088
Singapore	**18,404**	19,885
Australia	**10,220**	9,556
Switzerland	**1,781**	5,863
United States	**19,441**	20,479
Germany	**1,646**	1,287
Rest of the World	**13,074**	14,593
Total	**141,860**	152,751

Revenue analysis

The Group disaggregates revenue in line with the segmental information presented above and also by desk. Revenue analysed by desk is provided below.

	2025 £'000	2024 £'000
Tankers	**42,928**	54,656
Specialised Tankers	**16,487**	19,239
Dry Cargo	**20,954**	22,139
Offshore	**8,983**	7,911
Chartering total	**89,352**	103,945
Sales and Purchase	**27,895**	23,543
Corporate Finance	**2,272**	2,153
Investment Advisory total	**30,167**	25,696
Securities	**22,341**	23,110
Risk Advisory total	**22,341**	23,110
Total continuing operations	**141,860**	152,751

All revenue arises from the rendering of services. There is no single customer that contributes greater than 10% of the Group's revenue.

Remaining performance obligations

The Group enters into some contracts which are for a duration longer than twelve months and where the Group has outstanding performance obligations on which revenue has not yet been recognised at the Balance Sheet date. The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations are satisfied is set out below:

Forward order book

2025	**Within 12 months £'000**	**1–2 years £'000**	**More than2 years £'000**	**Total £'000**
Chartering	**17,869**	**6,012**	**6,954**	**30,835**
Sales and Purchase	**13,292**	**10,875**	**10,297**	**34,464**
Total	**31,161**	**16,887**	**17,251**	**65,299**

2024	Within 12 months £'000	1–2 years £'000	More than 2 years £'000	Total £'000
Chartering	18,686	4,904	8,925	32,515
Sales and Purchase	11,562	9,567	11,683	32,812
Total	30,248	14,471	20,608	65,327

2.2 Specific items

Specific items are significant items considered material in size or nature (including acquisition and disposal-related gains and losses) as well as items which are not considered to be part of the trading performance of the business in the current year. These are disclosed separately to enable a full understanding of the Group's ongoing financial performance, but may not be comparable with disclosures provided by other companies. The Group's adjusted performance measures are reviewed by the Group's Chief Operating Decision Maker and are used as the basis to determine the discretionary bonus pools and measure earnings per share performance related to targets for awards under the Group's Long Term Incentive Plan.

Key judgement

Classification and recognition of specific items
In reporting financial information, the Group presents Alternative Performance Measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards ("IFRS"). The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information and enable an alternative comparison of performance over time.

The Group excludes specific items from its underlying earnings measures. Management judgement is required as to which items qualify for this classification. There can also be judgement as to the point at which costs should be recognised and the amount to record to ensure that the understanding of the underlying performance is not distorted. Further details of the Group's specific items are included in the note below.

	2025 £'000	2024 £'000
Other operating income:		
– Gain on investment measured at fair value through profit or loss	**87**	-
– Gain on revaluation of Cory contingent consideration receivable	**128**	83
	215	83
Operating costs:		
– Impairment of ROU asset	**(743)**	-
– Investigation costs	**(185)**	(2,616)
– Board change costs	**-**	(190)
– Unlawful dividend rectification	**-**	(229)
– Loss on investment measured at fair value through profit or loss	**-**	(147)
	(928)	(3,182)
Acquisition-related items:		
– Consideration treated as an employment expense	**(3,580)**	(3,580)
– Madrid post-contractual obligation	**281**	(376)
– Amortisation of acquired intangible assets	**(412)**	(449)
	(3,711)	(4,405)
Other items:		
– Finance income – foreign exchange and derivative gain on Naves liability	**213**	333
– Finance income - Cory Brothers earnout deferred consideration receivable	**-**	86
	213	419
Total	**(4,211)**	(7,085)

Other operating income

In the current year, other operating income includes the fair value gain of £0.1 million (2024: £0.1 million loss) on the revaluation of the Group's investment in London Tanker Brokers' Panel. Consistent with the previous fair value movements being included as a specific item, the Group has treated the current year gain as a specific item as it does not relate to the trading performance of the business in the year.

Revaluation of the contingent receivable due in respect of the Cory Brothers disposal resulted in a gain of £0.1 million (2024: £0.1 million gain). See Note 4.9 for further details.

The tax charge on specific items included within other operating income was £nil (2024: £nil).

Operating costs

Impairment of ROU asset
During the year, the Group recognised an extension to a lease of office space with a corresponding increase in right-of-use asset and lease liability. The Group had previously sublet a segregated portion of the office space, but does not expect to be able to sublet the office space for the full period of the lease extension. As a result, the Group recognised an impairment charge in relation to the portion of the right-of-use asset relating to the unused office space. As this cost does not relate to the performance of the business, it is treated as a specific item.

Investigation costs
During the preparation of the 2023 Annual Report, the board instigated an investigation into a transaction which originated in 2013 and involved payments being made through to 2017. The investigation engaged multiple external specialist firms and resulted in a significant cost to the business of £2.6 million in the year to 29 February 2024 which the Group does not consider reflects the trading of the business in the year and as a result is

treated as a specific item. A smaller residual amount of £0.2m in relation to ongoing legal support has been incurred in the current year. No significant further costs are expected in FY26.

Board change costs
In the prior year, the Group appointed a new Chief Financial Officer with effect from 1 August 2023 to replace Nick Stone who left on 31 July 2023. The recruitment costs incurred of £0.2 million are not considered part of the trading performance of the business and so are treated as specific items.

Unlawful dividend rectification
In the prior year, following the identification of the payment of historic unlawful dividends, the Group incurred costs of £0.2 million in relation to their rectification, which are not expected to recur, are not considered part of the trading performance of the business and so are treated as specific items.

Loss on investment measured at fair value through profit or loss
In the prior year, operating costs includes the fair value loss on the revaluation of the Group's investment in London Tanker Brokers' Panel. Consistent with the previous revaluation gain being included as a specific item, the Group has treated the loss as a specific item as it does not relate to the trading performance of the business in the year.

The tax income on specific items included within operating costs was £0.2 million (2024: £0.7million).

Acquisition-related items

Consideration treated as an employment expense
Following the acquisition of Southport Maritime Inc. in December 2022, due to the requirement for ongoing employee service, the upfront cash payment of £6.0 million and IFRS 2 charge related to share awards made to the sellers and existing employees of Southport are treated as a post-combination remuneration expense. The total expense for the year related to amounts linked to ongoing employee service in connection with the acquisition of Southport was £3.6 million (2024: £3.6 million). The period of required employee service is three years from the acquisition date.

Madrid post-contractual obligation
As a result of the recruitment of a team of brokers based in Madrid, service agreements were entered into with employees. The recruitment of the broker team in Madrid included the following key elements:

- The Group assumed a liability of £0.3 million for a post-contractual payment to the employees, which was fully vested on signing the contracts.
- An upfront cash payment of £1.3 million with a further payment of £1.3 million made in December 2023.
- Share awards to a total value of £1.1 million which vest evenly in one, two and three years from December 2022

The upfront payments and share awards have a claw back mechanism which is linked to the continued employment of the brokers over a three-year period from December 2022. The costs associated with the upfront payments and share awards are not considered by the Group to be specific items as they relate to the recruitment of brokers and not a business combination, but are disclosed as acquisition-related expenditure given their size and are amortised over three years to December 2025. In addition, certain brokers are entitled to a payment on termination in return for a non-compete obligation. The cost related to the post-contractual payment obligation is treated as a specific item because there is no requirement to provide service. The Group recognised a gain of £0.3 million during the year in relation to this obligation (2024: £0.4 million charge).

Amortisation of acquired intangible assets
An amount of £0.4 million (2024: £0.4 million) relates to the amortisation of acquired intangible assets, primarily in relation to intangible assets recognised as a result of the acquisition of Southport Inc in FY23.

The tax income on acquisition-related items was £0.1 million (2024: £0.1 million). The tax effect of expenses not deductible for tax was £0.8 million (2024: £1 million).

Other items

Foreign exchange and derivative movement on Naves liability
The foreign exchange gain and fair value gain on the Naves-related liabilities and derivative of £0.2 million (2024: £0.3 million) is included as a specific item as it relates to the acquisition of Naves and is not related to trading.

Cory Brothers earnout deferred consideration receivable
Due to its decreasing size, the unwinding of the discounting of the deferred receivable due in respect of the Cory Brothers disposal is no longer treated as a specific item (2024: £0.1 million). See Note 4.9 for further information.

The tax credit on specific items included within other items was £0.2 million (2024: £nil). The tax effect of income not taxable was £0.2 million.

2.3 Operating profit

Operating profit represents the results from operations before finance income and costs, share of profit/(loss) in associate and taxation.

This is stated after charging/(crediting):

	Notes	**2025 £'000**	2024 £'000
Staff costs	2.4	**98,424**	109,557
Other staff costs – acquisition related	2.4	**4,453**	3,239
Depreciation of property, plant and equipment	3.5	**3,227**	3,127
Amortisation of computer software intangible assets	3.2	**173**	229
Impairment of financial assets	4.2	**1,039**	697
Auditor's remuneration	2.6	**1,354**	1,794
Other professional costs		**3,860**	5,627
Office costs		**2,166**	2,145
IT and communication costs		**4,411**	4,175
Insurance		**1,463**	1,083
Net foreign exchange losses		**857**	1,118

2.4 Staff costs

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

	Notes	**2025 £'000**	2024 £'000 (restated)
Salaries, wages and short-term employee benefits[2]		**84,456**	93,644
Other staff costs – acquisition related[1]	2.2	**4,453**	3,239
Other pension costs	5.1	**1,967**	2,247
Social security costs[2]		**6,438**	7,224
Share-based payments	6.3	**5,563**	6,442
Total		**102,877**	112,796

[1] The acquisition related staff costs relate to upfront cash payments made in connection with the acquisition of Southport Maritime Inc. and the upfront payments made on the acquisition of Madrid Shipping Advisors SL, which are both treated as a remuneration expense. For further details on the upfront payments, see Note 2.2.

[2] The FY24 amounts in relation to salaries, wages and short-term employee benefits and social security costs have been restated to move £3.8 million of social security costs previously included within salaries, wages and short-term employee benefits to be included in the social security costs line item.

The numbers above include remuneration and pension entitlements for each director.

b) Average number of employees

	2025 number	2024 number
Chartering	**248**	266
Risk Advisory	**33**	31
Investment Advisory	**55**	49
Central	**75**	63
Total	**411**	409

c) Key management compensation

The remuneration of key management, which the Group considers to be the directors, is set out below.

	2025 £'000	2024 £'000
Salaries, short-term employee benefits and fees	**1,187**	4,954
Other pension costs	**59**	85
Termination benefits	**-**	131
Share-based payments	**349**	548

Total	**1,595**	5,718

Pension costs relate to contributions made to a defined contribution pension scheme on behalf of three (2024: four) members of key management.

2.5 Finance income and costs

The tables below provide a breakdown of the key components of finance income and finance costs.

	Note	**2025 £'000**	2024 £'000
Finance income:			
– Interest on bank deposits	4.5	**358**	464
– Interest on lease receivables	3.6	**1**	16
– Interest income on the net defined benefit asset	5.1	**109**	85
– Gain on derivative instruments not eligible for hedge accounting	4.4	**-**	273
– Foreign exchange gain on non-GBP denominated credit facilities	**4.6**	**46**	33
– Gain on Naves related derivative instruments and liability	4.7	**213**	333
– Interest on of Cory earnout deferred consideration receivable	4.4	**39**	86
Total finance income		**766**	1,290

Finance costs:			
– Interest payable on revolving credit and overdraft facilities	**4.6**	**(2,240)**	(2,407)
– Interest payable on convertible loan notes	4.7	**(201)**	(227)
Subtotal finance costs before interest on lease liabilities		**(2,441)**	(2,634)
– Interest on lease liabilities	3.6	**(276)**	(189)
Total finance costs		**(2,717)**	(2,823)
Finance costs – net		**(1,951)**	(1,533)

2.6 Auditor's remuneration

A more detailed analysis of the auditor's services is provided below:

	2025 £'000	2024 £'000
Audit services:		
– Fees payable to the Company's auditor for the audit of the Company's Financial Statements	**702**	625
Fees payable to the Group's auditor and its associates for other services:		
– The audit of the Group's subsidiaries pursuant to legislation	**521**	1,029
– Other services – interim review and reporting accountant services	**131**	140
	1,354	1,794

All fees paid to the auditor were charged to operating profit in both years. Included in the FY24 audit fees disclosed above is an amount of £0.4 million in relation to incremental audit cost related to the investigation work undertaken. See Note 2.2 for further detail.

2.7 Taxation

The taxation expense represents the sum of the current and deferred tax.

Tax currently payable is based on taxable profit for the year. Taxable profit differs from 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.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Analysis of charge in year

	2025 £'000	2024 £'000
Current tax		
UK corporation tax charged to the Income Statement	**831**	1,015
UK adjustment in respect of previous years	**(6)**	(340)
Overseas tax on profits in the year	**1,810**	2,668
Overseas adjustment in respect of previous years	**33**	(425)
Total current tax	**2,668**	2,918
Deferred tax		
UK current year origination and reversal of temporary differences	**269**	(97)
Due to change in rate of tax	**-**	(2)
UK adjustment in respect of previous years	**-**	(28)
Overseas current year origination and reversal of temporary differences	**183**	110
Overseas adjustment in respect of previous years	**-**	(2)
Total deferred tax	**452**	(19)
Taxation	**3,120**	2,899

Reconciliation between expected and actual tax charge	**2025 £'000**	2024 £'000
Profit before tax from continuing operations	**9,222**	7,523
Profit before tax at standard rate of UK corporation tax of 25% (2024: 24.49%)	**2,305**	1,842
Utilisation of deferred tax asset at lower effective tax rate	**-**	(2)
Net expenses not deductible for tax purposes	**1,649**	1,827
Utilisation of previously unrecognised losses	**(33)**	(36)
(Losses)/profit on overseas branch	**(241)**	115
Tax calculated at domestic rates applicable to profits in overseas subsidiaries	**(696)**	(565)
Share scheme movements	**98**	446
Unrecognised deferred tax on losses[1]	**11**	67
Prior year adjustments[1]	**27**	(795)
Total tax charge for the year	**3,120**	2,899

[1] The Group has £0.2 million of unrecognised deferred tax asset relating to £0.8 million of losses. The expiry date of operating losses carried forward is dependent upon the law of the various territories in which losses arise. As at 28 February 2025 the losses have no expiry.

Included within the total tax charge is £0.5 million credit (2024: £0.8 million) in respect of specific items disclosed separately on the face of the Income Statement. See Note 2.2.

The Group's future tax charge will be sensitive to the geographic mix of profits earned, the tax rates in force and changes to the tax rules in jurisdictions that the Group operates in.

Amounts recognised in OCI

	2025 £'000	2024 £'000
Items that will not be reclassified to profit or loss		
Actuarial gain in respect of defined benefit pension scheme	**1,025**	173
Sub-total	**1,025**	173
Items that will be reclassified to profit or loss		
Cash flow hedge	**(1,601)**	1,641
Deferred tax charge on cash flow hedge	**400**	(410)
Sub-total	**(1,201)**	1,231
Total tax recognised in OCI	**400**	(410)
Total amounts recognised in OCI	**(176)**	1,404

Within the UK current year origination and reversal of temporary differences there is no amount (2024: £nil) in respect of deferred tax on the actuarial gain on the Group's defined benefit pension scheme.

Deferred tax asset

Deferred tax asset	Accelerated capital allowances	Trading losses	Bonuses	Other provisions	Employee benefits	Total
At 1 March 2023	**-**	**-**	**1,423**	**621**	**2,750**	**4,794**
(Charge)/credit to Income Statement	86	215	(502)	(116)	-	(317)
Charge to other comprehensive income	-	-	-	(410)	-	(410)
Charge to equity	-	-	-	-	(1,047)	(1,047)
Exchange translation differences	-	-	(66)	25	-	(41)
At 29 February 2024	**86**	**215**	**855**	**120**	**1,703**	**2,979**
(Charge)/credit to Income Statement	(42)	108	(122)	148	(194)	(102)
(Charge)/credit to other comprehensive income	-	-	-	400	-	400
(Charge)/credit to equity	-	-	-	-	133	133
Exchange translation differences	-	(10)	(15)	(17)	-	(42)
At 28 February 2025	**44**	**313**	**718**	**651**	**1,642**	**3,368**

Deferred tax liability

Analysis of the deferred tax liabilities	As at 28 Feb 2025 £'000	As at 29 Feb 2024 £'000
Temporary differences	**(358)**	(8)
Balance at end of year	**(358)**	(8)

The movement in the deferred tax liability	As at 28 Feb 2025 £'000	As at 29 Feb 2024 £'000
Balance at beginning of year	**(8)**	(344)
Current year origination and reversal of temporary differences	**(350)**	336
Balance at end of year	**(358)**	(8)

The movement in the net deferred tax asset

	2025 £'000	2024 £'000
Balance at beginning of year	**2,971**	4,450
Movement to Income Statement:		
Adjustments in respect of prior years	**-**	30
Arising on bonuses	**(535)**	(502)
Arising on other	**83**	491
Total movement to Income Statement	**(452)**	19
Movement to other comprehensive income:		
Related deferred tax asset	**400**	(410)
Exchange translation differences	**(42)**	(41)
Movement to equity	**133**	(1,047)
Total movement to equity and other comprehensive income	**491**	(1,498)
Balance at end of year	**3,010**	2,971

A deferred net tax asset of £3.0 million (2024: £3.0 million) 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.

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, for which a deferred tax liability has not been recognised, is approximately £nil (2024: £nil).

2.8 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 ordinary shares held by the Employee Share Ownership Plan and ordinary shares held by the ACM Employee Benefit Trust which are not treated as outstanding.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has dilutive ordinary shares, being those options granted to employees where the expected consideration is less than the average market price of the Company's ordinary shares during the period that they are outstanding, and convertible loan notes issued in respect of the acquisition of Naves.

Total operations	**2025 £'000**	2024 £'000
Profit for the year attributable to shareholders	**6,102**	4,624
	Pence	Pence
Basic earnings per share	**19.41**	15.65
Effect of dilutive share options	**(2.83)**	(2.85)
Diluted earnings per share	**16.58**	12.80

Underlying operations	**2025 £'000**	2025 £'000
Underlying profit for the year attributable to shareholders	**9,840**	10,820
	Pence	Pence
Basic earnings per share	**31.30**	36.62
Effect of dilutive share options	**(4.56)**	(6.66)
Diluted earnings per share	**26.74**	29.96

A reconciliation by class of instrument in relation to potential dilutive ordinary shares and their impact on earnings is set out below:

	2025			2024		
	Weighted average number of shares	Underlying earnings £'000	Statutory earnings £'000	Weighted average number of shares	Underlying earnings £'000	Statutory earnings £'000
Used in basic earnings per share	**31,435,065**	**9,840**	**6,102**	**29,547,810**	**10,820**	**4,624**
RSP, DBP and LTIP	5,361,377	-	-	6,565,016	-	-
Convertible loan notes	-	-	-	-	-	-
Used in diluted earnings per share	**36,796,442**	**9,840**	**6,102**	**36,112,826**	**10,820**	**4,624**

3 Balance sheet non-current assets

3.1 Goodwill

Business combinations are accounted for using the acquisition method. The goodwill recognised as an asset by the Group is stated at cost less any accumulated impairment losses.

On the acquisition of a business, fair values are attributed to the net assets (including any identifiable intangible assets) acquired. The excess of the consideration transferred, any non-controlling interest recognised and the fair value of any previous equity interest in the acquired entity over the fair value of net identifiable assets acquired is recorded as goodwill. Acquisition-related costs are recognised in the Income Statement as incurred in accordance with IFRS 3.

In relation to acquisitions where the fair value of assets acquired exceeds the fair value of the consideration, the excess fair value is recognised immediately in the Income Statement as a gain on purchase.

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 is tested annually for impairment.

Key estimate

Impairment of goodwill

Goodwill is tested for impairment on an annual basis, and the Group will also test for impairment at other times if there is an indication that an impairment may exist. Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which these assets have been allocated. The value-in-use calculation estimates the present value of future cash flows expected to arise for the cash-generating units. The key estimates are therefore the selection of suitable discount rates and the estimation of future growth rates which vary between cash-generating units depending on the specific risks and the anticipated economic and market conditions related to each cash-generating unit.

As part of determining the value in use of each CGU group, Management has considered the potential impact of climate change on the business performance over the next five years, and the terminal growth rates. While there is considerable uncertainty relating to the longer term and quantifying the impact on a range of outcomes, management considers that environmental-related incremental costs are expected to have a relatively low impact. Recognising that there are extreme but unlikely scenarios, the Group considers that while exposed to physical risks associated with climate change (such as flooding, heatwaves, sea level rises and increased precipitation) the estimated impact of these on the Group is not deemed material. In addition, the Group is exposed to transitional risks which might arise, for example, from government policy, customer expectations, material costs and increased stakeholder concern. The transitional risks could result in financial impacts such as higher environmentally focused levies (e.g. carbon pricing). While the Group is exposed to the potential financial impacts associated with transitional risks, based on information currently available, these are not deemed to have a significant impact.

The key assumptions and the sensitivity of them to the carrying values are provided in the note below.

	£'000
Cost	
At 28 February 2023	88,116
Exchange adjustments	(300)
At 29 February 2024	**87,816**
Exchange adjustments	(409)
At 28 February 2025	**87,407**
Accumulated impairment	
At 28 February 2023	16,709
Exchange adjustments	(230)
At 29 February 2024	**16,479**
Exchange adjustments	**(315)**
At 28 February 2025	**16,164**
Net book value at 28 February 2025	**71,243**
Net book value at 29 February 2024	71,337

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

	2025 £'000	2024 £'000
Chartering	**68,696**	68,696
Corporate Finance (part of Investment Advisory segment)	**2,547**	2,641
	71,243	71,337

These groups of cash-generating units represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

All goodwill is denominated in the Group's reporting currency, with the exception of the Corporate Finance Division which is denominated in euros. Goodwill denominated in foreign currencies is revalued at the Balance Sheet date. The exchange adjustment for the year ended 28 February 2025 was a loss of £0.1 million (2024: loss of £0.1 million).

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The key assumptions on which the value-in-use calculations are based relate to (i) business performance over the next five years, (ii) long-term growth rates beyond 2030 and (iii) discount rates applied.

i) Business performance over the next five years - The estimated cash flows were based on the approved annual budget for the next financial year and projections for the following four years which are based on management's estimates of revenue growth and cost inflation which reflect past experience and management's expectation of future events given the specific risks and economic and market conditions of each cash-generating unit. The assumptions behind these projections are consistent with the viability statement. 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.

ii) Long-term growth rates - This is the average growth rate used to extrapolate cash flows beyond the budget period.

iii) Discount rates - The post-tax discount rate was determined based on a weighted average cost of capital ("WACC") and adjusted for CGU-specific risk factors specific to the CGU group.

The effect on cash flows of climate change was considered but assessed to have no material impact at this time. Management does not believe that climate-related risks nor the potential impact of climate change on the Group's operations would materially affect the recoverability of goodwill in either of the cash-generating units.

The results of the impairment tests are as follows:

a) Chartering

The key assumptions and resulting net present values are as follows:

Chartering	**2025**	2024
Post-tax discount rate	**11.36%**	11.86%
Equivalent pre-tax discount rate	**11.82%**	12.40%
Revenue (decline)/growth in year 1	**(1.6)%**	0.0%
Average revenue growth rate years 2-5	**3.0%**	3.0%
Operating profit margin years 1-5	**11.4% - 12.1%**	13.8% - 14.4%
Long-term growth rate	**1.7%**	1.7%

At 28 February 2025, the net present value of the Chartering segment is significantly higher than the carrying value of the goodwill in respect of this cash-generating unit. At the Balance Sheet date, management concluded that there were no reasonably possible changes in the key assumptions used in the impairment review that would reduce headroom to £nil or result in an impairment.

b) Corporate Finance

Revenues for the Corporate Finance Division are challenging to forecast because of the highly variable nature of success fees. Management forecasts over the five-year forecast period consider recent performance and reflect management's best estimate of success fee taken into account of volatility of the success fee. Growth rates used in the value-in-use test reflect this variability and were based on the best estimate of Management.

Corporate Finance	**2025**	2024
Post-tax discount rate	**13.19%**	13.84%
Equivalent pre-tax discount rate	**13.69%**	14.45%
Revenue growth in year 1[1]	**9.4%**	29.0%
Average revenue growth rate years 2-5	**5.0%**	5.0%
Operating profit margin years 1-5	**21.3% - 24.2%**	12.3% - 15.9%
Long-term growth rate	**1.7%**	1.7%

[1] Year-on-year growth in the prior year in relation to year 1 was 29%, which reflected recovery of revenue after lower than historically achieved performance in FY24.

Sensitivity to impairment for Corporate Finance

To test the sensitivity of the results of the impairment review, the calculations have been re-performed, flexing the three key assumptions:

- revenue growth rate from years 2 to 5;
- post-tax discount rate; and
- revenue outperforms or underperforms forecast in year 1 with subsequent revenue growth in line with the above assumptions in years 2 to 5.

The recoverable amount of the Group's goodwill relating to Corporate Finance exceeds its carrying value by £2.0 million. The below table presents the net variance in the calculated value in use of Corporate Finance under each scenario:

	Change in revenue growth		**Change in post-tax discount rate**		**Year 1 revenue outperforms or underperforms forecast**	
	+1%	**-1%**	**+2%**	**-2%**	**+15%**	**-15%**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Corporate Finance	**310**	**(302)**	**(663)**	**944**	**1,391**	**(1,391)**

Further, the break-even points of the impairment review which would result in an impairment when flexing these three key assumptions are as below:

	Change in assumption Increase/(decrease)
Revenue growth rate from year 2 to 5	(7.4%)
Post-tax discount rate	9.8%
Revenue underperforms forecast in year 1	(22.1%)

While the break-even disclosure above relates to specific discrete inputs to management's value-in-use calculation, a combination of smaller changes in assumptions results in larger reductions of the value-in-use. For example, if 0% revenue growth was assumed in year 1 along with revenue growth in years 2 to 5 reduced to 1%, while maintaining a terminal growth rate, this would result in an impairment.

3.2 Other intangible assets

Computer software

The Group capitalises computer software at cost. It is amortised on a straight-line basis over its estimated useful life of up to four years.

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 provision for impairment. The amortisation of the carrying value of the capitalised customer relationships is charged to the Income Statement over an estimated useful life, which is up to twelve years. The amortisation in respect of capitalised brand assets is expensed to the Income Statement over an estimated useful life, which is between three and twelve years.

	Computer software £'000	Other intangible assets £'000	Total £'000
Cost			
At 28 February 2023 (restated) [1]	3,609	4,618	8,227
Additions	32	-	32
Disposals	-	(245)	(245)
Exchange rate adjustments	(3)	(171)	(174)
At 29 February 2024	3,638	4,202	7,840
Disposals [2]	(45)	293	248
Exchange rate adjustments	(4)	15	11
At 28 February 2025	**3,589**	**4,510**	**8,099**
Amortisation			
At 28 February 2023 (restated) [1]	3,113	1,134	4,247
Charge for the year	229	449	678
Disposal	-	(245)	(245)
Exchange adjustments	(1)	(24)	(25)
At 29 February 2024	**3,341**	**1,314**	**4,655**
Charge for the year	173	412	585
Disposal[2]	(44)	293	249
Exchange adjustments	(3)	5	2
At 28 February 2025	**3,467**	**2,024**	**5,491**
Net book value at 28 February 2025	**122**	**2,486**	**2,608**
Net book value at 29 February 2024	297	2,888	3,185

[1] Following a review of the gross cost and gross accumulated amortisation and impairment amounts, the Group has restated the opening gross cost and gross amortisation and impairment amount to decrease both by £2.0 million in relation to disposals in prior years. There is no impact on the Group's Income Statement or movements reported in the current or prior year.

[2] The positive amount in the disposal line relates to an immaterial correction of an amount of £0.3 million incorrectly disclosed as a disposal in the prior year.

Other intangible assets brought forward from the prior year relate to forward books of income acquired in acquisitions which are amortised over the period that the income is recognised; customer relationships which are amortised over a period of up to twelve years; and brand which is amortised over a period of up to ten years.

At 28 February 2025, the Group had no contractual commitments for the acquisition of computer software or other intangible assets (2024: £nil).

3.3 Investments

In accordance with IFRS 9, the Group's investments in unlisted equity investments are measured at fair value through profit or loss as the Group has not elected to recognise fair value gains and losses through other comprehensive income.

	2025 £'000	2024 £'000
Unlisted investments	**1,720**	1,633

Movement in unlisted investments	£'000	£'000
Opening balance	**1,633**	1,780
Fair value gain/(loss)	87	(147)
Closing balance	**1,720**	1,633

A list of subsidiary undertakings is included in Note 7.3. The Financial Statements of the principal subsidiary undertakings are prepared to 28 February 2025.

The Group's unlisted investments include 1,000 (2024: 1,000) ordinary £1 shares in London Tanker Brokers' Panel Limited. The investment is carried at fair value of £1.4 million, see Note 4.4 for further details.

3.4 Investment in associate

Investments

Investments in associates and joint ventures where the Group has joint control or significant influence are accounted for under the equity method. Investments in associates are initially recognised in the Consolidated Balance Sheet at cost. Subsequently, associates are accounted for under the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the Income Statement and Statement of Comprehensive Income.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses arising from these transactions is eliminated against the carrying value of the associate.

Where the Group's share of the associate's identifiable net assets is greater than the cost of investment, a gain on purchase is recognised in the Income Statement and the carrying value of the investment in the Consolidated Balance Sheet is increased.

When the Group disposes of shares in associates or joint ventures, the Group recognises a profit or loss on disposal based on the net proceeds less the weighted average cost of the shares disposed of. On disposal, the Group reclassifies foreign exchange amounts previously recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The most recent Financial Statements of an associate are used for accounting purposes unless it is impractical to do so. Where the Group and an associate have non-coterminous reporting dates, the associate's full-year accounts will be used for the purposes of the Group's reporting at 29 February with adjustments made for any significant transactions or events.

Investments where the Group has no significant influence are held at fair value, with movements in fair value recorded in profit and loss.

Zuma Labs Limited

Zuma Labs Limited is a private company incorporated in England and Wales and its registered address is Kemp House, 128 City Road, London, United Kingdom, EC1V 2NX. Zuma Labs Limited has one share class and each share carries one vote.

At 28 February 2025, the Group's shareholding was 2,500 shares, which equates to 20.0% of Zuma Labs Limited's share capital and 20.0% of voting rights (2024: 2,500 shares, 20% of share capital and 20% of voting rights). The Group has representation on the board of Zuma Labs Limited, and, as a result, the Group considers that it has the power to exercise significant influence in Zuma Labs Limited and the investment in it has been accounted for using the equity method.

A purchase price allocation exercise was undertaken to measure the fair value of the net assets on the date at which Zuma Labs Limited became an associate, and also at each date at which further shares were subscribed for. Based on the purchase price allocation exercise, the difference between the cost of the investment and the Group's share of the net fair value of Zuma Labs Limited's identifiable assets and liabilities is accounted for as goodwill. Amortisation of that goodwill is not permitted.

IAS 28 requires the most recent financial statements of an associate are used for accounting purposes, and that coterminous information should be used unless it is impractical to do so. Zuma Labs Limited has a year-end of 31 March with the latest statutory accounts available being for the year ended 31 March 2024. Management accounts up to 28 February 2025 have been made available, so for practical reasons Zuma Labs Limited's management accounts for the period ended 28 February 2025 have been used for the purposes of the Group's full-year reporting at 28 February. Zuma Labs Limited will prepare its next set of Financial Statements for the year ended 31 March 2025. At 28 February 2025 Zuma Labs Limited had no contingent liabilities.

There are no indicators that the carrying value of the Group's investment in Zuma Labs Limited at 28 February 2025 is impaired.

The movements in the investment in the associate are provided below.

	Zuma £'000
At 28 February 2023	701
Share of loss in associate	12
At 29 February 2024	**713**
Share of profit in associate	-
At 28 February 2025	**713**

3.5 Property, plant and equipment

Property, plant and equipment are shown at historical cost less accumulated depreciation and any provision for impairment. Included in each category are right-of-use assets where the Group is a lessee. Land and buildings primarily includes right-of-use assets and leasehold improvements.

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:

Land and buildings – over the lease term

Computer equipment – four years

Fixtures and equipment – four years or the lease term for right-of-use assets

	Land and buildings £'000	Computers £'000	Fixtures and equipment £'000	Total £'000
Cost				
At 28 February 2023	13,232	2,010	2,011	17,253
Additions at cost	3,052	240	281	3,573
Disposals	(3)	(101)	(45)	(149)
Exchange differences	(279)	(28)	(55)	(362)
At 29 February 2024	**16,002**	**2,121**	**2,192**	**20,315**
Additions at cost	8,048	427	60	8,535
Disposals	(160)	(154)	(55)	(369)
Exchange differences	13	(3)	(6)	4
At 28 February 2025	**23,903**	**2,391**	**2,191**	**28,485**
Accumulated depreciation and impairment				
At 28 February 2023	9,058	1,406	1,469	11,933
Charge for the year	2,662	246	219	3,127
Reclassification	(6)	-	6	-
Disposals	(3)	(91)	(45)	(139)
Exchange differences	(126)	(21)	(41)	(188)
At 29 February 2024	**11,585**	**1,540**	**1,608**	**14,733**
Charge for the year	2,653	361	213	3,227
Disposals	(159)	(150)	(55)	(364)
Impairment	743	-	-	743
Exchange differences	20	(5)	(4)	11
At 28 February 2025	**14,842**	**1,746**	**1,762**	**18,350**
Net book value at 28 February 2025	**9,061**	**645**	**429**	**10,135**
Net book value at 29 February 2024	4,417	581	584	5,582

At 28 February 2025, the Group had no contractual commitments for the acquisition of property, plant and equipment (2024: £nil).

3.6 Leases

Key estimate

Lease term

The Group determines the lease term as the non-cancellable period of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group also considers the local legal framework when making an assessment of its ability to continue to occupy premises. The Group has several lease contracts that include extension and termination options. Management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for the Group to exercise either the renewal or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

During the year, the Group increased its right-of-use assets and corresponding lease liabilities by £7.6 million, primarily relating to its continued use of office space, reflecting its best estimate of the of the lease terms. Undiscounted potential future cash outflows of £8.1 million have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The Group as a lessee

The Group has various lease arrangements for properties, and other equipment. At inception of a lease contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a certain period of time and whether it obtains substantially all the economic benefits from the use of that asset, in exchange for consideration. The Group recognises a lease liability and a corresponding right-of-use asset with respect to all lease arrangements in which it is a lessee, except low-value leases and short-term leases of twelve months or less, costs for which are recognised as an operating expense within the Income Statement on a straight-line basis.

A right-of-use asset is capitalised on the Balance Sheet at cost, comprising the amount of the initial measurement of the lease liability and lease payments made at or before the commencement date, plus any initial direct costs incurred in addition to an estimate of costs to remove or restore the underlying asset. Where a lease incentive is receivable, the amount is offset against the right-of-use asset at inception. Right-of-use assets are depreciated using the straight-line method over the shorter of the estimated life of the asset or the lease term.

The lease liability is initially measured at the present value of future lease payments. Interest expense is charged to the Consolidated Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Generally, the interest rate implicit in the lease is not readily determinable, as such the incremental borrowing rate is used to discount future lease payments.

For the Group, lease payments generally comprise the following:
− Fixed payments, less any lease incentives receivable;
− Variable payments that are based on an index or rate; and
− Payments to be made under extension options which are reasonably certain to be exercised.

Lease payments made are apportioned between an interest charge and a capital repayment amount which are disclosed within the financing activities and the operating activities sections of the Consolidated Statement of Cash Flows respectively. When an adjustment to lease payments based on an index takes effect, the liability is remeasured with a corresponding adjustment to the right-of-use asset.

Contracts entered into by the Group have a wide range of terms and conditions but generally do not impose any additional covenants. Several of the Group's contracts include indexation adjustments to lease payments in future periods which are not reflected in the measurement of the lease liabilities at 28 February 2025. Many of the contracts entered into by the Group include extension or termination options which provide the Group with additional operational flexibility. If the Group considers it reasonably certain that an extension option will be exercised or a termination option not exercised, the additional period is included in the lease term.

A modification to a lease which changes the lease payment amount (e.g. due to a renegotiation or market rent review) or amends the term of the lease, results in a reassessment of the lease liability with a corresponding adjustment to the right-of-use asset.

The Group as a lessor

The Group classifies leases as either operating or finance leases based on the substance of the arrangement. At commencement of a finance lease, a receivable is recognised at an amount equal to the Group's net investment in the lease. Finance income is recognised reflecting a constant periodic rate of return on the net investment in the lease. Lease payments from operating leases are recognised as income on a straight-line basis.

Right-of-use assets

The Group leases a number of properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in other property leases the periodic rent is fixed over the lease term. The Group also leases certain items of plant and equipment which are typically motor vehicles. These contracts normally comprise only fixed payments over the lease term.

	Land and buildings £'000	Fixtures and equipment £'000	Total £'000
At 28 February 2023	3,585	54	3,639
Additions	2,898	172	3,070
Reclassification	6	(6)	-
Depreciation	(2,249)	(71)	(2,320)
Exchange differences	(145)	(1)	(146)
At 29 February 2024	**4,095**	**148**	**4,243**
Additions	7,570	38	7,608
Depreciation	(2,407)	(81)	(2,488)
Impairment	(743)	-	(743)
Disposals	(2)	-	(2)
Exchange differences	(7)	(1)	(8)
At 28 February 2025	**8,506**	**104**	**8,610**

Lease liabilities

	Total £'000
At 28 February 2023	5,027
Additions	3,021
Interest expense	189
Lease payments	(3,332)
Exchange differences	(127)
At 29 February 2024	**4,778**
Additions	7,608
Interest expense	276
Lease payments	(3,382)
Exchange differences	(35)
At 28 February 2025	**9,245**

The total cash outflow for leases is £3,382,000 (2024: £3,332,000), of which £276,000 (2024: £189,000) represents payment of interest.

Contractual payments by maturity are provided in Note 4.4 (f).

During the year, the financial effect of revising lease terms arising from the effect of exercising extension and termination options was £nil (2024: increase of £375,000) in the recognised lease liabilities. As at 28 February 2025, undiscounted potential future cash outflows of £8.1 million (2024: £2.9 million) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

Lease receivables

	Gross £'000	Provision £'000	Net £'000
At 28 February 2023	866	(12)	854
Interest income	16	-	16
Lease payments	(642)	-	(642)
Movement in provision	-	12	12
At 29 February 2024	240	-	**240**
Interest income	1	-	1
Lease payments	(241)	-	(241)
At 28 February 2025	**-**	**-**	**-**

	2025 £'000	2024 £'000
Short-term lease expense	**(232)**	(222)
Short-term lease income	**128**	102

4 Balance sheet – Operating assets and liabilities

4.1 Other long-term receivables

For the accounting policy and further details on deferred and contingent consideration receivable, see Note 4.9. The accounting policy for finance lease receivables is set out in Note 3.6.

	2025 £'000	2024 £'000
Deferred consideration	**-**	1,304
Contingent consideration	**-**	532
Security deposits	**360**	304
Prepayments	**1,408**	2,449
	1,768	4,589

In FY24, deferred consideration of £1.3 million and contingent consideration of £0.5 million relates to the earnout payments receivable in respect of the disposal of Cory Brothers; further detail is provided in Note 4.9. Prepayments includes the non-current element of the claw-back provision on joining and retention incentives paid to certain employees. The receivable is amortised over the claw-back period, and therefore is expected to be recovered in greater than twelve months.

4.2 Trade and other receivables

Trade receivables and contract assets

Trade receivables and contract assets are initially recognised at fair value (less transaction costs) and subsequently measured at amortised cost.

At the Balance Sheet date, there may be amounts where invoices have not been raised but performance obligations have been satisfied, and these are recognised as contract assets.

Specific provision for impairment is made where there is evidence that the balances will not be recovered in full. An impairment provision for expected credit losses is made for trade receivables and contract assets using the simplified approach. A provision matrix is used to calculate an expected credit loss as a percentage of carrying value by age. The percentages are determined based on historical credit loss experience as well as forward-looking information. Impairment provisions are made for other receivables based on lifetime expected credit losses using a model that considers forward-looking information and significant increases in credit risk.

Trade and other receivables are non-interest bearing and generally on terms payable within 30 to 90 days.

Other items

For the accounting policy and further details on deferred and contingent consideration receivable, see Note 4.9. The accounting policy for finance lease receivables is set out in Note 3.6.

Key estimate

Provision for impairment of trade receivables and contract assets
Trade receivables and contract assets are amounts due from customers in the ordinary course of business. Trade receivables and contract assets are classified as current assets if collection is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

The provision for impairment of trade receivables and contract assets represents management's best estimate at the Balance Sheet date. A number of judgements are made in the calculation of the provision, primarily the age of the invoice, the existence of any disputes, recent historical payment patterns and the debtor's financial position.

When measuring expected credit losses, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future market conditions. The expected loss rates applied to receivables are provided in this note.

	2025 £'000	2024 £'000
Trade receivables	**28,871**	26,964
Provision for impairment of trade receivables	**(3,433)**	(2,837)
Net trade receivables	**25,438**	24,127
Deferred consideration	**1,336**	1,316
Contingent consideration	**654**	550
Other receivables	**5,078**	3,949
Finance lease receivables	**-**	240
Contract assets	**1,270**	1,517
Prepayments	**7,111**	6,031
Total	**40,887**	37,730

Deferred consideration and contingent consideration relate to the earnout payments receivable in respect of the disposal of Cory Brothers; further detail is provided in Note 4.9.

Included in other receivables in both years are VAT and other sales tax receivables and employee loans. In the prior year, security deposits are also included.

Prepayments includes an asset of £2.2 million (2024: £3.5 million) in respect of the current portion of the claw-back provision on joining incentives paid to certain employees which are being charged to the Income Statement in accordance with the claw-back provisions of the underlying contracts. The receivable is amortised over the claw-back period.

The movement in the asset between years is due to the invoicing of all prior year assets and the accrual of amounts relating to the current year.

The total receivables balance is denominated in the following currencies:

	2025 £'000	2024 £'000
US dollars	**31,359**	28,690
Sterling	**6,632**	6,675
Other	**2,896**	2,365
Total	**40,887**	37,730

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

Trade receivables are non-interest bearing and are generally on terms payable within 30–90 days; terms associated with the settlement of the Group's trade receivables vary across the Group. Specific debts are provided for where recovery is deemed uncertain, which will be assessed on a case-by-case basis whenever debts are older than the due date, but always when debts are older than usual for the industry in which each business in the Group operates.

As at 28 February 2025, trade receivables of £2.3 million (2024: £2.3 million) which were over twelve months old were treated as credit impaired and have been provided for. No provision (2024: £nil) has been made for specific trade receivables which are less than twelve months overdue.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses and rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.
The ageing profile of trade receivables and the lifetime expected credit loss for provisions and contract assets is as follows:

2025	Trade receivables £'000	Expected loss rate %	Group provision £'000	ECL provision £'000	Total provision for impairment of trade receivables £'000
Up to 3 months	**20,138**	**0.018**	**-**	**365**	**365**
3 to 6 months	**2,787**	**0.020**	**-**	**56**	**56**
6 to 12 months	**3,002**	**0.050**	**-**	**150**	**150**
Over 12 months	**2,944**	**0.968**	**2,849**	**-**	**2,849**
Trade receivables	**28,871**	**0.118**	**2,849**	**571**	**3,420**
Contract assets	**1,270**	**0.010**	**-**	**13**	**13**
Total	**30,141**	**0.114**	**2,849**	**584**	**3,433**

2024	Trade receivables £'000	Expected loss rate %	Group provision £'000	ECL provision £'000	Total provision for impairment of trade receivables £'000
Up to 3 months	18,685	0.015	-	282	282
3 to 6 months	3,922	0.024	-	96	96
6 to 12 months	1,905	0.052	-	98	98
Over 12 months	2,452	0.954	2,286	53	2,339
Trade receivables	26,964	0.104	2,286	529	2,815
Contract assets	1,517	0.014	-	22	22
Total	28,481	0.100	2,286	551	2,837

Movements on the provision for impairment of trade receivables and contract assets were as follows:

	2025 £'000	2024 £'000
At 1 March	**2,837**	3,725
Impairment charge	**1,039**	697
Receivables written off during the year as uncollectible	**(443)**	(1,585)
At 28/29 February	**3,433**	2,837

Amounts receivable written off in the year relate to previously fully provided for amounts.

Contract assets

The Group's contract assets related to accrued income which has not yet been invoiced at the Balance Sheet date. Significant changes in contract assets during the period are analysed as follows:

	2025 £'000	2024 £'000
At 1 March	1,517	3,388
Contract assets converted to receivables on completion	(1,434)	(3,292)
Contract assets arising on new contracts in-year	1,187	1,421
At 28/29 February	**1,270**	1,517

4.3 Trade and other payables

Commissions payable to co-brokers are recognised in trade payables due within one year on the earlier of the date of invoicing or the date of receipt of cash. The accounting policy for lease liabilities is set out in Note 3.6.

Current liabilities	2025 £'000	2024 £'000
Trade payables	**3,646**	2,214
Lease liabilities	**2,733**	1,925
Other taxation and social security	**374**	560
Other payables	**1,375**	1,974
Contract liabilities	**533**	334
Accruals	**26,071**	36,604
Total	**34,732**	43,611

Accruals primarily includes accrued bonuses and other general accruals.

The directors consider that the carrying amounts of trade payables approximate to their fair value.

4.4 Financial instruments and risk management

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

- Currency risk;
- Interest rate risk;
- Credit risk; and
- Liquidity risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the Financial Statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies, and other processes for managing those risks or the methods used to measure them from previous periods.

Financial instruments

i) Principal financial instruments

The principal financial instruments used by the Group, from which financial risks arise, are as follows:

- Trade and other receivables;

- Cash and cash equivalents;
- Deferred consideration receivable;
- Contingent consideration receivable;
- Unlisted investments;
- Trade and other payables;
- Revolving credit facility;
- Lease liabilities; and
- Derivative financial instruments.

ii) Financial instruments by category

Financial instruments measured at fair value

The Group's financial assets and liabilities measured at fair value through profit and loss, including their fair value hierarchy, are as follows. Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction, other than in a forced or liquidated sale.

	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**As at 28 Feb 2025 £'000**
Financial assets:				
Unlisted investment	**-**	**-**	**1,720**	**1,720**
Contingent consideration receivable	**-**	**-**	**654**	**654**
Derivative contracts[1]	**-**	**397**	**-**	**397**
Total	**-**	**397**	**2,374**	**2,771**
Financial liabilities:				
Derivative contracts[1]	**-**	**679**	**-**	**679**
Embedded derivative	**-**	**-**	**29**	**29**
Total	**-**	**679**	**29**	**708**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	As at 29 Feb 2024 £'000
Financial assets:				
Unlisted investment	-	-	1,633	1,633
Contingent consideration receivable	-	-	1,082	1,082
Derivative contracts[1]	-	1,536	-	1,536
Total	-	1,536	2,715	4,251
Financial liabilities:				
Derivative contracts[1]	-	218	-	218
Embedded derivative	-	-	140	140
Total	-	218	140	358

[1]Currency forwards with a fair value of £0.2 million (2024: £1.3 million) maturing within twelve months have been shown as current assets. Currency forwards with a fair value of £0.2 million (2024: £0.2 million) maturing in greater than twelve months of the Balance Sheet date have been shown as non-current assets. Liabilities include currency forwards with a fair value of £0.6 million (2024: £0.2 million) maturing within twelve months shown as current liabilities and currency forwards with a fair value of £0.1 million (2024: £0.0 million) maturing in greater than twelve months of the Balance Sheet date shown as non-current liabilities.

Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities are classified in their entirety into one of three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

Valuation processes

The Group's finance team and Group Chief Financial Officer are responsible for fair value measurement of financial instruments and makes the decision as to the valuation technique to be applied, along with the level of external support required. The Group uses external specialists to value some of the financial instruments included within Level 3 of the fair value hierarchy. The results of those valuations are reviewed at each reporting date within the finance team.

The following table provides a reconciliation of movements in Level 3 financial assets during the year:

	Contingent consideration receivable £'000	Unlisted investments £'000
Fair value at 28 Feb 2023	1,407	-
Transfer into Level 3	-	1,780
Unrealised fair value gain/(loss) recognised in operating costs	83	(147)
Cash settlement	(408)	-
Fair value at 29 Feb 2024	1,082	1,633
Unrealised fair value gain/(loss) recognised in operating costs	128	87
Cash settlement	(556)	-
Fair value at 28 Feb 2025	**654**	**1,720**

Unlisted investments

The unlisted investment primarily relates to the Group's investment in the London Tanker Brokers' Panel, see Note 3.3. In FY23, the investment was carried at fair value, based on the value of the most recent comparable transaction and was therefore classified as Level 2 in the fair value hierarchy. Due to the time which has passed since the most recent comparable market transaction, the Group has valued the investment in the current year based on an income approach which has resulted in the fair value being deemed to be in Level 3 of the fair value hierarchy. The Group's policy is that the beginning of the financial year is considered the date of transfer between levels in the fair value hierarchy. The significant unobservable inputs into the valuation are:

- a discount rate of 16.0% (2024: 16.4%); and
- expected income from the investment.

An increase in the discount rate of 2% would result in an increased fair value loss of £0.2 million recognised in the Income Statement, while a decrease in the discount rate of 2% would result in a gain of £0.2 million recognised in the Income Statement. A 10% increase/decrease in expected income would result in a £0.1 million gain/loss.

Contingent consideration receivable

The fair value of the contingent consideration receivable includes unobservable inputs and are therefore classified as Level 3. The contingent consideration receivable relates to the disposal of the Logistics Division whereby the Group is entitled to three future cash payments. The SPA provides for a minimum guaranteed amount in each of the three years; this amount has been classified as deferred consideration. The balance of the earnout consideration is contingent on the future performance of the combined business up to a maximum specified in the SPA; this has been classified as contingent consideration. The fair value of the contingent consideration has been calculated by reference to management's expectation of the future profitability of the combined business and discounted to present value using a discount rate of 5.51% (2024: 5.29%). The discount rate takes into account the credit risk of Vertom Agencies BV. See Note 4.9 for further details.

Derivative contracts

Contracts with derivative counterparties are based on ISDA Master Agreements. Under the terms of these arrangements, only in certain situations will the net amounts owing/receivable to a single counterparty be considered outstanding. The Group does not have the present legal ability to set off these amounts and so they are not offset in the Balance Sheet. Of the derivative assets and derivative liabilities recognised in the Balance Sheet, an amount of £0.4 million (2024: £0.2 million) would be set off under enforceable master netting agreements.

Forward currency contracts

The fair value of the forward currency contracts are based on prices quoted by the counterparty within these contracts versus the market rate at the Balance Sheet date and have therefore been classified as Level 2 in the fair value hierarchy. See the currency risk section for further details.

Embedded derivative

The convertible loan note instruments issued on the acquisition of Naves contain an embedded derivative, being a euro liability of principal and interest. The equity value of the underlying derivative is not considered closely related to the debt host, therefore the loan note is considered to be a financial liability host with an embedded derivative convertible feature which is required to be separated from the host. The fair value of the embedded derivative includes unobservable inputs and is therefore classified as Level 3. The key assumptions underpinning the fair value of the embedded derivative relate to the expected future share price of the Group and the GBP:EUR exchange rate. The fair value has been determined using a Black-Scholes valuation model.

A gain of £111,000 (2024: £244,000 gain) has been recognised in the Income Statement in respect of the fair value movement of the embedded derivative from 1 March 2024 to 28 February 2025.

Financial instruments not measured at fair value

The Group's financial assets and liabilities that are not measured at fair value are measured at amortised cost. Due to their short-term nature or frequent repricing, the carrying value of these financial instruments approximates their fair value. Their carrying values are as follows:

Financial assets	**2025 £'000**	2024 £'000
Cash and cash equivalents	**20,477**	27,951
Deferred consideration receivable	**1,336**	2,620
Trade and other receivables	**32,237**	30,159
Total	**54,050**	60,730

Financial liabilities	2025 £'000	2024 £'000
Trade and other payables	**6,095**	4,851
Convertible loan notes	**2,401**	2,978
Long-term borrowings	**22,936**	26,966
Total	**31,432**	34,795

Deferred consideration receivable
The initial fair value of the deferred consideration receivable was determined by discounting the guaranteed minimum amounts as per the SPA to present value using a discount rate of 2.39% and it is subsequently measured at amortised cost.

Currency risk

Currency risk arises when Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency with the cash generated from operations in that currency. The Group's currency risk exposure arises mainly as a result of the majority of its earnings being denominated in US dollars while the majority of its costs are denominated in sterling. There is also some currency exposure related to convertible loan notes and deferred consideration denominated in euros and from the carrying values of its overseas subsidiaries being denominated in foreign currencies.

The Group manages its transactional exposures to foreign currency risks using forward exchange contracts and currency options. The Group is primarily exposed to fluctuations in US dollar to sterling exchange rates on foreign currency sales and hedges a proportion of those expected cash flows out to 17 months. The principal source of hedge ineffectiveness is the risk of changes in timing of the forecast transaction or that they do not occur, which is addressed by only hedging a proportion of future foreign currency sales. There were no hedged transactions forecast in the current year which did not occur (2024: £nil).

The Group's results, which are reported in sterling, are exposed to changes in foreign currency exchange rates across a number of different currencies with the most significant exposures relating to the US dollar. The Group is exposed to the underlying translational movements which remain outside the control of the Group. The Group's translational exposures to foreign currency risks relate to both the translation of income and expenses and net assets of overseas subsidiaries which are converted into sterling on consolidation. The Group finances overseas investments partly through the use of foreign currency borrowings in order to provide a net investment hedge over the foreign currency risk that arises on translation of its foreign currency subsidiaries.

The Group continues to apply hedge accounting to hedging instruments that meet the criteria set out in IFRS 9.

Hedge accounting

Derivatives are initially recognised at fair value and are subsequently remeasured at their fair value at each Balance Sheet date with gains and losses recognised immediately in the Income Statement unless hedge accounting is applied. 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 within finance costs or income.

To qualify for hedge accounting, the terms of the hedge must be clearly documented at inception and there must be an expectation that the derivative will be highly effective in offsetting changes in the cash flow of the hedged risk. Hedge effectiveness is tested throughout the life of the hedge and if at any point it is concluded that the relationship can no longer be expected to remain highly effective in achieving its objective, the hedge relationship is terminated.

The fair value of derivative contracts is based either directly or indirectly on market prices at the Balance Sheet date.

Financial assets and liabilities are classified in accordance with the fair value hierarchy specified by IFRS 13. See Note 4.4.

Cash flow hedge accounting

Cash flow hedges are used to hedge the variability in cash flows of highly probable forecast transactions caused by changes in foreign currency exchange rates and interest rates. Where a derivative financial instrument is designated in a cash flow hedge relationship with a highly probable forecast transaction, the effective part of any change in fair value arising is deferred in the cash flow hedging reserve within equity, via the Statement of Comprehensive Income. The Group designates a portion, being the first US dollar amounts in a particular period, of forecast revenue transactions in cash flow hedges and reports any gain or loss as part of revenue when the revenue is recognised. The gain or loss relating to the ineffective part is recognised in the Income Statement within net finance expense. Amounts deferred in the cash flow hedging reserve are reclassified to the Income Statement in the periods when the hedged item is recognised in the Income Statement.

If a hedging instrument expires or is sold 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. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the Income Statement.

The critical terms of the hedging instruments match the hedged transactions in relation to currency, timing and amounts, meaning there is a clear economic relationship between the hedging instrument and hedged item as required under IFRS 9. Thereby, management qualitatively demonstrates that the hedging instrument and the hedged items will move equally in the opposite direction.

A gain of £1,500,000 (2024: £2,231,000 gain) in relation to effective hedges has been recognised in the Income Statement in respect of derivative contracts which have matured in the period. No ineffectiveness in relation to hedge accounting has been recognised in the period.

Forward currency contracts	2025	2024
Carrying amount of asset	**£ 397,427**	£1,535,990
Carrying amount of liability	**£ (679,140)**	£(217,622)
Total notional amount	**US $115,650,000**	US $118,950,000
Maturity dates	**March 2025 to September 2026**	March 2024 to July 2025
Hedge ratio	**1:1**	1:1
Change in fair value of outstanding hedging instruments since inception of the hedge	**£ (281,714)**	£1,318,368
Change in value of hedged item used to determine hedge ineffectiveness	**£ 281,714**	£(1,318,368)
Weighted average strike rate for outstanding hedging instruments	**1.26**	1.25

Net investment hedge accounting

The Group uses its US dollar denominated borrowings as a hedge against the translation exposure on the Group's net investment in overseas companies. The Group designates the spot rate of the loans as the hedging instrument. There was no ineffectiveness to be recognised on hedges of net investments in foreign operations. Where the hedge is fully effective at hedging the variability in the net assets of such companies caused by changes in exchange rates, the changes in value of the borrowings are recognised in the translation reserve within equity, via the Statement of Comprehensive Income. The ineffective part of any change in value caused by changes in exchange rates is recognised in the Income Statement within finance income or costs. The effective portion will be recycled into the Income Statement on the sale of the foreign operation.

The table below provides further information on the Group's net investment hedging relationships:

	2025 £'000	2024 £'000
Hedge ratio	**1:1**	1:1
Change in value of hedging instruments due to foreign currency movements since 1 March	**(19)**	249
Change in value of the hedged item used to determine hedge effectiveness	**19**	(249)

The balances and movements into and out of the foreign currency translation reserve are shown in the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Changes in Equity respectively. The amount in the foreign currency translation reserve in relation to hedge accounting is a gain of £0.1 million (2024: £0.1 million gain) and is split as follows:

– continuing net investment hedges gain of £0.1 million (2024: £0.1 million gain); and
– hedging relationships for which hedge accounting is no longer applied, £nil (2024: £nil).

The effect on equity and profit before tax if the US dollar or the euro strengthened/(weakened) by 10% against sterling, with all other variables being equal, is as follows:

	Profit or loss		Equity, net of tax	
	+10% strengthening £'000	–10% weakening £'000	+10% strengthening £'000	–10% weakening £'000
28 February 2025				
US dollars	1,247	(1,020)	(6,762)	5,533
Euros	255	(209)	255	(209)
Total	**1,502**	**(1,229)**	**(6,507)**	**5,324**
29 February 2024				
US dollars	1,621	(1,621)	(9,474)	7,100
Euros	40	(40)	40	(40)
Total	1,661	(1,661)	(9,434)	7,060

Interest rate risk

The Group is exposed to interest rate risk from borrowings at floating rates. The Group minimises its short-term exposure to interest rate risk on its cash and cash equivalents by pooling cash balances across the Group's entities.

The Group has not entered into any financial instruments to fix or hedge the interest rates applied to its bank borrowings and overdrafts.

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

	Note	**2025 £'000**	2024 £'000
Floating rate:			
Within one year			
Cash and cash equivalents	4.5	**20,472**	27,941
Long-term borrowings	4.6	**(23,210)**	(27,237)
		(2,738)	704

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/(decrease) in the interest rate, all other variables being equal, is as follows:

	Profit or loss		Equity, net of tax	
	+1% increase £'000	**–1% decrease £'000**	**+1% increase £'000**	**–1% decrease £'000**
28 February 2025				
Cash and cash equivalents	**251**	**(251)**	**251**	**(251)**
Long-term borrowings	**(233)**	**233**	**(233)**	**233**
Total	**18**	**(18)**	**18**	**(18)**
29 February 2024				
Cash and cash equivalents	308	(308)	308	(308)
Long-term borrowings	(266)	266	(266)	266
Total	42	(42)	42	(42)

Credit risk

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets. 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 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. The maximum exposure is the carrying amount as disclosed in Note 4.4.

Liquidity risk

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

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. Management receives rolling 13-week cash flow projections on a weekly basis to ensure the Group has sufficient liquidity.

The board receives rolling twelve-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The following table sets out the undiscounted contractual amounts due, in relation to the Group's financial liabilities which exposes the Group to liquidity risk:

At 28 February 2025	**Up to 3 months £'000**	**Between 3 and 12 months £'000**	**Between 1 and 2 years £'000**	**Between 2 and 5 years £'000**	**Over 5 years £'000**	**Total contractual amount £'000**	**Total carrying amount £'000**
Trade and other payables	**5,750**	**364**	**-**	**-**	**-**	**6,114**	**6,095**
Loans and borrowings	**367**	**1,102**	**1,469**	**24,228**	**-**	**27,166**	**22,936**
Lease liabilities	**761**	**2,362**	**3,371**	**3,589**	**6**	**10,089**	**9,245**
Convertible loan notes	**36**	**2,454**	**-**	**-**	**-**	**2,490**	**2,401**
Total	**6,914**	**6,282**	**4,840**	**27,817**	**6**	**45,859**	**40,677**
Forward currency contracts							**679**
Gross outflows	**7,348**	**46,032**	**25,618**	**-**	**-**	**78,998**	
Gross inflows	**(7,288)**	**(45,474)**	**(25,715)**	**-**	**-**	**(78,477)**	
Net outflow from derivative contracts	**60**	**558**	**(97)**	**-**	**-**	**521**	

At 29 February 2024	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total contractual amount £'000	Total carrying amount £'000
Trade and other payables	4,245	606	-	-	-	4,851	4,851
Loans and borrowings	487	1,460	28,586	-	-	30,533	26,966
Lease liabilities	846	1,253	1,013	2,062	44	5,218	4,778
Convertible loan notes	46	47	3,190	-	-	3,283	2,978
Total	5,624	3,366	32,789	2,062	44	43,885	39,573
Forward currency contracts							218
Gross outflows	1,779	7,946	1,818	-	-	11,543	
Gross inflows	(1,769)	(7,784)	(1,775)	-	-	(11,328)	
Net outflow from derivative contracts	10	162	43	-	-	215	

Loans and borrowings have been represented to show the expected interest payments payable on the revolving credit facility in addition to the repayment of the loan.

Capital management

The Group manages its capital structure so as to maintain investor and market confidence and to provide returns to shareholders that will support the future development of the business. The Group makes adjustments to the capital structure if required in response to changes in economic conditions. The Group considers its capital as consisting of ordinary shares and retained earnings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group has a policy of maintaining positive cash balances and also has a revolving credit facility which it draws down as required to provide cover against the cyclical nature of the shipping industry.

The board monitors underlying business performance to determine the ongoing use of capital, namely executive and staff incentive schemes (and whether to fund this through cash or share incentives); acquisition appraisals ahead of potential business combinations; investment in property, plant and equipment; and the level of dividends.

No changes were made in the objectives, policies or processes during the years ended 28 February 2025 and 29 February 2024.

4.5 Cash and cash equivalents

Cash and cash equivalents included in the Balance Sheet comprise cash in hand, short-term deposits with an original maturity of three months or less and restricted cash.

Cash and cash equivalents included in the Cash Flow Statement include cash and short-term deposits. Bank overdrafts are included in the Balance Sheet within short-term borrowings.

	2025 £'000	2024 £'000
Cash at bank and cash in hand	**20,477**	27,951
Total	**20,477**	27,951

Cash and cash equivalents largely comprise bank balances denominated in sterling, US dollars, euros and other currencies for the purpose of settling current liabilities.

Cash includes an amount of £6.0 million (2024: £4.6 million) held in the bank accounts of regulated entities where there is a requirement to hold a certain amount of cash at any one time in order to cover future obligations. No charge or other restriction of use is held over this cash.

The directors consider that the carrying amounts of these assets approximate to their fair value.

4.6 Long-term liabilities

Arrangement costs for loan facilities are capitalised and amortised over the life of the debt at a constant rate. Finance costs are charged to the Income Statement, based on the effective interest rate of the associated external borrowings and debt instruments.

Modification of terms of financial liabilities
When the terms of an existing financial liability are modified, management will consider both quantitative and qualitative factors to assess whether the modification is substantial. In the case that the modification of the terms of existing financial liability is considered to be substantial, the modification shall be accounted for as an extinguishment of that financial liability and the recognition of a new financial liability. If the modification is not considered substantial, then the existing financial liability is remeasured in accordance with its original classification and any gain or loss is recognised immediately in the Income Statement.

	2025 £'000	2024 £'000
Long-term borrowings		
Secured revolving credit facilities	**22,936**	26,966
Lease liabilities	**6,512**	2,853
Total	**29,448**	29,819

The Group's revolving credit facility ("RCF") is for £30.0 million plus an accordion limit of £10.0 million and had an initial termination date of November 2025. During the year, the Group exercised an option to extend the facility by two years which was approved by the lender, extending the term to November 2027. Drawdown of the accordion facility is subject to additional credit approval. The RCF agreement has an EBITDA leverage covenant of 2.5x and a minimum interest cover of 4x. At 31 May 2024, 31 August 2024, 30 November 2024 and 28 February 2025, the Group met all financial covenant tests. Amounts can be rolled on a monthly basis until the facility expires subject to certain conditions, and on that basis the borrowings have been classified as non-current. The amounts drawn under the RCF bear interest based on SONIA, SOFR and EURIBOR from amounts drawn in sterling, US dollars and euros respectively, plus a credit margin dependent on the Group's leverage ratio. As at 28 February 2025, the Group's net debt was £2.5 million (29 February 2024: £1.0 million net cash) with available headroom in the £30.0 million RCF of £6.8 million (at 29 February 2024: £2.8 million) (net cash is calculated as cash less secured RCF). All revolving credit facilities are drawn by Braemar Plc.

The directors consider that the fair value of the revolving credit facility liability is equivalent to its carrying amount.

4.7 Convertible loan notes

The convertible loan notes are considered to be a financial liability host with an embedded derivative convertible feature which is required to be separated from the host. The Group has an accounting choice to record the instrument in its entirety at fair value through profit and loss but has not chosen to apply this treatment. Instead, the financial liability host is recognised as a euro liability initially recognised at fair value and prospectively accounted for applying the effective interest rate method. As the loan notes are denominated in euros, the conversion feature does not meet the definition of an equity instrument. As a result, it is treated as a separated embedded derivative and is recognised at fair value through profit and loss. Where there are conversion options that can be exercised within one year the liability is recognised as current.

In September 2017, the Group acquired the entire share capital of Naves Corporate Finance GmbH ("Naves"). Naves is an established and successful business, headquartered in Hamburg, Germany, which advises national and international clients on corporate finance related to the maritime industry, including restructuring advisory, corporate finance advisory, M&A, asset brokerage, interim/pre-insolvency management and financial asset management including loan servicing.

The acquisition agreement provided for consideration of £16.0 million (€18.4 million) payable as follows:

i) at completion in cash of £7.3 million (€8.3 million), in shares of £1.3 million (€1.5 million) and in convertible loan notes of £6.4 million (€7.4 million); and
ii) deferred consideration in cash of £0.5 million (€0.6 million) and convertible loan notes of £0.5 million (€0.6 million), payable in instalments over the three years after the acquisition.

The acquisition agreement also provided deferred amounts that would be payable to management sellers, conditional on their ongoing service in the business. IFRS 3 states that amounts paid to former owners which are conditional on ongoing service are for the benefit of the acquirer and not for the benefit of former owners. Consideration linked to the ongoing service of former owners is treated as remuneration for post-combination services and classified as acquisition-related expenditure under specific items in the Income Statement.

The deferred amounts payable to management sellers comprised:

i) deferred cash of £1.3 million (€1.5 million) and deferred convertible loan notes of £4.3 million (€4.9 million) conditional only on the individual management seller's continued service payable in instalments over the five years after the acquisition; and
ii) deferred convertible loan notes of up to £9.4 million (€11.0 million) conditional on the individual management seller's continued service and the post-acquisition Naves' EBIT in the three years post-acquisition. By February 2021, there was no contingency remaining and the total amount paid was £4.6 million (€5.3 million).

Following the issuance of new convertible loan notes in the prior year, at 28 February 2025 no amounts are subject to future service conditions.

Convertible instruments
The Group issued convertible loan notes in connection with its acquisition of Naves in September 2017.

These convertible loan note instruments are unsecured, unlisted and non-transferable. The notes are euro denominated and carry a 3% per annum coupon. Each tranche is redeemable on or after two years from the date of issue by the Group or by the individual holder. The conversion prices were fixed at 390.3 pence for management sellers.

The convertible loan note instruments carry certain accelerated conversion rights in the event of default on financial commitments associated with the instruments or business distress within the Group. The loan notes shall automatically convert or be redeemed in the event that any person or persons acting in concert hold more than 50% of the issued share capital of the Group or an impairment charge in excess of £43.9 million (€50.0 million) is reflected in the audited Financial Statements of the Group.

The embedded derivatives within the convertible loan notes are valued using Level 3 hierarchy techniques under IFRS 13. See Note 4.4.

The total value of convertible loan note liabilities, including linked derivatives, is £2.4 million (2024: £3.1 million). The following table shows amounts in the Group balance sheet relating to the convertible loan notes issued on the acquisition of Naves.

Represented in the Group Balance Sheet	**2025** **£'000**	2024 £'000 (restated[1])
Current liabilities:		
Convertible loan notes	**2,401**	2,978
Derivatives	**29**	140
	2,430	3,118

[1] Restatement for the adoption of 'Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1'. For further details, see Note 1.1.

The movement in the Naves-related balances in the Group Balance Sheet during the year is explained by the items below:

	2025 **£'000**	2024 £'000
Total Naves-related balances at start of year	**3,118**	3,935
Finance expense	**201**	227
Derivative (gain)/loss	**(111)**	(244)
Foreign exchange movements	**(102)**	(89)
Cash paid	**(676)**	(711)
Total movements	**(688)**	(817)
Total Naves-related balances at year-end	**2,430**	3,118

The current year cash paid includes interest of £0.1 million (2024: £0.1 million).

The loan notes have the following maturities:

	Accounting value		**Nominal value**	
	2025	**2024**	**2025**	**2024**
	£'000	**£'000**	**€'000**	**€'000**
Due at the reporting date				
30-Sep-24	**-**	568	**-**	699
30-Sep-25	**2,401**	2,410	**2,929**	2,929
	2,401	2,978	**2,929**	3,628
Derivatives thereon	**29**	140		
Total liabilities on loan notes	**2,430**	3,118		

Note that current liabilities in respect of the loan notes differs from the amounts shown above maturing within one year due to interest payable within one year on non-current loans and the outstanding current liability to deliver cash and shares in respect of matured loan notes.

4.8 Reconciliation of liabilities from financing activities

	RCF borrowings £'000	Convertible loan notes £'000	Lease liabilities £'000	Total £'000
At 1 March 2024	26,966	2,978	4,778	34,722
Cash flows	(4,000)	(584)	(3,106)	(7,690)
Non-cash flows:				
– Interest accruing in the period	121	109	-	230
– Fees paid reported as operating cash flows	(123)	-	-	(123)
– New leases	-	-	7,608	7,608
– Effects of foreign exchange	(28)	(102)	(35)	(165)
At 28 February 2025	22,936	2,401	9,245	34,582
Current portion	**-**	**2,401**	**2,733**	**5,134**

	RCF borrowings £'000	Convertible loan notes £'000	Lease liabilities £'000	Total £'000
At 1 March 2023	27,815	3,551	5,027	36,393
Cash flows	(598)	(598)	(3,143)	(4,339)
Non-cash flows:				
– Interest accruing in the period	153	114	-	267
– Fees paid reported as operating cash flows	(122)	-	-	(122)
– New leases	-	-	3,021	3,021
– Effects of foreign exchange	(282)	(89)	(127)	(498)
At 29 February 2024	26,966	2,978	4,778	34,722
Current portion	-	632	1,925	2,557

4.9 Deferred and contingent consideration receivable

Contingent consideration receivable is initially recognised at fair value and is subsequently remeasured at its fair value at each Balance Sheet date. The resulting gain or loss is recognised immediately in the Income Statement. Contingent consideration receivable is classified as Level 3 in accordance with the fair value hierarchy specified by IFRS 13. Deferred consideration is initially measured at its fair value and subsequently measured at amortised cost less provision for impairment.

On 28 February 2022, the Group sold Cory Brothers to Vertom Agencies BV for maximum consideration of £15.5 million. Initial cash proceeds of £6.5 million were received on completion of the transaction, and three contractual "earnout" payments will be made, being an agreed percentage of the future gross profits of the combined VertomCory business over three subsequent twelve-month earnout periods. The remaining "earnout" payments are subject to a minimum of £1.3 million and a combined maximum of £3.2 million.

The minimum earnout consideration has been classified as deferred consideration receivable. The minimum amount is specified in the SPA and is therefore not an estimate; however, an estimate of a discount rate is necessary to discount the deferred consideration receivable. A discount rate of 2.39% was used to calculate the net present value; this was based on the credit risk of Vertom Agencies BV following a credit check performed by management. Deferred consideration receivable is initially recognised at fair value and subsequently measured at amortised cost.

The balance of the earnout consideration, up to the maximum specified in the SPA has been classified as contingent consideration receivable because it is contingent on the future profitability of the combined business. The fair value of the contingent consideration receivable involves two critical estimates: the future profitability of the combined business and the discount rate used to calculate the net present value. The future profitability forecasts are based on a business plan prepared by the combined VertomCory business. Contingent consideration receivable is initially recognised at fair value and subsequently measures at fair value through profit and loss.

The fair value of the contingent consideration is calculated using the forecast gross profit for the combined VertomCory business for each earnout period, applying the agreed percentage, deducting the minimum payment and discounting the forecast contingent cashflows. The valuation of the contingent consideration involves two estimates: the future profitability of the combined business and the discount rate used to calculate the net present value. The future profitability forecasts are based on a business plan prepared by the combined VertomCory business and was reviewed by management as part of the financial due diligence process. A discount rate of 5.51% (2024: 5.45%) was used to calculate the net present value; this was based on the credit risk of Vertom Agencies BV.

Fair value of Cory Brothers deferred and contingent consideration receivable

The agreed minimum earnout payment is presented as deferred consideration and measured at amortised cost, using a discount rate of 2.39% determined on initial measurement. The uncertain element of each earnout payment is measured at fair value through profit or loss and presented as contingent consideration.

Deferred and contingent consideration are included in other long-term receivables (see Note 4.1) and current other receivables (see Note 4.2). The amortised cost of the deferred consideration is £1.3 million (2024: £2.6 million). The fair value of the contingent consideration is £0.7 million (2024: £1.1 million).

During the year, the Group received £1.8 million (2024: £1.5 million) which is included in the Group Cash Flow Statement with £1.7 million (2024: £1.4 million) allocated to investing activities and £0.1 million (2024: £0.1 million) to interest received in relation to the deferred consideration payment.

5 Employee remuneration schemes

5.1 Long-term employee benefits

Key estimate

Valuation of defined benefit pension scheme
The Group uses an independent actuary to provide annual valuations of the defined benefit pension scheme. The actuary uses a number of estimates in respect of the scheme membership, the valuation of assets and assumptions regarding discount rates, inflation rates and mortality rates.

The membership details are provided by an independent trustee while the valuation of assets is verified by an independent fund manager. The discount rates, inflation rates and mortality rates are reviewed by management at each reporting date.

The Company is aware of a UK High Court legal ruling in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited, which decided that certain historical rule amendments were invalid if they were not accompanied by actuarial certifications. The ruling was subject to appeal and in July 2024 the Court of Appeal confirmed the UK High Court legal ruling from 2023. The Company, together with the pension scheme trustees, is in the process of assessing the possible impact of this ruling. As it is not possible at present to estimate the impact, if any, from the ruling, no adjustments have been made to the defined benefit asset recognised in the Financial Statements.

Critical judgement

Recoverability of defined benefit pension scheme net asset
The free-standing tax charge on the net pension asset reduced from 35% at 29 February 2024 to 25% from 6 April 2024. This measure was substantively enacted on 11 March 2024 resulting in an increase to the present value of the defined benefit asset, along with an increase in the discount rate from 5.0% at 29 February 2024 to 5.3% at 28 February 2025. The UK defined benefit scheme continues to be in an actuarial surplus position at 28 February 2025 (measured on an IAS 19 “Employee Benefits” basis) of £2.5 million (29 February 2024: £1.4 million). The surplus has been recognised on the basis that the Group has an unconditional right to a refund, assuming the gradual settlement of Scheme liabilities over time until all members have left the Scheme. The surplus will be subject to a tax charge on its recovery which the Group does not believe meets the definition of an income tax under IAS 12, and, as a result, the surplus has been presented net of the expected taxes payable of £0.9 million (2024: £0.8 million), at a rate of 25% (2024: 35%).

The Group has the following long-term employee benefits:

i) Defined contribution schemes

The Group operates a number of defined contribution schemes. Pension costs charged against profits in respect of these schemes represent the amount of the contributions payable to the schemes in respect of the accounting period. The assets of the schemes are held separately from those of the Group within independently administered funds. The Group has no further payment obligations once the contributions have been paid.

ii) Defined benefit schemes

The Group operates a defined benefit scheme, the ACM Staff Pension Scheme, with assets held separately from the Group. The cost of providing benefits under the scheme is determined using the projected unit credit actuarial valuation method which measures the liability based on service completed and allowing for projected future salary increases and discounted at an appropriate rate.

The current service cost, which is the increase in the present value of the retirement benefit obligation resulting from employee service in the current year, and gains and losses on settlements and curtailments, are included within operating profit in the Income Statement. The unwinding of the discount rate on the scheme liabilities which is shown as a net finance cost and past service costs are presented and recognised immediately in the Income Statement.

The pension asset or liability recognised on the Balance Sheet in respect of this scheme represents the difference between the present value of the Group’s obligations under the scheme and the fair value of the scheme’s assets. Actuarial gains or losses and return on plan assets net of tax, excluding interest, are recognised in the period in which they arise within the Statement of Comprehensive Income.

When the defined benefit plan is in a surplus, the asset is recognised at the lower of the surplus and the asset ceiling, less any associated costs, such as taxes payable.

iii) Other long-term benefits

The current service cost of other long-term benefits resulting from employee services in the current year is included within the Income Statement. The unwinding of any discounting on the liabilities is shown in net finance costs.

The Group operates a defined benefit scheme in the UK. A full actuarial valuation was carried out as at 31 March 2023 and updated by the IAS 19 valuation as at 28 February 2025. All valuations have been carried out by a qualified independent actuary.

The Group's obligations in respect of the funded defined benefit scheme at 28 February 2025 were as follows:

	2025 £'000	2024 £'000
Present value of funded obligations	**9,904**	10,609
Fair value of scheme assets, net of tax	**(12,452)**	(12,023)
Total surplus of defined benefit pension scheme	**(2,548)**	(1,414)

Funded defined benefit scheme

The Group sponsors a funded defined benefit scheme (the ACM Staff Pension Scheme) for qualifying UK employees. The Scheme is administered by a separate board of Trustees which is legally separate from the Group. The Trustees are composed of representatives of both the employer and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the trust assets and the day-to-day administration of benefits.

Under the Scheme, employees are entitled to annual pensions on retirement at age 60 of 1/60th of final pensionable salary for each year of service. Pensionable salary is defined as basic salary plus the average of the previous three years' bonuses (capped at three times basic salary). Pensionable salaries for members who joined after 1 June 1989 are also subject to an earnings cap. Other benefits are payable, for example those provided on death.

The scheme was closed to future accrual and from 1 February 2016, post-retirement benefits are provided to these employees through a separate defined contribution arrangement.

Profile of the Scheme

The defined benefit obligation includes benefits for current employees, former employees, and current pensioners. Broadly, around 50% of the liabilities are attributable to deferred pensions for current and former employees, with the remaining 50% to current pensioners.

The Scheme duration is an indicator of the weighted average time until benefit payments are made. For the Scheme as a whole, the duration is around 14 years (2024: 15 years).

Funding implications

UK legislation requires that pension schemes are funded prudently. The most recent funding valuation of the Scheme was carried out by a qualified actuary as at 31 March 2023 and showed a surplus of £0.3 million.

Risks associated with the Scheme

The Scheme exposes the Group to a number of risks, the most significant of which are:

Asset volatility

The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The Scheme holds a significant proportion of growth assets which, though expected to outperform corporate bonds in the long term, create volatility and risk in the short term. The allocation to growth assets is monitored to ensure it remains appropriate given the Scheme's long-term objectives.

Changes in bond yields

An increase in corporate bond yields will decrease the value placed on the Scheme's liabilities for accounting purposes, although this will be partially offset by a decrease in the value of the Scheme's bond holdings.

Inflation risk

A proportion of the Scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy

The majority of the Scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in scheme liabilities.

The Company and Trustees have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes moving assets to match pensioner liabilities when members reach retirement.

The Trustees insure certain benefits payable on death before retirement.

The principal assumptions used for updating the latest valuation of the Scheme were:

	2025 (% p.a.)	2024 (% p.a.)
Discount rate	**5.3**	5.0
CPI inflation	**2.6**	2.6
Pension and deferred pension increases:		
CPI capped at 2.5% p.a.	**2.3**	2.1
CPI capped at 5.0% p.a.	**2.6**	3.0

	2025 Years	2024 Years
Life expectancy from age 60 for:		
Current 60-year-old male	**25.6**	25.6
Current 60-year-old female	**28.1**	28.0
Post-retirement mortality	S2 PXA, CMI 2023/2022 (min 1.25%)	
Early retirement	No allowance for early retirement	
Withdrawals from active service	No allowance	
Cash commutation	80% of members assumed to take maximum lump sum (2024: 80%)	

All members are assumed to retire at age 60.

The Scheme's assets are split by type of asset in the following table.

Scheme assets	**2025 £'000**	2024 £'000
Scheme assets are comprised as follows:		
UK equities	**-**	359
Overseas equities	**1,387**	4,387
High yield debt	**45**	986
Cash	**395**	1,031
Inflation-linked bonds	**1,057**	1,142
Corporate bonds	**2,187**	2,793
Government bonds	**728**	1,726
Diversified growth funds	**7,503**	360
Total	**13,302**	12,784

The Pension Scheme assets do not include any ordinary shares issued by the Company. All assets are held through pooled investment vehicles.

Expense recognised in the Income Statement (included in operating costs)	2025 £'000	2024 £'000
Interest income on net asset/liability	**(109)**	(85)
Income recognised in Income Statement	**(109)**	(85)

Remeasurements in other comprehensive expense:		
(Gain)/loss on assets in excess of that recognised in net interest	**(277)**	(201)
Actuarial gains due to changes in financial assumptions	**(693)**	(179)
Actuarial loss/(gain) due to changes in demographic assumptions	**27**	127
Actuarial (gain)/loss due to liability experience	**(171)**	(77)
Expected tax charge on recovery of assets	**89**	157
Gain recognised in other comprehensive income	**(1,025)**	(173)
Total amount recognised in Income Statement and other comprehensive expense	**(1,134)**	(258)

Changes to the present value of the defined benefit obligation are analysed as follows:

	2025 £'000	2024 £'000
Opening defined benefit obligation	**10,609**	10,558
Interest expense	**530**	517
Actuarial gains due to changes in financial assumptions	**(693)**	(179)
Actuarial loss/(gain) due to changes in demographic assumptions	**27**	127
Actuarial (gain)/loss due to liability experience	**(171)**	(76)
Net benefit payments from scheme	**(398)**	(338)
Closing value at 28 February (2024: 29 February)	**9,904**	10,609

Changes in the fair value of plan assets are analysed as follows:

	2025 £'000	2024 £'000
Opening fair value at 1 March	**12,023**	11,678
Interest income	**639**	602
Fair value gain/(loss) on assets	**277**	201
Contributions by employers	**-**	37
Net benefit payments from scheme	**(398)**	(338)
Expected tax charge on recovery of assets	**(89)**	(157)
Closing value at 28 February (2024: 29 February)	**12,452**	12,023

The Group does not expect to make any contributions to the scheme in the next twelve months.

Actual return on Scheme assets	2025 £'000	2024 £'000
Interest income on plan assets	**639**	602
Remeasurement gain/(loss) on assets	**277**	201
Actual return on assets	**916**	803

Sensitivity analysis

The table below illustrates the sensitivity of the Scheme liabilities at 28 February 2025 to changes in the principal assumptions. The sensitivities assume that all other assumptions remain unchanged and the calculations are approximate (full calculations could lead to a different result).

Change in assumption	Approximate increase in liabilities %	Approximate increase in liabilities £'000
Interest rate reduced by 0.5% p.a.	9.0	891
Inflation assumption increased by 0.5% p.a.[1]	5.9	584
Increase in life expectancy of one year for all members reaching 60	2.5	248

[1]The inflation assumption sensitivity applies to both the assumed rate of increase in the CPI and the RPI, and includes the impact on the rate of increases to pensions, both before and after retirement.

Defined contribution schemes
There are a number of defined contribution schemes in the Group, the principal scheme being the Braemar Pension Scheme, which is open to all UK employees. Cash contributions paid into the defined contribution schemes are accounted for as an Income Statement expense as they are incurred. The total charge for the year in respect of this and other defined contribution schemes amounted to £1,967,000 (2024: £2,247,000) which was in respect of continuing operations.

Contributions of £190,000 were due to these schemes at 28 February 2025 (2024: £180,000).

The assets of these schemes are held separately from those of the Group in funds under the control of the Trustees.

5.2 Share-based payments

The Group operates a number of equity-settled share-based payment schemes.

No awards may be granted under the schemes set out below 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).

All of the Group's share schemes are accounted for as equity-settled share-based payments because they only entitle the employee to receive equity instrument issued by the Parent Company. The Group may provide a net settlement feature, whereby it withholds the number of equity instruments equal to the monetary value of the employee's tax obligation arising from the exercise (or vesting) of the award if the total number of shares that otherwise would have been issued to the employee. The Group has no contractual obligation to provide a net settlement option, and therefore the award is still accounted for as an equity-settled award in full and the value of the shares foregone by the employee is accounted for as a deduction from equity. Occasionally the Group, at its discretion, might repurchase vested equity instruments. In accordance with IFRS 2, such payments to employees are accounted for as a deduction from equity, except to the extent the payment exceeds the fair value of the equity instruments repurchased.

The net cost of the shares acquired for the shares held by the ESOP and the EBT are a deduction from shareholders' funds and represent a reduction in distributable reserves. Note 6.3 provides detail on the ESOP and the EBT and movements in shares to be issued.

Key estimate

Share option vesting
The fair value determined at the grant date of the equity-settled share-based payments is typically expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the Income Statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

A 5% decrease in the forfeiture assumption during FY25 would result in an additional charge of £0.5 million (2024: £0.5 million) to the Income Statement, while a 5% increase in the forfeiture assumption during FY25 would result in a reduced charge of £0.7 million (2024: £0.6 million). While the Group believes that a change in estimate of 5% or greater for all awards in any one year is unlikely, due to the fact that the value of awards are not uniform between employees, the Group believes that there is a significant risk that a revision to the forfeiture estimate could result in a material impact to the Income Statement in the next financial year depending on the profile of leavers.

Deferred Bonus Plan ("DBP")

The Company adopted a Deferred Bonus Plan in May 2020 (the "2020 DBP"), pursuant to which future discretionary bonus awards will be granted to staff including executive directors. Awards under the New DBP may be linked to an option granted under the new Braemar Company Share Option Plan 2020, which was also adopted by the Company in May 2020 (the "2020 CSOP"). Where an employee receives a linked award under the 2020 DBP, if the Company's share price rises over the vesting period, the 2020 CSOP award can be exercised with the value of shares delivered on the vesting of the 2020 DBP award being reduced by the exercise gain on the 2020 CSOP award. Awards under the 2020 DBP and the 2020 CSOP may be settled by the issue of new shares of by way of transfer of shares from the ESOP. Historical practice has been to settle via the transfer of shares from the ESOP and it is the current intention to continue to operate in this manner.

The number of awards granted under the Deferred Bonus Plan each year is related to the profits generated in the previous year. The cost of the award is therefore expensed from the beginning of that profit period until the vesting date which is usually three years after the date of award and is subject to continued employment. Awards made to new joiners are expensed over the period from date of joining to date of vesting. Their fair value is estimated based on the share price at the time of grant less the expected dividend to be paid during the vesting period. The number of awards which are expected to vest is estimated by management based on levels of expected forfeitures.

Restricted Share Plan ("RSP")

During the year ended 28 February 2015, the Company established a Restricted Share Plan ("RSP"). This scheme was set up to grant awards to certain key staff to try to retain them following the merger between Braemar and ACM Shipping Group Plc, but it can also be used where the Remuneration Committee considers it necessary to secure the recruitment of a particular individual. Executive directors of the Company are not eligible to participate in the RSP. RSP awards are made in the form of a nil cost option and there are no performance criteria other than continued employment. Their fair value is estimated based on the share price at the time of grant less the expected dividend to be paid during the vesting period. The number of awards which are expected to vest is estimated by management based on levels of expected forfeitures.

Long Term Incentive Plan ("LTIP")

The Company also operates an LTIP, which was approved by shareholders and adopted in 2014. LTIP awards under this plan take the form of a conditional right to receive shares at £nil cost. The awards normally vest over three years and are typically subject to a performance condition such as earnings per share ("EPS") or Total Shareholder Return ("TSR"), a market-based condition.

The fair value of awards with the EPS condition are non-market conditions and their fair value is estimated based on the share price at the time of grant less the expected dividend to be paid during the vesting period. The fair value of awards containing market conditions is determined using Monte Carlo simulation models. The number of awards which are expected to vest is estimated by management based on levels of expected forfeitures and the expected outcome of the EPS condition. For awards subject to market conditions, no adjustment is made to reflect the likelihood of the market condition being met nor the actual number of awards which lapse as a result of the condition not being met.

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

a) Deferred Bonus Plan

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

Share scheme	Number at 1 March 2024	Granted	Exercised	Forfeited	**Number at 28 February 2025**	Exercise price (pence)	Exercisable
Jun-21	1,112,889	-	(1,035,102)	(72,608)	5,179	nil	June 2024
Nov-21	239,415	-	(225,607)	(13,808)	-	nil	November 2024
Sep-22	879,844	-	-	(111,210)	768,634	nil	June 2025
Jan-23	347,718	-	-	(6,175)	341,543	nil	June 2025
Feb-23	121,944	-	-	-	121,944	nil	June 2025
Dec-23	1,647,204	259,240	-	(282,073)	1,624,371	nil	July 2026
Jul-24	-	2,066,840	-	(15,111)	2,051,729	nil	July 2027
Total	4,349,014	2,326,080	(1,260,709)	(500,985)	**4,913,400**		

The weighted average share price on exercise for awards exercised during the year was £2.89 (2024: £2.82). The weighted average share price at grant date for awards granted during the year was £2.97 (2024: £2.75).

Under the DBP, sufficient shares to satisfy each award are bought over the course of the vesting period and held in an employee trust ("ESOP") until vesting. As at 28 February 2025, the ESOP held 1,583,460 ordinary shares (2024: 2,303,211). The ESOP holding is in line with expectations of how many shares will be needed to satisfy the current awards under this scheme. This amount is net of expected lapses in the scheme and the fact that recipients typically forego sufficient shares in order to satisfy the associated tax liability that arises on their vesting.

b) Restricted Share Plan

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

Share scheme	Number at 1 March 2024	Granted	Exercised	Lapsed	**Number at 28 February 2025**	Exercisable between
July 2014	6,250	–	(6,250)	–	-	Jul 17 - Jul 24
August 2015	12,500	–	(12,500)	–	-	Aug 18 - Aug 25
Total	18,750	–	(18,750)	–	-	

The weighted average share price on exercise for awards exercised during the year was £2.98 (2024: £2.71).

The fair value of the £nil cost options is approximated to the share price at the time of grant less the expected dividend to be paid during the vesting period.

The value of the awards is expensed over the period from the date of grant to the vesting date, or if used as a recruitment incentive, from the date of joining to the vesting date. The awards are satisfied by the issue of new shares.

c) Long-Term Incentive Plan ("LTIP")

The Company also has LTIP awards, which allow for the form of a conditional right to receive shares at £nil cost. The awards normally vest over three years and are subject to various performance conditions based on earnings per share ("EPS") or segmental operating profit.

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

Share scheme	Number at 1 March 2024	Granted	Exercised	Lapsed	Forfeited	**Number at 28 February 2025**	Exercisable between
LTIP 2018	33,294	-	(33,294)	-	-	**-**	May 23 – Oct 28
LTIP 2019	166,200	-	(166,200)	-	-	**-**	Jul 24 – Jul 29
LTIP 2020	375,000	-	-	-	-	**375,000**	Jul 25 – Jul 30
LTIP 2021	300,884	-	-	(300,884)	-	**-**	Jun 26 – Jun 31
LTIP 2022 (granted FY23)	545,848	-	-	-	(51,903)	**493,945**	Jul 27 – Jul 32
LTIP 2023	369,958	-	-	-	-	**369,958**	Dec 28 – Dec 33
LTIP 2024		394,560	-	-	-	**394,560**	Jul 29 – Jul 34
Total	1,791,184	394,560	(199,494)	(300,884)	(51,903)	**1,633,463**	

The weighted average share price at grant date for awards granted during the year was £2.97 (2024: £2.75). The weighted average share price on exercise for awards exercised during the year was £2.46 (2024: None exercised)

The fair value of the LTIP 2021 award which has a TSR-based vesting condition has been calculated using a Monte Carlo simulation. The fair value of the other LTIPs is determined based on the share price at the time of grant less the expected dividend to be paid during the vesting period calculated using the market consensus dividend yield.

The value of the awards is recognised as an expense over the period from the date of grant to the vesting date. The awards are satisfied by the issue of new shares.

d) Other share-based payments

On 5 December 2022, 253,434 shares were awarded as a joining incentive to certain employees of Madrid Shipping Advisors SL and on 16 December 2022, 1,016,121 shares were issued to the former owners of Southport as part of the acquisition. In addition, on the acquisition of Southport, a further 872,821 shares were awarded to key employees of Southport. The fair value of the awards is determined based on the share price at the time of grant less the expected dividend to be paid during the three-year vesting period calculated using the market consensus dividend yield.

The value of the awards is recognised as an expense over the period from the date of grant to the vesting date. The Southport Maritime Inc. awards will be satisfied by the issue of new shares.

Share award	Number at 1 March 2024	Granted	Exercised	Lapsed	Forfeited	**Number at 28 February 2025**	Vesting
Southport Maritime Inc.	1,888,942	-	-	-	**-**	**1,888,942**	Dec 25
Madrid Shipping Advisors SL	253,434	-	(168,956)	-	-	**84,478**	Dec 23 - Dec 25

6 Share capital and other reserves

6.1 Share capital

	Ordinary shares		Ordinary shares	
	2025 Number	2024 Number	**2025 £'000**	2024 £'000
a) Authorised				
Ordinary shares of 10 pence each	**34,903,000**	34,903,000	**3,490**	3,490

	Ordinary shares		Ordinary shares		Share premium	
	2025 Number	2024 Number	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000

b) Issued

Fully paid ordinary shares of 10 pence each						
As at start of year	**32,924,877**	32,924,877	**3,292**	3,292	**-**	53,796
Capital reduction	**-**	-	**-**	-	**-**	(53,796)
As at end of year	**32,924,877**	32,924,877	**3,292**	3,292	**-**	-

No shares remained unpaid at 28 February 2025 or 29 February 2024. The Company has one class of ordinary shares which carry no right to fixed income.

6.2 Dividends

Amounts recognised as distributions to equity holders in the year:

	2025 £'000	2024 £'000
Ordinary shares of 10 pence each		
Final dividend of 9.0 pence per share for the year ended 29 February 2024 paid on 9 September 2024 (2024: 8.0 pence per share paid on 9 February 2024)	**2,862**	2,440
Interim dividend of 4.0 pence per share paid on 2 April 2024	**1,222**	-
Interim dividend of 4.5 pence per share paid on 13 January 2025	**1,413**	-
	5,497	2,440

The right to receive dividends on the shares held in the ESOP has been waived (see Note 6.3). The dividend saving through the waiver is £0.1 million (2024: £0.2 million).

For the year ended 28 February 2025, a final ordinary dividend of 2.5 pence per share has been proposed totalling £0.8 million.

6.3 ESOP reserve

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 in trust by the Trustee of the ESOP, SG Kleinwort Hambros Trust Company (CI) Limited, for the benefit of the employees. Additionally, an Employee Benefit Trust ("EBT") previously run by ACM Shipping Group plc also holds shares in the Company. During the year, the Group completed the process of winding up the EBT with the shares held being sold in the market.

The ESOP reserve represents a deduction from shareholders' funds and a reduction in distributable reserves. The deduction equals the net purchase cost of the shares held in trust by the ESOP. Shares allocated by the ESOP to satisfy share awards issued by the Group are released at cost on a first in first out basis.

	£'000
At 28 February 2023	10,607
Shares acquired by the ESOP	6,125
ESOP shares allocated	(9,592)
At 29 February 2024	**7,140**
Disposal of EBT shares	(521)
Shares acquired by the ESOP	2,376
ESOP shares allocated	(4,661)
At 28 February 2025	**4,334**

As at 28 February 2025, the ESOP held 1,583,460 (2024: 2,303,211) ordinary shares of 10 pence each. The funding of the purchase has been provided by the Company in the form of a gift 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.

As part of the acquisition of ACM Shipping Group plc in July 2014, the Company issued 125,621 shares into an Employee Benefit Trust ("EBT") previously run by ACM Shipping Group plc. At 29 February 2024, the ACM EBT held 62,290 ordinary shares of 10 pence each, which were sold during the period.

The total cost to the Company of shares held in the ESOP at 28 February 2025 was £4.3 million (2024: £7.1 million) including stamp duty associated with the purchases. The shares owned by the ESOP had a market value at 28 February 2025 of £4.2million (2024: £6.3 million). The distribution of these shares is determined by the Remuneration Committee.

1,600,095 shares (2024: 3,440,115) have been released to employees during the year. The shares acquired by the ESOP during the year had an aggregate cost of £2.4 million (2024: £6.1 million).

6.4 Other reserves

	Capital redemption reserve £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Hedging reserve £'000	Total £'000
At 28 February 2023	396	24,641	4,024	(242)	28,819
Cash flow hedges:					
– Transfer to income statement	-	-	-	(2,231)	(2,231)
– Fair value gain/losses in the period	-	-	-	3,872	3,872
Investment hedge	-	-	249	-	249
Exchange differences	-	-	(1,783)	-	(1,783)
Capital reduction	(396)	(19,755)	-	-	(20,151)
Deferred tax on items taken to equity	-	-	-	(410)	(410)
At 29 February 2024	**-**	**4,886**	**2,490**	**989**	**8,365**
Cash flow hedges:					
– Transfer to income statement	-	-	-	(1,500)	(1,500)
– Fair value gain/losses in the period	-	-	-	(101)	(101)
Investment hedge	-	-	(19)	-	(19)
Exchange differences	-	-	295	-	295
Deferred tax on items taken to equity	-	-	-	400	400
At 28 February 2025	-	**4,886**	**2,766**	**(212)**	**7,440**

The capital redemption reserve arose on previous share buy-backs by the Company. The merger reserve arose on transactions where the Company issued shares pursuant to an arrangement to acquire more than a 90% interest in another company and no share premium was recorded. The merger reserve arose principally in 2001 in relation to the acquisitions of Braemar Shipbrokers Limited and Braemar Tankers Limited. Further additions have arisen in respect of Naves and Atlantic Brokers. The amounts in the merger reserve are unrealised profits relating to the corresponding assets acquired by the Company on the issue of shares. These profits may become realised on the disposal or write-down of these assets. Following the Capital Reduction in FY24 (see Note 6.2), the merger reserve was reduced by £19.8 million and the capital redemption reserve was reduced to £nil.

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments relating to hedged transactions that have not yet occurred of £0.3 million liability (2024: £1.3 million asset). The deferred tax movement recognised in equity in the year was a gain of £0.4 million (2024: £0.4 million loss).

7 Other supporting notes

7.1 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 post-tax interest rate.

Short-term provisions for long service leave expected to be settled wholly within twelve months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The provision for long service leave not expected to be settled within twelve months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Key estimate

Uncertain commission obligations
In June 2023, the board commissioned an independent internal investigation into an historical transaction originating in 2013. The investigation was overseen by an Investigation Committee chaired by the Group's non-executive Chairman and was conducted by an independent specialist forensic accounting firm, and independent external counsel. The investigation was comprehensive and complex and ultimately encompassed several transactions between 2006 and 2013 which required further investigation.

As a result of the investigation, the Group recognised a provision of £2.0 million in relation to the uncertain obligations connected to a number of the transactions and commission obligations identified as part of the investigation. Of the £2.0 million, £1.7 million relates to an historical unsettled commission payable which was recorded in 2017 upon completion of the relevant contracts which originated in 2013. This balance was reclassified from trade payables to provisions in a prior year. During the prior year, £0.2 million was added to the provision following the return of previously paid amounts connected to the uncertain commission obligation and a further adjustment to reduce the provision by £0.1 million was made in the current year. While the board cannot forecast with certainty final outcomes in respect of these obligations, based on the Group's current information, the amount recognised is the current best estimate of the amount required to settle the obligations at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligations, including interpretation of specific laws and the likelihood of settlement.

As the ultimate potential obligations and outcomes are uncertain in relation to the transactions subject to the internal investigation, there remains a risk that the final outcomes could materially impact the recognised balance within the next or in future financial years. It is impracticable to provide sensitivity estimates of potential downside variances at this time.

	Dilapidations £'000	Uncertain commission obligation £'000	Other £'000	Total £'000
At 28 February 2023	592	1,964	753	3,309
Provided in the year	20	-	-	20
Provision added in year	-	209	-	209
Utilised in the year	-	-	(134)	(134)
Reversal of provision in the year	-	-	(154)	(154)
Exchange differences	(7)	(79)	(26)	(112)
At 29 February 2024	**605**	**2,094**	**439**	**3,138**
Provided in the year	455	-	164	619
Utilised in the year	-	-	(208)	(208)
Reversal of provision in the year	-	(88)	-	(88)
Exchange differences	2	(3)	(1)	(2)
At 28 February 2025	1,062	2,003	394	3,459
Current	36	2,003	394	2,433
Non-current	1,026	-	-	1,026
At 28 February 2025	**1,062**	**2,003**	**394**	**3,459**

Dilapidations relate to future obligations to make good certain office premises upon expiration of the lease term. The provision is calculated with reference to the location and square footage of the office.

Employee entitlements of £0.4 million is included in other, which relate to statutory long service leave in Braemar Shipbroking Pty Limited. This is based on the principle that each Australian employee is entitled to eight weeks of leave over and above any annual leave on completion of ten years' continuous service. The provision is calculated with reference to the number of employees who have at least seven years of continuous service.

7.2 Contingent liabilities

From time to time the Group may be engaged in litigation in the ordinary course of business. The Group carries professional indemnity insurance. There are currently no liabilities expected to have a material adverse financial impact on the Group's consolidated results or net assets.

7.3 Related party transactions

During the period, the Group entered into the following transactions with joint ventures and investments:

Transactions with wholly owned subsidiaries
Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

7.4 Events after the reporting date

A proposed final dividend for the year ended 28 February 2025 of 2.5 pence per share, totalling £0.8 million, has been recommended by the directors. This is subject to shareholder approval. There were no other adjusting or significant non-adjusting events between the reporting date and the date these Financial Statements were authorised for issue.

Five-year financial summary (unaudited)

Consolidated Income Statement

Continuing operations	**12 months to 28 Feb 2025 £'000**	12 months to 29 Feb 2024 £'000	12 months to 28 Feb 2023 £'000	12 months to 28 Feb 2022 £'000	12 months to 28 Feb2021 £'000
Group revenue	**141,860**	152,751	152,911	101,310	83,695
Other operating expenses	**(126,263)**	(136,203)	(132,836)	(91,250)	(75,976)
Specific items (net)	**(4,424)**	(7,504)	(8,406)	(514)	(1,097)
Total operating expenses, net of other incomes	**(130,687)**	(143,707)	(141,242)	(91,764)	(77,073)
Operating profit/(loss)	**11,173**	9,044	11,669	9,546	6,622
Gain on revaluation of investment	-	-	–	172	–
Net interest expense	**(1,951)**	(1,533)	(2,195)	(1,156)	(1,486)
Share of associate profit for the period	**-**	12	(23)	(19)	–
Profit before taxation	**9,222**	7,523	9,451	8,543	5,136
Taxation	**(3,120)**	(2,899)	(4,855)	(1,839)	(1,574)
Gain/(loss) for the year from discontinued operations	-	-	–	7,215	970
Profit/(loss) after taxation	**6,102**	4,624	4,596	13,919	4,532
Dividends					
Interim	**1,413**	1,222	1,172	610	–
Final proposed	**784**	2,862	2,440	2,254	1,495
	2,197	4,084	3,612	2,864	1,495
Earnings per ordinary share – pence					
Basic – underlying from continuing operations	**31.30p**	36.62p	46.22p	23.06p	15.60p
Diluted – underlying from continuing operations	**26.74p**	29.96p	38.52p	18.79p	12.91p

Five-year financial summary (unaudited)

Consolidated Balance Sheet

	As at 28 Feb 2025 £'000	As at 29 Feb 2024 £'000 (restated)	As at 28 Feb 2023 £'000 (restated)	As at 28 Feb 2022 £'000	As at 28 Feb 2021 £'000
Assets					
Non-current assets					
Goodwill	**71,243**	71,337	71,407	79,891	83,955
Other intangible assets	**2,608**	3,185	3,980	997	2,129
Property, plant and equipment	**10,135**	5,582	5,320	7,078	9,841
Other investments	**1,720**	1,633	1,780	1,780	1,962
Investment in associate	**713**	713	701	724	3,763
Derivative financial instruments	**205**	249	30	8	200
Deferred tax assets	**3,368**	2,979	4,794	3,713	2,900
Pension surplus	**2,548**	1,414	1,120	-	-
Other long-term receivables	**1,768**	4,589	8,554	5,636	1,888
	94,308	91,681	97,686	99,827	106,638
Current assets					
Trade and other receivables	**40,887**	37,730	43,323	35,792	33,416
Financial assets	**-**	-	-	-	746
Derivative financial instruments	**192**	1,287	1,224	54	1,573
Current tax receivable	**1,554**	2,925	973	-	-
Assets held for sale	**-**	-	-	-	436
Cash and cash equivalents	**20,477**	27,951	34,735	13,964	14,111
	63,110	69,893	80,255	49,810	50,282
Total assets	**157,418**	161,574	177,941	149,637	156,920
Liabilities					
Current liabilities					
Derivative financial instruments	**592**	315	1,447	688	-
Trade and other payables	**34,732**	43,611	57,310	39,183	47,833
Current tax payable	**1,659**	1,625	4,141	1,608	1,318
Provisions	**2,433**	3,080	2,575	486	307
Convertible loan notes	**2,401**	2,978	3,001	1,416	4,461
Liabilities directly associated with assets classified as held for	**-**	-	-	-	125
	41,817	51,609	68,474	43,381	54,044
Non-current liabilities					
Long-term borrowings	**29,448**	29,819	29,919	28,331	31,634
Deferred tax liabilities	**358**	8	344	-	174
Derivative financial instruments	**116**	43	697	335	56
Trade and other payables	**1,026**	58	542	-	-
Provisions	**498**	416	734	797	690
Convertible loan notes	**-**	-	550	2,755	2,681
Deferred consideration	**-**	-	-	495	882
Pension deficit	**-**	-	-	2,052	3,819
	31,446	30,344	32,786	34,765	39,936
Total liabilities	**73,263**	81,953	101,260	78,146	93,980
Total assets less total liabilities	**84,155**	79,621	76,681	71,491	62,940
Equity					
Share capital	**3,292**	3,292	3,292	3,221	3,174
Share premium	**-**	-	53,796	53,030	52,510
ESOP reserve	**(4,334)**	(7,140)	(10,607)	(6,771)	(1,362)
Other reserves	**7,440**	8,365	28,819	26,130	27,100
Retained earnings	**77,757**	75,104	1,381	(4,119)	(18,482)
Total equity	**84,155**	79,621	76,681	71,491	62,940