Diversification Growth Optimisation

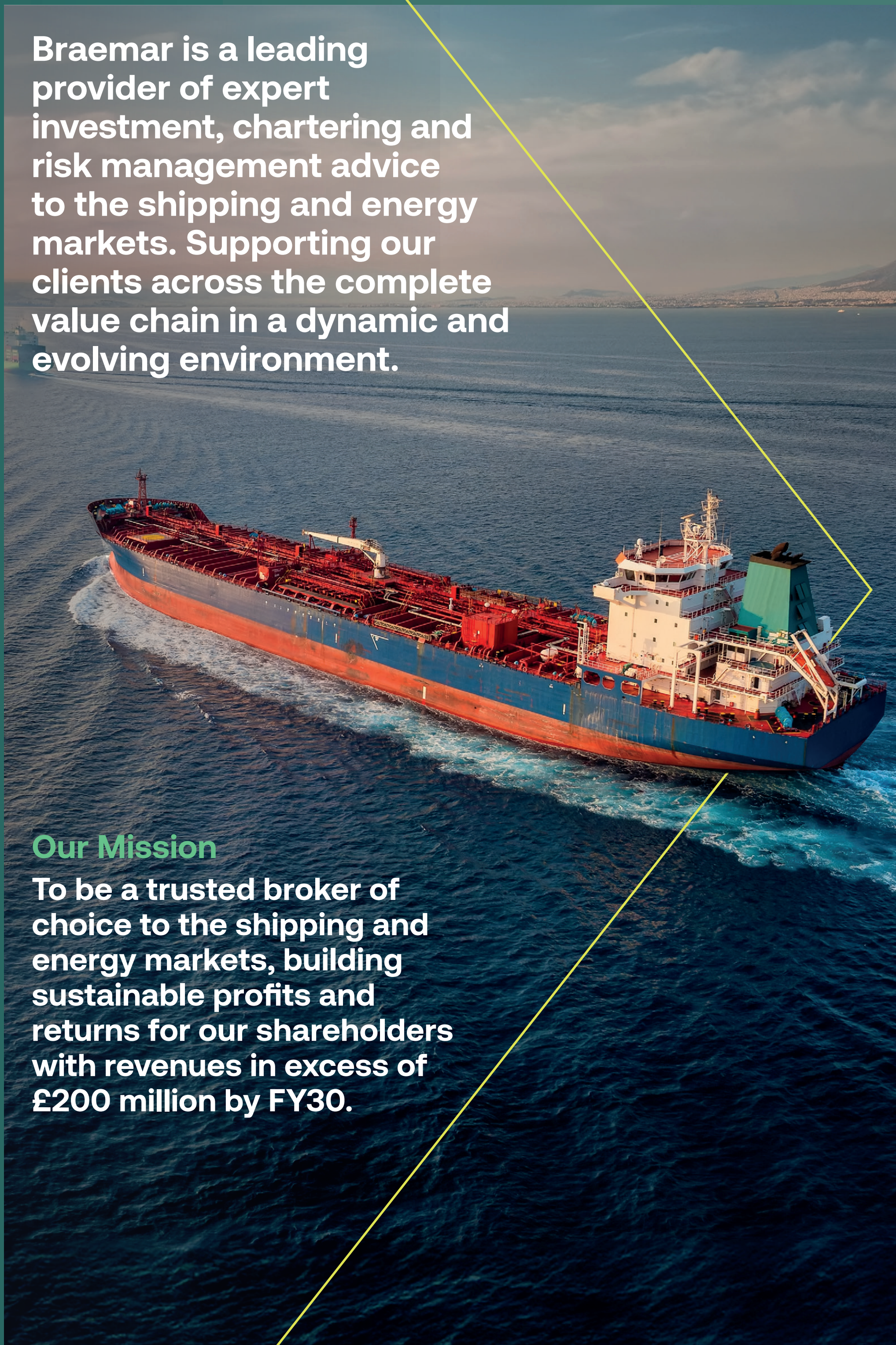
Braemar Plc
Annual Report & Accounts 2025

Strategic Report

Governance

Financial Statements

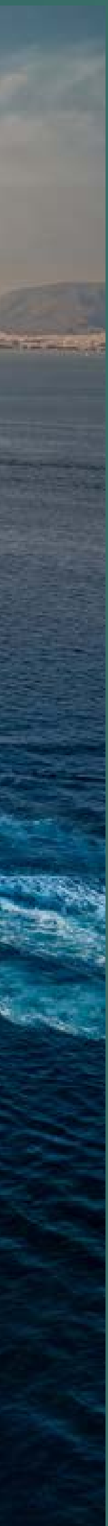
braemar



Braemar is a leading provider of expert investment, chartering and risk management advice to the shipping and energy markets. Supporting our clients across the complete value chain in a dynamic and evolving environment.

Our Mission

To be a trusted broker of choice to the shipping and energy markets, building sustainable profits and returns for our shareholders with revenues in excess of £200 million by FY30.



Financial highlights

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.

Revenue

£141.9m

2025	**£141.9m**
2024	£152.8m
2023	£152.9m

Underlying operating profit[1]

£16.7m

2025	**£16.7m**
2024	£18.1m
2023	£20.1m

Reported profit before tax

£9.2m

2025	**£9.2m**
2024	£7.5m
2023	£9.5m

1 Before acquisition-related expenditure

Operational and strategic 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 Organised Trading Facility approved in May 2025 to support further growth in Risk Advisory
- Acquisition pipeline is strong

Average revenue per head

£345,000

New office

South Korea

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
- Despite short-term uncertainty, market fundamentals remain strong and the business is well placed to take advantage of opportunities that present themselves
- 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 diversification, consolidation and operational excellence.

Specialists

Offices
18

Employees
411

Countries
13

Our locations

Shipping never stops. We operate 24 hours a day, seven days a week covering all of the world's major shipping hubs. Ensuring that we support our clients around the globe and provide them with unique opportunities and insight, where and whenever they need it.

Australia
Melbourne
Perth

Germany
Hamburg

Greece
Athens

India
Mumbai
New Delhi

People's Rep. China
Shanghai

Singapore
Singapore

South Korea
Seoul

Spain
Madrid

Switzerland
Geneva

Monaco

UAE
Dubai

United Kingdom
Aberdeen
London

USA
Connecticut
Florida
Houston

Chartering
Investment Advisory
Risk Advisory

Who
How
What

Who

We are a leading provider of expert investment, chartering and risk management advice to the shipping and energy markets. Our integrated teams deliver creative solutions and tailored support to our customers globally throughout the value chain, placing Braemar at the forefront of the shipbroking industry.

How

Shipping is a dynamic and global industry. Through our integrated teams around the world, market insight and data, we work collaboratively to build solutions tailored to our customers' requirements.

What

Chartering

Our specialist teams have deep sector knowledge and experience, building long-term relationships with charters and owners. Leveraging this expertise and the Group's investment in technology and data, our teams work to provide the best solutions for our clients.

Investment Advisory

Our Corporate Finance teams work with clients advising on transactions and financings, drawing on their expert knowledge and understanding of the market.

Our Sale & Purchase teams work with clients across the vessel life-cycle, from newbuilding to second-hand and recycling. With evolving regulations and environmental focus, we help our clients navigate the complexities.

Risk Advisory

Our risk advisory business specialises in providing securities solutions that enable our clients to protect and hedge their positions in the volatile energy markets or trade speculatively.

Braemar is a dynamic, entrepreneurial business with diversified operations across shipbroking and energy markets. Leveraging its established market positions, global footprint, and growth platform, Braemar's new financial ambition is to increase revenue to at least £200 million with underlying operating profit margin of over 15% by 2030.

This will be achieved through:

Growth
Scale
Opportunity
Returns

Driving operational excellence

Braemar has a clear strategy to deliver sustainable profitable growth. Over recent years we have invested in core areas including finance, compliance, legal, human resources and IT. These investments will support growth and drive efficiencies, improving our operating profit margins moving forward.

11%

FY25 underlying operating profit margin

>15% FY30 target

See page 23 for more information

Employee Spotlight:
Rob Taylor (Head of Financial Planning & Analysis) and Megan Norton (Financial Planning & Analysis Analyst)

Operational Excellence

By investing in smarter business intelligence tools we've been able to drive better decision making and improve the speed and clarity of financial reporting. Department heads now have deeper insight into team performance, helping align activity with strategic goals. We've also sharpened our understanding of costs and operational efficiencies, as well as our tracking and review of KPIs. These changes are strengthening internal oversight and driving improved accountability. It's been exciting to see the finance team become an integral business partner in both growth planning and day-to-day operations across the business.

A diversified business model

Shipbroking is a volatile business with everchanging market dynamics bringing both challenge and opportunity. As a leading broker with 18 offices in 13 countries and operations across Tankers, Dry Cargo, Sale & Purchase, Corporate Finance and Offshore as well as a growing Securities business specialising in energy markets, Braemar is building a more diversified revenue base and is focused on further strengthening the Group's resilience.

+70%

Increase in revenue since FY21

>£200 million FY30 target

See page 10 for more information

Acquisition opportunities

The shipbroking market is highly fragmented with regulatory complexity and compliance continuing to drive a flight to quality. This presents a significant opportunity for the Group to move into new markets, as well as enhance and build existing offerings. The Group has successfully completed acquisitions in recent years and follows a highly disciplined approach to acquisition investment, looking for acquisition targets that can accelerate their growth as part of the Braemar platform, further enhancing returns.

£16.6m

Revenue generated by acquired businesses in FY25

See page 15 for more information

Attractive, sustainable returns for shareholders

Our updated Capital Allocation Framework reflects a balance between growth investment and returning cash to investors. Our first priority remains investing in talent to grow the business, while remaining laser focused on driving efficiencies and improved margins. Second, we will make 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.

£9.1m

Cashflow from operating activities

See page 7 for more information

Employee Spotlight:
Mizanur Rahman (Group IT Director)

Operational Excellence

As Group IT Director, my focus has been on building a robust, modern technology platform to support Braemar's growth. Over the last two years, we've delivered more than 50 projects across 18 offices, modernising systems, streamlining infrastructure and improving broker productivity, which was completed ahead of schedule and under budget, alongside significant cloud cost savings. To continue safeguarding our operations and client relationships, we've also embarked on a major cybersecurity overhaul, embedding robust security measures and fostering a culture of resilience. This ensures our data, systems and global maritime services remain protected against current and emerging threats. With unified platforms, faster workflows and data-led decision making on the horizon, technology is now seen as a strategic enabler. We're not just supporting growth – we're helping drive it, securely and efficiently from the ground up.

Our focus on building a resilient and diversified business has underpinned a solid financial performance for this year.

Nigel Payne
Chairman

Diversification Investment Progress

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 July 2025. 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 geopolitical 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.

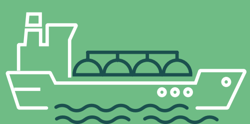
Nigel Payne
Chairman
28 May 2025

Global trends impacting our business

Fundamental Long-Term Market Drivers

Global seabourne trade forecast to continue to grow steadily, outstripping GDP.

Underpinned by global population growth and the growing supportive economics of developing countries.



Structural shortage of global fleet with significant constraints on newbuilding capacity, further compounded by long investment cycle for newbuilding.

Braemar estimates there is insufficient capacity to replace more than 3 to 5% of fleet per annum.

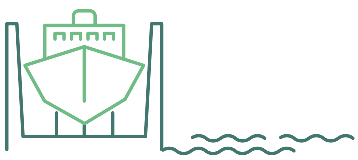
3–5%

Estimated insufficient capacity to replace more than 3 to 5% of fleet per annum

Short-Term Market Dynamics

Global conflicts continue to impact trade routes particularly in the Red Sea. In recent years this disruption has underpinned an increase in vessel tonne miles, which are predicted to continue to grow.

Implementation of US trade tariffs and retaliatory responses will bring growing complexity to supply chains and in the longer term could accelerate the rerouting of global trade.



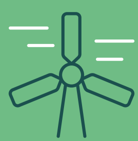
Braemar's growth strategy is underpinned by a number of fundamental long-term market drivers. Maritime markets are complex and volatile and while short-term dynamics can at first appear to be headwinds, they can often present opportunity to shipbroking businesses.

Evolving regulation focused on decarbonisation of shipping industry will drive replacement of fleet.

Growing need for vessels to be powered by alternative fuels driven by tightening emissions regulations.

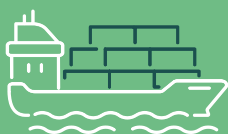
Wider global energy transition brings a complex set of new wider requirements for offshore energy which shipping will need to support.

Nearly 40% of all Seabourne trade today involves energy transportation and the growing focus on a transition to offshore and renewable energy brings a complex set of new requirements to the sector.



Regulatory complexity and compliance continue to drive flight to scale.

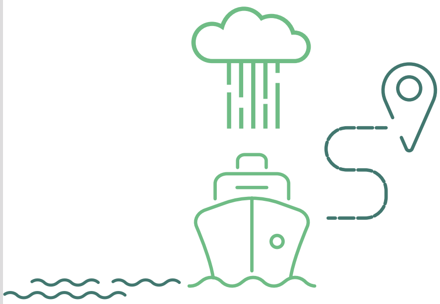
Increasing regulation and compliance requirements continue to raise and tighten the barriers to entry and the demand for operational excellence in our markets.



Currency risk
The majority of the Group's revenues are in USD and the Group uses hedging instruments to manage currency risk.

Cost of talent
Industry bonus culture can create short-term risk, particularly in times of super-cycle, that requires careful management.

Weather patterns can cause disruption to trade routes resulting in short-term impact to rates.



Business Model

Resources & relationships

Longstanding heritage and reputation for industry leadership

For over 40 years we have grown our business to become one of the world's leading advisers in shipbroking, chartering and risk management.

Client centric business model

Our global team draws on in-depth specialist market knowledge across all stages of the shipping life cycle to offer our clients creative solutions and bespoke support to navigate the volatile shipping and energy markets.

Operational and technical expertise

We pride ourselves on drawing together industry leading expertise and talent. This is underpinned by ongoing investment in our systems and technology, equipping our people to deliver industry leading client service.

Scalable platform

Recent years have seen the Group build a strong platform from which to both deliver organic growth and act as a consolidator in the fragmented shipbroking market.

Environmental responsibility

In an industry responsible for c.3% of the world's GHG emissions we recognise that we have an important part to play in helping the industry with the green transition and are committed to facilitating climate-smart shipping.

Engaged and committed workforce

We invest heavily in our teams and talent and are committed to developing our people, operating competitive remuneration, equity participation and providing a dynamic environment for career progression.

Focused on driving sustainable returns

Through our ambitious growth strategy we are building an increasingly resilient business, designed to generate sustainable returns for our shareholders with a disciplined approach to capital allocation.

11.1bn tonnes

2024 estimated seaborne trade

What we do

● Finance
Providing expertise in debt financing to fund ship purchases and newbuilds

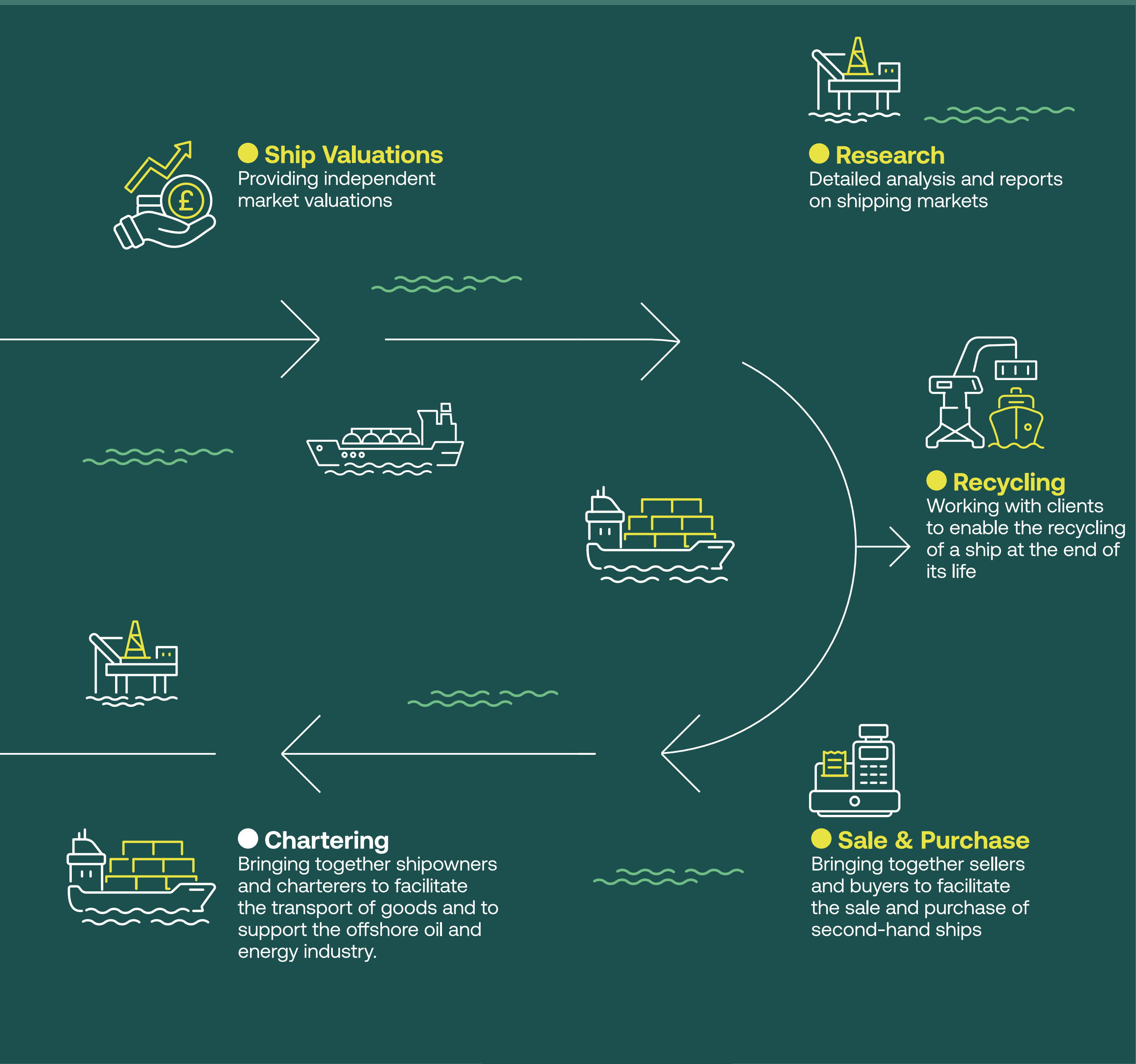
● Shipyard
Helping clients navigate the design, contract negotiation, and construction phases of ordering a new ship

● Risk Management
Broking Forward Freight Agreements to help clients manage risk

● Chartering
● Investment Advisory
● Risk Advisory

£345,000

Average revenue per employee



The value we create

Shareholders
Buy driving operational excellence, deepening and expanding our business lines and ultimately growing market share.

Clients
By enhancing our leading client service offering to offer expert advisory and creative solutions to support our clients to navigate market complexity.

Employees
By continually improving talent acquisition, operational support and career development across our global network.

> **I am very pleased to announce that despite weaker chartering conditions in the second half we have produced another solid financial performance.**
>
> **James Gundy**
> Group Chief Executive Officer

Building further resilience

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. Further details can be found on page 14.

Environment, 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.

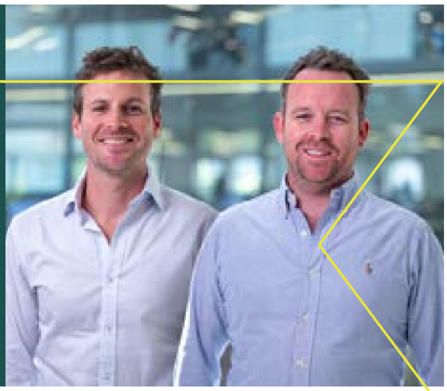
I would like to take this opportunity to thank our colleagues for their hard work and dedication, as well as our clients and partners for their ongoing support.

James Gundy
Group Chief Executive Officer
28 May 2025

Business Model & Strategy:
Nick Hargreaves & David Eaves (Australian Dry Cargo Office Heads)

Resilience through succession

As the largest shipbroker in Australia, Braemar's Dry Cargo business continues to be a key part of our global growth. With circa 1,000 transactions a year across Melbourne and Perth, our highly active offices are proud to be leading a new generation of brokers who are driving this success forward. Looking ahead, we're focused on maintaining this momentum by investing in our people, creating long-term career paths and building on the strong foundations already in place.



Diversification Consolidation Operational excellence

Our strategic focus is to become the trusted broker of choice to the shipping and energy markets, delivering revenue of at least £200 million by FY30.

Employee Spotlight:
Michael Griffin and Marc Jarvis (Co-heads of Braemar Securities)

Resilience through diversification

As co-heads of Braemar Securities, we've focused on expanding our presence in the natural gas and financial LNG markets. We were among the few to successfully establish ourselves in the natural gas space – an area where many have struggled to gain traction – and more recently, we've secured a solid foothold in the JKM market. Alongside this commercial success, we've invested heavily in infrastructure and we have obtained an FCA approved Organised Trading Facility ("OTF") licence and are advancing with our EU OTF application. With established positions in coal and freight derivatives from the outset and with a young and agile team, we are ready for cross-commodity expansion. This is an exciting period for our Securities Business which has become a key pillar of Braemar's growth strategy to drive resilience and diversification and we see a real opportunity for further growth.

Diversification

Build existing businesses
Continue to make strategic hires of individuals and teams to strengthen our existing business lines or move into new areas to expand our client offering.

Global expansion
Open new offices and build new desks in existing locations.

Resilience
Further increase diversified revenue mix providing protection and balance against impact of macroeconomic and market volatility.

See page 14 for more information

Consolidation

Targets
Companies that complement our existing offering (by product or geography) to accelerate revenue growth and achieve cost synergies through being part of Braemar.

Discipline
Apply strict criteria when reviewing targets, ensuring returns that are above the cost of capital.

Track record
Management has a successful track record of driving consolidation, with two acquisitions successfully completed and integrated over the past three years.

See page 13 for more information

Operational excellence

Data and technology
Continue to invest in data and technology, enhancing access and quality of information while using technology to drive efficiencies.

Compliance
The regulatory environment that we operate in is dynamic and evolving, we will continue to invest in compliance as the business grows ensuring we continue to operate compliantly at scale.

Support and operations
Invest in personnel and technology to drive efficiencies globally. Delivering best in class, scalable operations and support teams to drive operating margins.

Remuneration
Offer competitive remuneration packages to attract and retain talent, rewarding performance at an individual and Group level.

See page 13 for more information

Outputs

Group revenues by FY30
£200m+

Risk advisory revenues by FY30
£30m+

Underlying operating profit margin by FY30
15%+

Net debt maintained below
<1.5x EBITDA

Year 1 operational targets

Hire 10 new brokers

Expand into one new jurisdiction

Globalise tanker operations

Complete one transaction

Capital Allocation

Maintain a strong balance sheet with net debt <1.5X EBITDA

Invest in strategic hires

Enhancing M&A

Return surplus capital to shareholders

Robust financial performance

Braemar delivered a robust financial performance for FY25. First half performance was strong and an improvement on the prior year: However, Chartering performance in the second half was weaker resulting in a 7% decrease in revenues for the year.

Once again, the benefits of a more diverse revenue mix are clear, with the fall in Chartering revenue being partially offset by increased Investment Advisory revenues.

All KPIs relate to continuing operations.

Financial

Revenue

-7%

2025	**£141.9m**
2024	£152.8m
2023	£152.9m

Revenue per head

-8%

2025	**£345k**
2024	£373k
2023	£398k

Underlying operating profit

-6%

2025	**£15.6m**
2024	£16.5m
2023	£20.1m

Cash generated from operations

+15%

2025	**£5.9m**
2024	£5.2m
2023	£22.1m

Underlying EPS

-15%

2025	**31.30p**
2024	36.62p
2023	46.22p

Reported EPS

+24%

2025	**19.41p**
2024	15.65p
2023	15.85p

Full-year dividend per share

-46%

2025	**7p**
2024	13p
2023	12p

Operational

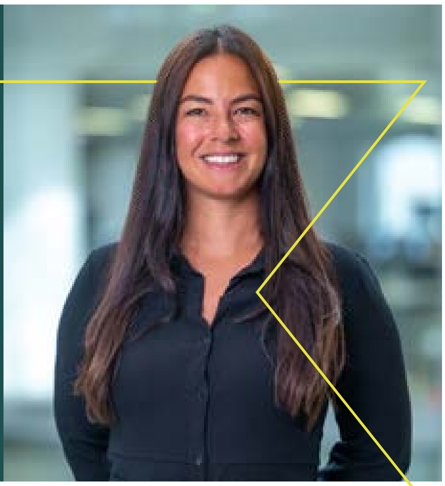
Number of employees (average across the year)		Number of offices		Number of countries	
+1%		18		13	
2025	411	2025	18	2025	13
2024	409	2024	16	2024	11
2023	384	2023	17	2023	12

Strategy in Action:
Catriona Rosa (LPG Product Broker)

Resilience through diversification

Previously, Braemar had no exposure to broking LPG cargoes and I was hired to bring my experience in this specialist market to the gas desk. One year later, we have opened up a new revenue stream to complement our more mainstream shipbroking activities.

Our success has been underpinned by the Braemar culture, with support, trust and empowerment to build something new. Looking ahead, we're focused on expanding the product side of the business, increasing deal flow and continuing to grow our footprint in this space.



Operating Review

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**
- **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

FY 2025 (FY24: £54.7 million)

£42.9m

↓ 21%

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

FY 2025 (FY24: £22.1 million)

£21.0m

↓ 5%

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

FY 2025 (FY24: £7.9 million)

£9.0m

↑ 14%

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

FY 2025 (FY24: £19.2 million)

£16.5m

↓ 14%

**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

Corporate Finance

FY 2025 (FY24: £2.2 million)

£2.3m

↑ 6%

Sale & Purchase

FY 2025 (FY24: £23.5 million)

£27.9m

↑ 18%

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

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 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.

Strategy in Action:
David Holland (Global Head of Sale & Purchase)

Success through Growth and Leadership

Over the past year, we've focused on building a stronger and more resilient Sale & Purchase team by investing in our people and creating opportunities for growth. We've expanded our global presence, increased our headcount and nurtured a culture of collaboration which has enabled people to thrive.

By empowering brokers at all levels and broadening our focus to include more newbuild activity, we've generated strong performance. We're now a more dynamic, entrepreneurial team, driving long-term value for the business.

Risk Advisory

Risk Advisory's revenue decreased by 3% to £22.3 million (FY24: £23.1 million), representing 16% of total revenue.

Risk Advisory consists of Braemar's Securities business, made up of: Dry Cargo FFA, Coal, Natural Gas 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.

> Against a more challenging second half, the focus on a more diversified revenue base clearly illustrates our growing resilience.
>
> **Grant Foley**
> Group Chief Financial Officer

Diversified revenue mix

31.30p
Underlying earnings per share

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.

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.

	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

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.

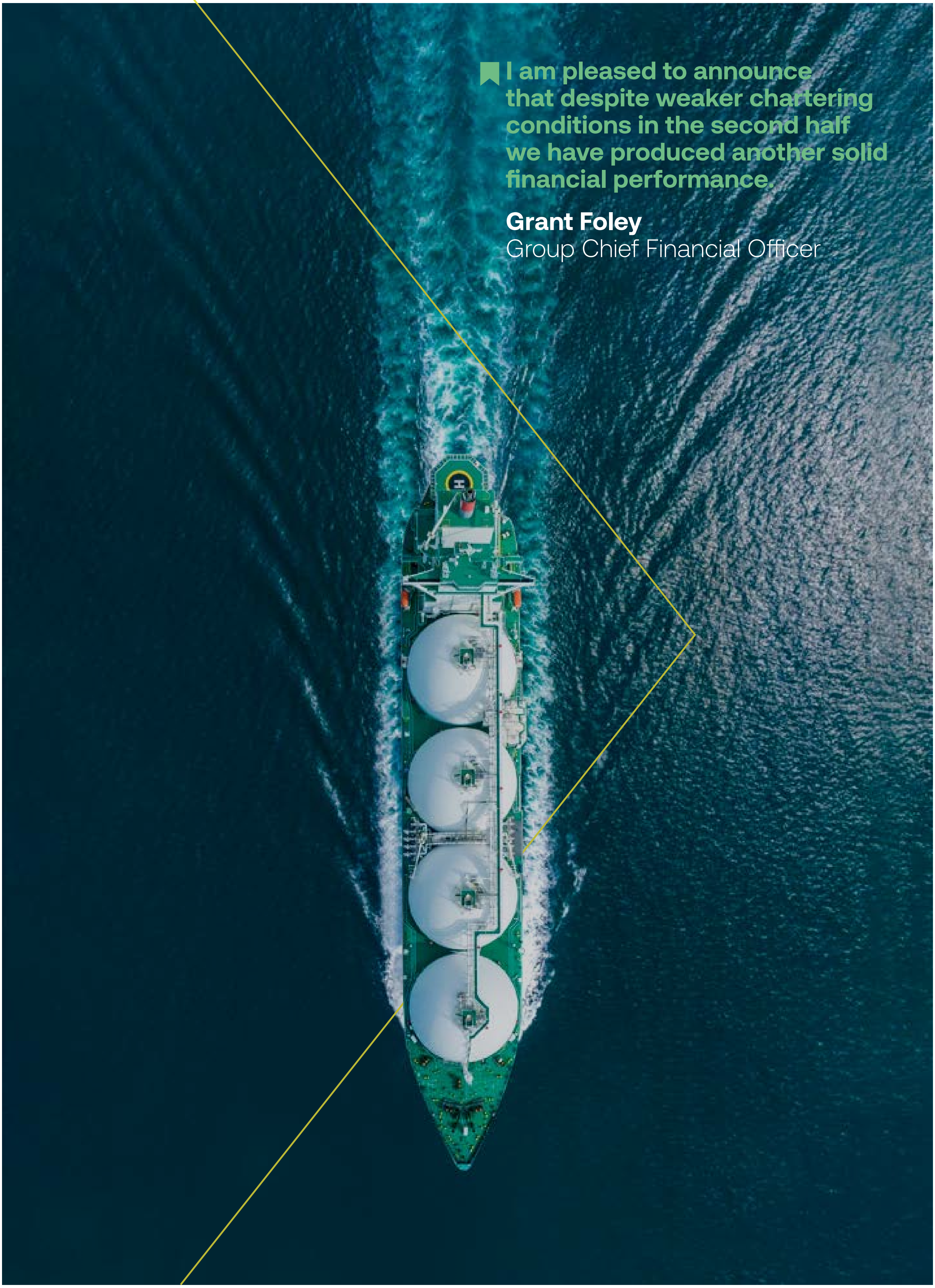
Grant Foley
Group Chief Financial Officer
28 May 2025

Financial Review:
Sukh Chahal (Head of Tax & Treasury)

Operational Excellence

Over the past year, my team's focus has been on ensuring Braemar has the right processes and programmes in place to support our growth as the business continues to scale. This has included strengthening our FX, cash and tax management, as well as payroll oversight.

We've streamlined operations and reduced legacy risks following acquisitions. As a result of these actions, we're driving real P&L savings. These foundations are critical as Braemar scales and invests for the future.



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

Grant Foley
Group Chief Financial Officer

Section 172 Statement

The board of directors confirm that, during the year ended 28 February 2025, they have discharged their duties to act in a way that they believe promotes the long-term success of the Company for the benefit of its members as a whole, while having regard to the matters set out in section 171 of the Companies Act 2006. This statement sets out how the directors have discharged these duties.

The table below sets out where information can be found about the board's approach to each of the matters, including:

Duty to promote the success of the Company with regard to:		For further details see:
(a)	the likely consequences of any decision in the long-term;	The Group's purpose and strategy on pages 3 to 13 Principal decisions page 27
(b)	the interests of the Company's employees	ESG report on pages 28 to 40
(c)	the need to foster the Company's business relationships with suppliers, customers and others	ESG report on pages 28 to 40
(d)	the impact of the Company's operations on the community and the environment	ESG report on pages 28 to 40 TCFD statement from pages 34 to 35
(e)	the desirability of the Company maintaining a reputation for high standards of business conduct	The Company's values on page 53 Corporate governance report on pages 51 to 53
(f)	the need to act fairly as between members of the Company	Corporate governance report on page 53

The board has determined that the Company's key stakeholders are its employees, clients, shareholders and banking partners. The views of these stakeholders are considered by the board when principal decisions are taken. The board understands the importance of effectively engaging with the Company's key stakeholders, to better understand their views and interests, and to better consider the potential impact of the directors' decisions on them. Information on how the Company engaged with various stakeholders during the year can be found in the ESG Report on pages 28 to 40 and the Corporate Governance Report on page 50 of this Annual Report.

The directors' duties under Section 172 of the Companies Act 2006 are embedded in all the decisions that the board and its Committees make, as are a range of other factors, including alignment with the board's strategy and values. Detail is provided, on the pages that follow, on the principal decisions taken by the board during the year and how key stakeholders and other matters set out in section 172 were considered by the board in making these decisions. The overriding duty to promote the success of the Company for the benefit of the Company's members is considered in all decision making.

Principal decisions of the board:

Decision	Section 172 and stakeholders
Approval of interim dividend of 4.5 pence and recommended a final dividend of 2.5 pence per share for approval by shareholders at the 2025 AGM.	• consequences of decisions in the long term • interests of stakeholders: shareholders • the need to act fairly as between members of the Company
Appointment of a sole corporate broker and new financial PR advisers.	• consequences of decisions in the long term • reputation for high standards of business conduct • interests of all stakeholder groups
Investment in IT Uplift programme.	• consequences of decisions in the long term • reputation for high standards of business conduct • interests of all stakeholder groups
Establishment of South Korea office in May 2024 (the Group now has 18 offices globally).	• consequences of decisions in the long term • interests of all stakeholder groups
Launch of updated Strategic framework.	• consequences of decisions in the long term • interests of all stakeholder groups

Board decision making in action

Approval of interim dividend of 4.5 pence and recommended a final dividend of 2.5 pence per share for approval by shareholders at the 2025 Annual General Meeting.

In November 2024, the board approved an interim dividend of 4.5 pence per share in respect of the year ended 28 February 2025, which was paid on 13 January 2025 reflecting robust underlying performance and the board's confidence in the outlook for the Company. When approving the dividend, the board considered the level of reserves and the Company's capital position, future investment and growth opportunities and ability to generate cash flows. As set out in the Strategic Report on pages 1 to 49, the Group has revised its dividend policy in line with the updated strategic framework Capital Allocation Framework to reflect what the board considers to be the best use of the Group's capital. As a result, the board has agreed to recommend a well-covered final dividend of 2.5 pence per share for approval at the forthcoming Annual General Meeting on 2 July 2025. Together with the interim dividend of 4.5 pence per share, this equates to total dividends per share for the year of 7 pence (FY24: 13 pence). The cash saved from the lower dividend will be used to support a share buyback programme, further details on the share buyback programme can be found in the Chairman's Statement on pages 6 to 7.

In approving the interim dividend and recommending the final dividend, the directors had regard to the interests of shareholders and the impact on the Company's long-term growth strategy.

Appointment of a sole corporate broker and new financial PR advisers

In August 2024, the board appointed Canaccord Genuity Limited ("Canaccord") as the Group's sole corporate broker. Since their appointment, Canaccord have been working to increase Braemar's engagement with investors and potential investors. In early 2025, Houston Public Relations Limited ("Houston") were appointed by the board to provide financial PR and communications support. Houston has been instrumental in the review and launch of the updated strategic framework in support of the Company's growth strategy. Houston has been leading Braemar's financial PR and supporting Braemar with internal communications. In making both appointments, the directors had regard to the interests of all stakeholders, the Company's reputation for high standards of business conduct and the impact on the Company's long-term growth strategy.

Investment in IT Uplift programme

In 2024, the board approved investment spend for the IT Uplift programme; in making this decision the directors had regard to the interests of all stakeholders and the impact on the Company's long-term growth strategy. The aim of the programme was to build a robust and modernising technology to support the delivery of Braemar's growth strategy by modernising systems and streamlining infrastructure.

As a key pillar of our strategic framework, the board is focused on driving operational excellence and the programme has helped improve broker productivity and delivered significant cloud cost savings. More detail on the work to build a modern technology platform can be found in the employee spotlight of the Group IT Director on page 5.

Establishment of South Korea office in May 2024 (the Group now has 18 offices globally)

In May 2024, the Group opened an office in Seoul, South Korea. Diversification is one of Braemar's three strategic pillars and this diversification has delivered resilience. As set out in the Group Chief Executive Officer's statement on pages 12 to 13, Braemar has continued to invest by hiring talented individuals and the South Korea office now has three brokers. Maintaining Braemar as an attractive place to work is a key area of focus and hiring where it makes economic sense to do so benefits all stakeholders.

Launch of updated strategic framework

During FY25, the board undertook a review of the Company's strategic framework and as set out more fully in the Strategic Report (on pages 6, 7 and 13), the board has launched an updated strategic framework. The updated strategic framework sets out clear operational targets for FY26 and financial targets for FY30 to support the delivery of Braemar's ongoing growth strategy through driving diversification, consolidation and operational excellence. The directors had regard to the interests of all stakeholder groups: employees, clients and shareholders.

Our ESG Strategy outlines how we will deliver on our purpose to facilitate climate-smart shipping. This will help us navigate these complex issues with clarity and confidence. We are pleased to outline our achievements in this Report.

Grant Foley
Group Chief Financial Officer and ESG executive sponsor

Delivering on our purpose

At Braemar, we are committed to being a sustainable business, delivering growth while creating a positive impact on society.

We are pleased that throughout the year our strong performance stemming from the investment we've made in our people demonstrates that our strategy is working.

We are a people focused Company, without whom we would not have a profitable and sustainable business. Our people and their development is a key part of our ESG strategy; to demonstrate the importance we place on our people and to ensure their continued growth and success as part of our business.

As a business within an industry responsible for between 2% to 4% of the world's greenhouse gas ("GHG") emissions, we recognise that we have an important part to play in helping the industry with the green transition. We remain true to our ESG purpose to facilitate climate-smart shipping and discuss how we are doing that throughout our report.

Managing the business ethically with strong governance acts as a guiding principle for Braemar and the Group is committed to maintaining these standards. Throughout the year, we have strengthened our ESG governance processes to include an ESG Committee and a Conduct, Risk & Culture Committee focused on risks impacting the Group.

Our strategy

Here we demonstrate what is important to the business, our key objective and the goals to achieve it.

Purpose

We believe it takes expertise and experience to secure sustainable returns and mitigate risk in a volatile world

ESG Objective

Facilitating climate-smart shipping

SDG Commitments

ESG Resources

People
Giving our people's time, passion and expertise to benefit society and the environment.

Profit
Giving a percentage of our profit to support our ESG work.

Client Offering
Incorporating climate-smart expertise into our client services.

Value Chain
Collaborating with the maritime industry to achieve shared ESG goals.

ESG Goals

Environment

Reduce operational emissions. Achieve net zero emissions by 2050.

Protect 10,000km^2 of marine biodiversity areas by 2030.

Facilitate responsible and sustainable shipping within the industry.

Social

Activate global programmes for bringing diverse talent into the workforce.

Think globally, act locally to drive benefit for our communities.

Governance

Collect data and report on ESG metrics aligned to strategy.

Our environmental responsibilities

2024 was a year of significant progress for the shipping industry.

The sector made great leaps in technological advancements in the space of vessel retrofits, achieving several world's first for ammonia as a marine fuel. The Green Pioneer, a Platform Supply Vessel ("PSV") was the world's first retrofit of an ammonia dual fuel engine done in Singapore and subsequently carried out the world's first shore-to-ship ammonia fuel transfer in the first quarter of the year. The NYK Sakigake, an LNG dual fuel tugboat, was retrofitted for the use of ammonia for fuel. Lastly, the NH3 Kraken, a tugboat, was retrofitted with ammonia fuel cells, marking the world's first zero-emissions vessel retrofit.

The EU Emissions Trading Scheme ("EU ETS") was officially put in force for all vessels calling EU or European Economic Area ("EEA"). Vessels that call an EU port will have to surrender either 100% of all emissions via European Union Allowances ("EUAs") for intra EU or EEA voyages and 50% for all other EU or EEA related voyages. The regulation is phased in over three years with 2024 covering 40% of emissions, 70% in 2025 and 100% in 2026. Additionally, the scope of emissions for the EU ETS is expanded to include GHGs like methane (CH4) and nitrous oxide (N_2O). In the same year, Turkey announced that they will implement a carbon pricing mechanism for the maritime industry. The next few years will see the implementation of several carbon pricing mechanism for the shipping industry or an expansion of scope of existing carbon policies like the Carbon Intensity Indicator ("CII") to include GHGs.

The Marine Environment Protection Committee ("MEPC") at the latest session, MEPC83 voted to push ahead with the world's first global carbon levy programme for the maritime industry. The GHG Fuel Intensity or GFI, will be put up for a vote during an extraordinary MEPC session in October 2025 and if approved, will be put into force in 2027. The GFI, adopts a two-tier levy model which will levy carbon at USD100/t-CO_2e (Tier 1) and USD380/t-CO_2e (Tier 2). Additionally, the policy allows for compliance through the trading of Surplus Units ("SUs") which can be earned through the use of low carbon fuels or through Remedial Units ("RUs") through the International Maritime Organization ("IMO"). During the April 2025 MEPC session, the short-term measures were updated for 2030 targets increasing the Z-factor reduction from 20% to 21.5% signalling the broad ambition at the IMO for maritime decarbonisation.

In lockstep with regulators, the industry has concluded the world's first green freight tender led by the Zero Emissions Maritime Buyer's Alliance ("ZEMBA") for bio-LNG for container shipping. This tender was won by Hapag Lloyd based on the Singapore to Rotterdam service. The vessels on the service will be fuelled by bio-LNG supplied by Norway's Gasum. Building on the success of the first tender awarded, ZEMBA have now started the next tender focused on synthetic fuels or e-fuels.

The maritime industry has made significant process towards decarbonising the global shipping fleet, and the upcoming slew of carbon-related regulations will keep the positive momentum.

Our direct impact
With Braemar's position as a broker we seek to facilitate climate-smart shipping, aiming to mitigate risk and seek opportunities to aid our clients in the green transition, and collaborate within the industry to do so. Our own impact does not generate a large amount of carbon emissions; however, we are conscious of the responsibility we have in supporting the industry to transition to a lower emissions future and play our part to lower own emissions.

Therefore, as a business we continue to look for ways to reduce our carbon footprint, which is a result of energy use from our offices, employees working from home and business travel. This year we have delivered an IT upgrade programme throughout the business, replacing old inefficient desktop computers with new efficient laptops. We expect these to result in lower emissions over time. Client relationships are of primary importance and with that comes the need to travel to meetings and events. We operate responsible travel policies with all flights taken in economy except those over six hours long.

As in previous years, we have continued to offset our reported footprint through the purchase of carbon credits from the Braemar Offset product via CHOOOSE. The schemes that these carbon credits invested in included wind power, solar photovoltaic projects, conservation initiatives and biomass/landfill gas projects.

Net zero targets
During the year the Group has developed its net zero pathway to show reductions targeted to meet net zero by 2050.

In alignment with the Science-Based Targets initiative ("SBTi") methodology, the Group has set a 90% reduction target to be achieved by 2050 or sooner. We have calculated this target from our 2023 baseline data (2,520 tco_2e).

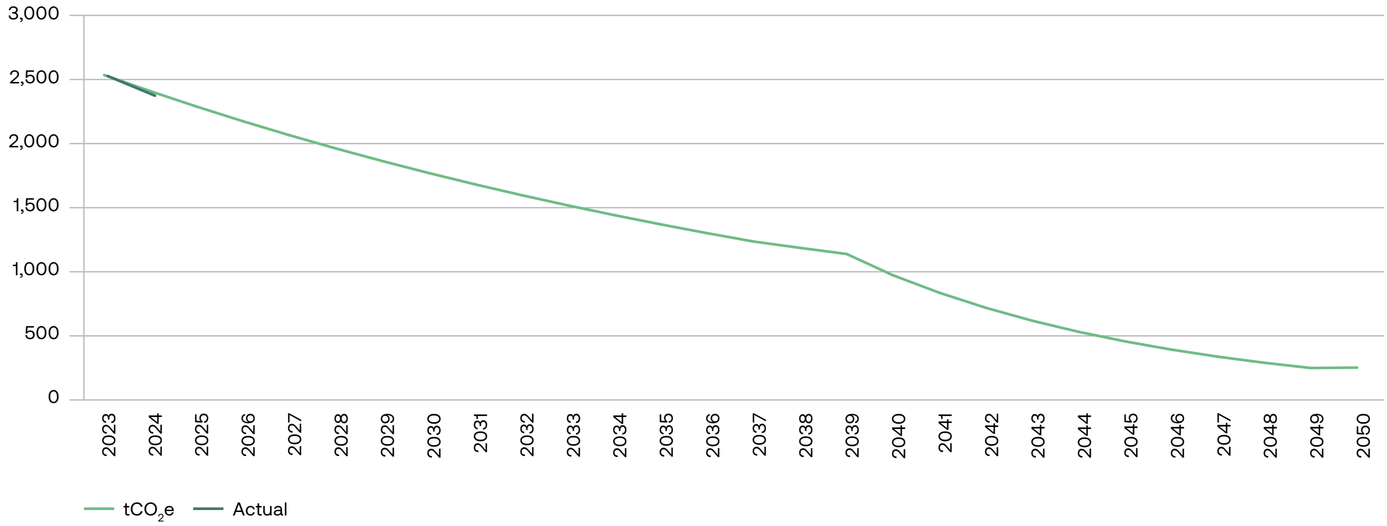
The graph below shows our anticipated pathway with actual emissions reductions for the past year. The Group predicts that it will see larger reductions in emissions after the decarbonisation of the UK National Grid (estimated at approximately 2040). In the meantime, we will maintain efforts to reduce energy use through the roll-out of more efficient IT stock and reduce business travel emissions.

Streamlined Energy and Carbon Reporting ("SECR")
We measure and monitor our energy and calculate our greenhouse gas emissions based on the use of gas and electricity in our offices, car usage for business purposes and business travel, as shown in the table below. The data in this table represents the Group's GHG emissions and excludes associates and the joint venture.

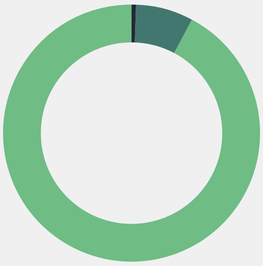
The Group's total emissions have decreased by 5.7% to 2377tCO_2e (FY24: 2520tCO_2e). This is mainly due to decreases in business travel and electricity consumption.

In line with the SECR requirements, we calculated, and report consistently each year, our intensity ratio based on our emissions per full-time equivalent ("FTE") employee, which we consider to be an appropriate measure for our people-based business.

Net zero trajectory to 2050



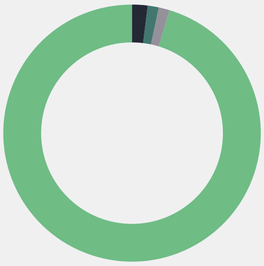
Braemar Plc – Group energy usage and associated GHG emissions



- Scope 1 = 16.68 tCO_2e
- Scope 2 = 174.30 tCO_2e
- Scope 3 = 2,185.49 tCO_2e

Total carbon footprint = 2,376.47 tCO_2e

Scope 3 emission sources



- Employees WFH = 48.10tCO_2e
- T&D = 28.14 tCO_2e
- Car mileage = 29.41 tCO_2e
- Flights = 2,079.84 tCO_2e

Total Scope 3 = 2,185.49 tCO_2e

Scope 1 covers direct emissions from owned or controlled sources.

Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the Group.

Scope 3 includes the following indirect emissions from the Group's value chain most material to our business: business travel, employees working from home, and transmission and distribution of electricity. Scope 3 emissions do not currently include purchased goods and services, waste disposal, investments or leased assets.

Our carbon footprint has been calculated using the GHG Protocol Corporate Standard guidelines, using the UK emission conversion factors produced for 2024 by the UK Department of Business, Energy and Industrial Strategy ("BEIS") and Department for the Environment, Food and Rural Affairs ("DEFRA"). The model used to calculate the Group's GHG emissions was developed by an independent consultant; however, the data used to populate this model has not been independently verified.

Braemar Plc – Group energy usage and associated GHG emissions

SECR reporting year – 1 March 2024 to 28 February 2025

	Year ended 28 February 2025			Prior year ended 29 February 2024		
	UK	**RoW**	**Total**	UK	RoW	Total
Energy consumption (kWh)						
Gas	**0**	**37,810**	**37,810**	0	39,610	39,610
Electricity	**323,915**	**266,942**	**590,857**	386,691	253,207	639,898
Mileage	**1,659**	**133,480**	**135,139**	788	184,804	185,592
Total energy consumption	**325,574**	**438,232**	**763,806**	387,479	477,621	865,099
GHG emissions (tCO_2e)						
Scope 1						
Emissions from combustion of gas	**0.00**	**6.93**	**6.93**	0.00	7.13	7.13
Emissions from combustion of fuel for the purposes of owned transport	**0.40**	**9.35**	**9.75**	0.19	4.52	4.71
Scope 2						
Emissions from purchased electricity (location-based)	**67.07**	**107.28**	**174.35**	80.07	108.75	188.82
Scope 3						
Emissions from transportation and distribution ("T&D") of electricity	**22.08**	**26.02**	**48.10**	6.93	7.56	14.49
Emissions from employees working from home	**12.12**	**16.02**	**28.14**	7.79	10.95	18.75
Emissions from business travel in rental cars or employee-owned vehicles	**0.00**	**29.41**	**29.41**	0.00	40.02	40.02
Emissions from flights	**1,368.13**	**711.71**	**2,079.84**	1,317.40	928.71	2,246.11
Total gross emissions	**1,469.80**	**906.72**	**2,376.52**	1,412.39	1,107.64	2,520.03
FTE	**205**	**200**	**405**	208	204	412
Carbon intensity per FTE (tCO2e/fte)	**7.17**	**4.53**	**5.87**	6.79	5.43	6.12

Delivering on our purpose to facilitate climate-smart shipping

The Group is clear that its ESG purpose is facilitating climate-smart shipping.

We do this by supporting our clients in navigating both the risks and opportunities associated with climate change, the most pressing global issue that the industry faces.

Primarily, this support focuses on advising clients on the best alternative fuels for their ships through highly bespoke case studies. Other products include our End of Life and recycling advisory services to support ship owners to use greener recycling practices, often changing their practices towards those which are not harmful to the local environment and community.

Our green transition and research teams provide analysis for our clients on the transition to the green economy. This area, however, is highly complex and operates in uncertain political and regulatory contexts. Worldwide jurisdictions apply differing policies causing added complexity for shipping. There is much to do within this area to change practices towards a low carbon economy. The industry employs approximately 8 million people worldwide from seafarers to onshore crew. This body of people require training to raise awareness of the issues associated with alternative fuels, such as ammonia, so that the right fuel is chosen and used safely. Braemar is playing its part in this education by sharing knowledge and imparting best practice at industry events and global forums. We are firmly of the view that decarbonisation has to be just and equitable and for that to happen collaboration is imperative.

Alongside our talented broking team, during the reporting year the Group hired a dedicated expert to advise clients on the transition to the green economy. Joey Ng, Global Head of Decarbonisation and Fuel Transition, leads on this vital area from our Singapore office.

Braemar Offset, our carbon footprint calculation and offset partnership with the CHOOOSE platform, is now in its third year. Braemar Offset directly connects our clients with impactful and verified climate projects which helps them play a proactive role in improving their sustainability and positively accelerate climate action.

Task Force on Climate-related Financial Disclosures Report

The Group recognises that the international shipping sector accounts for approximately 2% to 4% of worldwide GHG emissions which presents both risks and opportunities for our business.

We seek to incorporate the Taskforce on Climate-related Financial Disclosures ("TCFD") recommendations into our strategic decision making going forward. We are starting to analyse the impacts of climate change on our business and better understand the implications of the financial risk of climate change. While we are fully consistent with Governance and Risk recommendations, the disclosures for the Strategy and Metrics recommendations are not yet fully compliant; an explanation is given where this applies. We are committed to building towards a report which is fully consistent with the TCFD-recommended disclosures in future years.

The following summary sets out how the Group incorporates climate-related risks and opportunities into the four pillars, set out by the TCFD: Governance, Strategy, Risk Management, and Metrics and Targets:

This summary includes references to other sections of this Annual Report where further disclosures are provided.

Key: ● Compliant ● In progress

Governance (Compliant)

Describe the board's oversight of climate-related risks and opportunities Principal risks and uncertainties on page 45 Audit & Risk Committee Report on page 58	The board has overall responsibility and oversight of climate-related risks and opportunities. It is informed by the Audit & Risk Committee of risks and opportunities in relation to climate change. The Audit & Risk Committee reviews the impact of climate-change risks and opportunities and incorporates these risks and opportunities into the Group's Risk Management Framework. The Risk Committee reports to the Audit & Risk Committee via the Group CFO, who has executive responsibility for risk. Further details on the role and responsibilities of the Audit & Risk Committee can be found on page 56.
Describe management's role in assessing and managing climate-related risks and opportunities Principal risks and uncertainties on page 41 to 49	During FY25 the Group CFO, with the support of the Risk Committee and the ESG Committee, had overall responsibility for assessing and managing climate-related risks and uncertainties. With the support of external consultants and internal industry experts, the management team is kept updated on climate change risks and opportunities throughout the year. To be fully compliant with this disclosure, going forward, we will conduct a scenario analysis from which management will discuss the likely climate risks and opportunities to decide those most material to the business.

Strategy (In progress)

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term Principal risks and uncertainties on page 45	The Risk Committee has considered the Group's climate-related risks and opportunities and has identified the following relevant timeframes: Short term: 0–2 years. Medium term: 3–10 years. Long term: Beyond 10 years. Environment and Climate Change has been identified as a principal risk, although it is not expected to have an impact on financial performance in the short term. The Group understands the risks and opportunities in relation to relevant legislation impacting the shipping industry and is well positioned to support and realise the opportunities these present. To be fully compliant in this area, further work is needed to outline these opportunities in greater detail over the short, medium and long-term timeframes.
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Going forward, the Group will outline the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning to ensure full compliance. The Risk Committee has been tasked with ensuring that the impacts of climate-related risks and opportunities are assessed in the Group's business, strategy and financial planning. We will continue to develop this area throughout the year and provide updates in future reports.
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	The Group has started to model climate-related scenarios and to assess the resilience of the organisation's strategy to these scenarios. It is considered that there is little or no negative impact in the short term, and this is balanced with possible opportunities. The Group incorporates various financial scenarios in its strategic modelling, including freight rates, commodity prices, and foreign exchange rates. While the Company works towards being compliant with this metric it is putting plans in place to address this during 2025.

Key: Compliant In progress

Risk Management	Compliant
Describe the organisation's processes for identifying and assessing climate-related risks	The Audit & Risk Committee has responsibility for identifying and monitoring climate-related risks on an ongoing basis. Further detail on the risk management process can be found on pages 56 to 59.
Describe the organisation's processes for managing climate-related risks	The Audit & Risk Committee, with support from the Risk Committee, is responsible for identifying, monitoring and managing climate-related risks. Further detail on the Audit & Risk Committee's responsibilities can be found on pages 56 to 59.
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management Principal risks and uncertainties on page 45	The processes described above are fully integrated into the Group's overall risk management processes.

Metrics and Targets	In progress
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Work to develop a set of metrics to demonstrate how we will assess our climate-related risks will be progressed in FY26. An update on this work will be published in future Annual Reports. These metrics will be aligned to the Group's specific climate-related risks as well as the Environment pillar of the Group's ESG Framework.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks	The Group has disclosed all mandatory Scope 1 and Scope 2 GHG emissions. The Group has also disclosed material voluntary Scope 3 emissions, including the GHG emissions due to employees working from home. No material risks to the Group have been identified with regard to operational GHG emissions.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	The Group has committed to reach net zero by 2050 in line with the UK's objective for doing so. The Group continues to offset its carbon footprint on an annual basis through our Braemar Offset platform in partnership with CHOOOSE. During the year, the Group has outlined its net zero targets to reach a 90% reduction in GHG emissions by 2050 from a 2024 baseline. These targets are further outlined in the ESG section on pages 31 to 32. In its ESG framework, the Group has committed to aligning its climate-related targets to certain references in the United Nations Sustainable Development Goals ("SDGs"). The references that are relevant to climate-related risks and opportunities are: SDG 8.4 Improve Resource Efficiency in Consumption and Production. The Group is developing targets to improve the energy-efficiency of its offices. SDG 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

The Braemar view on climate-related financial risks and opportunities
As we journey through this process, we are becoming more aware of both the risks associated with climate change, in terms of the physical and regulatory effects and, also, the opportunities this presents to a business like ours.

On the one hand, we know that climate change regulation will impact the selling and transportation of some of the goods that we help our clients ship around the world, such as coal. Over time, some nations will ban this fossil fuel from entering their country, and we expect a downturn of the amount needed transporting over the long term.

On the other hand, we are presented with opportunities to broker ships that directly support the transition to green energy as well as for alternative goods needed for the green transition, the increase in the renewables markets and auxiliary services required to facilitate that, and chartering voyages via zero shipping routes, among others. We currently operate an offset provision service via Braemar Offset and are developing our services to support clients transition to alternative fuels.

People

During the year, a key area of focus for the People strategy is the establishment of a robust global organisational structure to support the Group's growth strategy, international expansion and talent mobility.

This work has been led by the Group Head of HR, Emma Wright, who joined the business in September 2023. Emma brought extensive experience working in organisations with a global presence.

Global presence and mobility

The Group has continued to strengthen our presence across key markers and Braemar's global presence now includes 18 offices, as we continue to execute on our growth strategy. A deliberate shift has been made toward relocating permanent staff to regions where they would have previously travelled frequently, reducing our carbon footprint. This initiative supports our commitment to placing the right skill sets in the right locations, enhancing both operational efficiency and sustainability, and distributes our expertise across all global locations.

Values

Braemar continues to operate with a strong foundation of working ethically, lawfully, and with professional integrity. Braemar's approach goes beyond results, incorporating its core values and focusing on employee behaviours such as operating with integrity, pride, learning and resilience.

Organisation and structure review

Significant work has been undertaken to update our organisational frameworks. In the UK, all employment policies have been reviewed and updated. Simultaneously, local handbooks are being developed to reflect the labour laws and unique needs of each region in which we operate.

Employee Spotlight:
Jay Parvin (Trainee Shipbroker)

People focused
Charting a course in shipbroking

After leaving University in 2022, Jay explored several career paths but none felt quite right. He knew that he wanted to work in a client-facing role and was fortunate enough to get the opportunity to do some work experience on the Sale & Purchase desk, and from there, Jay was hooked.

After joining the Trainee Broker scheme, Jay spent time in various departments throughout the Company including Tankers, Offshore and Dry Cargo.

"Because of the rotations, I now know the different desks, markets and people, which helps me ask the right questions and feel more part of the Company."

The experience gave him a wider understanding of the Company and he can now offer clients a more holistic service by connecting them with the right people on other desks.

'Shipbroking is very global, ever-changing, there's dynamism and a lot of variety, and there is always something to learn.'

Now over a year into his time at Braemar, Jay is proud of his progress, the strong relationships he's built, and the positive feedback he's received from colleagues. He's excited for what lies ahead and sees shipbroking as a long-term career.

"I don't think I'll ever hit an intellectual ceiling here, I'll always be learning."

Creating a cohesive employee experience

Efforts are underway to create a more unified employee experience worldwide. We continue to review progression pathways for employees by having clearer job titles, well-defined responsibilities and driving greater transparency and consistency across teams. It is important that our people regard Braemar as a great place to work and this is evident in the high number of employees with long service with the Group, such as Ben Johnson (Head of LPG & Petrochemicals).

Diversity

As at 28 February 2025, women accounted for 25% of our global workforce, unchanged from FY24. At board level, we are proud to report a more balanced gender composition, with three women and three men.

Employee engagement – employee voice

During FY25, the Group conducted an employee engagement survey, the output from this survey has been reviewed by management with the HR function. The action plans to address the survey findings are being developed with input from leaders across the business and will include the launch of a global leadership and management training for all leaders. This training is designed to equip all leaders across the business with the tools they need to lead and contribute to the Company's growth strategy.

Employee support and training

To ensure consistency in the onboarding and offboarding process, the HR Function (with support from the Compliance function) launched a comprehensive induction programme in FY25. The improved process includes structured introductions to key support functions and key contacts across the business, tailored by department and location.

Health and well-being

Supporting employee well-being remains a priority. We have introduced a health cash plan that includes access to services such as chiropractic care. In addition, a new mental health pathway and an employee assistance programme have been rolled out to ensure holistic support is available to all staff.

Employee Spotlight:
Ben Johnson (Head of LPG & Petrochemicals)

People focused
Leading with loyalty and experience

With over 30 years' experience in shipbroking, Ben Johnson leads the LPG & Petrochemicals desk at Braemar with the same energy and curiosity that first brought him into the business. He likes to keep busy, and at Braemar found a role that's done just that. His professional life is underpinned by loyalty, opportunity, and teamwork.

At Braemar, Ben has grown from the "tea boy" to running a team of nine in London — seven brokers and two operations professionals. He takes pride in the deals they've been able to do, particularly those that are very technical and in-depth, which are the most rewarding.

"I've stayed at Braemar because of the friendships and the opportunities – it's a place that's allowed me to grow professionally."

The shipping industry has evolved dramatically during his time, technology now drives speed and responsiveness, and the industry has professionalised with more reporting and analytics. For Ben, adaptability has been key. He's helped clients navigate big shifts: from carbon reduction requirements, through geopolitical upheavals like the war in Ukraine, and new taxation and regulations impacting global supply chains.

"When things change, one consequence is that it can open up new and different opportunities."

What's stayed constant is Ben's core approach: professionalism, honesty, and patience: **"Everyone expects everything instantaneously now – any time of the day or night – and you have to adapt to that"**. Whether dealing with varying personal or cultural nuances, his emphasis on integrity and clear communication underpins his success.

His advice for aspiring brokers is clear: **"Have good manners, a strong work ethic, and patience — and be ready to put in the time."**

Talent attraction and retention

As a people-driven business, attracting and retaining top talent remains one of our key strategic priorities. The Trainee Broker Programme features as a key part of our organic growth strategy. Following the success of our 2023 intake, an interim recruitment day was held in March 2025, with eight new trainees expected to join the Group in September 2025. Over a six month period, trainees will spend some time with each desk across the business and will be assigned a designated mentor to support them through the scheme and their development. As we are committed to learning and development, trainees are also offered sponsorship to complete the Institute of Chartered Shipbrokers diploma as part the programme.

Social Impact

The Group encourages employees to make a positive impact.

In FY25, five employees from the Sale & Purchase desk and one from Legal took part in the 24 Peaks Challenge in support of The Seafarers' Charity. The team trekked 24 peaks in record time (a total of 15 hours and 40 minutes), demonstrating both endurance and commitment to a cause closely aligned with our industry. In total, they fundraised just under £10,000 which was matched by Braemar, allowing for a total of £20,000 to be donated to the charity.

Continuing a much-loved tradition, we once again launched our 'Advent Calendar of Charities' in December 2024. As in previous years, the initiative saw £25,700 donated to charities that hold personal significance for our employees. Each day, through a random selection process, an employee was chosen to nominate a charity of their choice to receive £1,000 on their behalf. On Christmas eve, this amount was increased to £2,000.

This initiative reflects our ongoing commitment to charities that are meaningful to our people, supporting a wide range of causes, including: cancer research, poverty alleviation, tackling homelessness and wildlife conservation. The organisations supported by this initiative ranged from local community organisations to international relief efforts.

6 CLEAN WATER AND SANITATION

8 DECENT WORK AND ECONOMIC GROWTH

Employees pictured following successful completion of the 24 Peaks Challenge.

Governance

Throughout the year, we have focused on delivering operational excellence (a key component of our strategic framework) with a particular focus on developing committees to support conduct, compliance and ESG.

This is integral to further building resilience within the firm for the benefit of all stakeholders, as well as upholding our risk management and mitigation processes. More detail on our corporate governance arrangements and key governance activities during the year can be found in the Governance report on pages 50 to 78.

Elizabeth Gooch, independent non-executive and senior independent director, is responsible for oversight of our ESG framework. Group Chief Financial Officer, Grant Foley, is the ESG executive sponsor.

Environment, Social & Governance ("ESG") Committee
A new ESG Committee was established during FY25 with a mandate to strengthen Braemar's ESG efforts in alignment with the Company's values. The Committee's focus areas in the forthcoming year include: establishing key charity partnerships, providing support in the development and execution of Braemar's People strategy and ensuring the Group is well positioned to meet mandatory sustainability reporting requirements. Chaired by the Group CFO (the Committee's membership comprises dedicated ESG 'Champions' drawn from various areas across the business. The ESG Committee will provide regular updates to the board and the Executive Committee.

Last year we built further capacity and capability within the Compliance function. Investment in this area will continue during 2025.

The mandatory training programme starts at induction for new employees, with all employees retrained on all key compliance policies every six months, these policies include: Anti-Bribery and Corruption, Anti-Tax Evasion, Anti-Fraud, Anti-Money Laundering/Know Your Customer and Gifts and Entertainment.

Employees continue to be supported by an externally provided telephone line to report any incidents under our Whistleblowing Policy, and by the Group's internal training programme. As part of employee onboarding, new joiners must complete our Governance Framework training which covers all our key policies.

We are committed to protecting human rights and ensuring there is no slavery or human trafficking in our business or supply chain. There is a clear statement of our intent on our website www.braemar.com.

Further details of the Group's compliance with the UK Corporate Governance Code can be found in the Corporate Governance Report on pages 50 to 78 of this Annual Report.

Non-Financial Information Statement

Braemar presents its non-financial information statement in compliance with sections 414CA and 414CB of the Companies Act 2006. We explain here where you can find further information on how we act responsibly in relation to our employees, wider society and the environment.

Reporting requirement	Key policies and standards (which include relevant due diligence requirements)	Further information
Environmental matters	– Health, safety and environmental	Refer to the ESG Report on pages 28 to 39.
Our employees	– Employee handbook – Whistleblowing – Health and safety	Refer to the ESG Report on pages 36 to 37.
Social matters		Refer to the ESG Report on page 38.
Human rights	– Anti-slavery – GDPR	Refer to the ESG Report on page 39.
Anti-bribery and corruption	– Anti-Bribery and Corruption – Anti-Tax Evasion – Anti-Fraud – Anti-Money Laundering/Know Your Customer – Entertainment, Meals and Gifts	Refer to the ESG Report on page 39.
Our business model		For more information, refer to pages 10 to 11.
Principal risks – risk management		For more information, refer to pages 41 to 49.
Non-financial key performance indicators		Refer to page 17 for the non-financial key performance indicators.

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 and Uncertainties continued

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.

Group risk governance

Top-down
Oversight, identification, assessment, and mitigation of risk at Group level.

Board of directors
- Reviews and approves risk management and internal control systems.
- Determines the nature and extent of principal risks.
- Monitors exposures to ensure their nature and extent are aligned with Braemar's goals and strategic objectives.
- Sets the tone for developing and embedding a risk-aware mindset into Braemar's organisational culture.

Executive Committee
- Identifies strategic risks.
- Assesses level of risk related to achieving strategic objectives.
- Oversees execution and implementation of mitigations into strategic and operating plans.

Audit & Risk Committee
- Supports the board in monitoring risk exposures against risk appetite.
- Reviews the effectiveness of Braemar's risk management and internal control systems.

Risk Committee
- Supports the Audit & Risk Committee in evaluating the effectiveness of risk mitigation strategies and internal controls implemented by management.

Bottom-up
Identification, assessment and mitigation of risk across Braemar's operational and functional areas.

Operational and functional business areas
- Perform risk identification and assessment across operational and functional areas.
- Embed risk mitigation and internal controls monitoring across functional areas and regions.
- Embed risk awareness culture in day-to-day processes and operations.

Risk governance includes principal, operational and emerging risks

Key: ↗ Increased ↙ Decreased — No change

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.	—

Risk	Summary of impact	Mitigating control and management actions	Net risk change
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 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.	• 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 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.
			—

Risk	Summary of impact	Mitigating control and management actions	Net risk change
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. 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.	• 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.	—

Risk	Summary of impact	Mitigating control and management actions	Net risk change
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.** **Lack of appropriate consideration of environmental and wider social issues could also contribute to 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.	• 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.	↗

Risk	Summary of impact	Mitigating control and management actions	Net risk change
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 this 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 (see page 148). 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 on page 148 of this report. 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 this Report on pages 41 to 49 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.

This Strategic Report was approved by the board of directors on 28 May 2025.

Signed on behalf of the board of directors by:

Grant Foley
Group Chief Financial Officer
28 May 2025

Corporate Governance

UK Corporate Governance Code

Compliance statement
The UK Corporate Governance Code 2018 (the "Code") applied to the financial year ended 28 February 2025; a copy of the Code is available at www.frc.org.uk. The directors report seeks to support shareholders and investors to evaluate how the Company has applied the principles of the Code and complied with the provisions of the Code during FY25. The table below signposts the key sections of the Annual Report.

Throughout the financial year ended 28 February 2025, the Company applied all of the principles and fully complied with all the provisions of the Code.

The board has noted that the Financial Reporting Council published a revised version of the Code on 22 January 2024. These updated guidelines will become effective for financial years commencing on or after 1 January 2025 (with the exception of provision 29); therefore, the Company will report against the updated version of the Code in the FY26 Annual Report.

AGM 2024
The board notes that although all resolutions were passed with the requisite majorities at the 2024 AGM, the below resolutions received (from those shareholders that voted) more than 20% of votes against the board's recommendation:

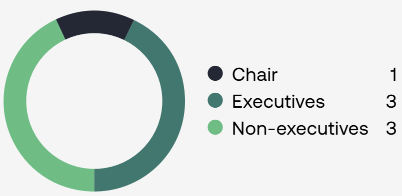
- To approve the directors' remuneration report for the year ended 29 February 2024.
- To re-elect Elizabeth Gooch as a director of the Company.
- To re-elect Nigel Payne as a director of the Company.
- To re-elect Tristram Simmonds as a director of the Company.
- To approve the rules of the Long-Term Incentive Plan.

While the board is pleased that the majority of shareholders voted in line with the board's recommendations, the board sought to understand the reasons behind shareholders voting decisions. The Chairman and executive directors meet with various shareholders throughout the year. Each year, prior to awarding any fixed or discretionary remuneration awards, the Remuneration Committee Chair takes and receives detailed written benchmarked remuneration advice from its independent remuneration consultants. This is then discussed by the Remuneration Committee and its conclusions presented to the board; this has been the case in each of the last five years. Even though this took place last year, following the AGM vote, the Remuneration Committee commissioned a further externally facilitated review of the Company's remuneration arrangements and structures to ensure that these remain appropriate for the Company's business model and are in the best interests of all stakeholders.

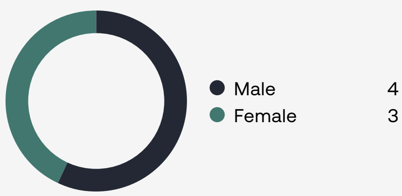
At the date of this report, work is still ongoing to finalise this review, the Remuneration Committee plans to engage with shareholders on any proposals and an update will be provided in the FY26 Report. From the work conducted as part of this review, no elements of Braemar's current remuneration arrangements have been found to be out of line with market practice. The board and the Remuneration Committee continue to encourage an open and constructive dialogue directly with its shareholders and continue to be willing to engage with any shareholder on any relevant topics should they so wish, including all remuneration matters within the Remuneration Committee's remit.

Board composition, gender balance and ethnicity

Board composition



Board gender



Board ethnic diversity

All data as at 28 February 2025.

Tristram Simmonds stepped down as Group Chief Operating Officer and as a director of Braemar Plc on 7 March 2025. With his departure, the gender split on the board is now 50% men and 50% women.

Letter from our Chairman

The board and its Committees support executive management in the development, refinement and execution of the Group's growth strategy.

Nigel Payne
Non-executive Chairman

	Attended
Non-executive directors	
Elizabeth Gooch	10/10
Joanne Lake	10/10
Nigel Payne	8/10[1]
Cat Valentine	10/10
Executive directors	
Grant Foley	10/10
James Gundy	10/10
Tris Simmonds	9/10

1 In Nigel's absence, the meeting was chaired by the chair of the Audit & Risk Committee, Joanne Lake.

Dear shareholder

On behalf of the board of directors, I am delighted to present the Corporate Governance Report which details the Company's governance arrangements, the focus of the board during FY25, how the board and its Committees discharged their responsibilities during the year and how the board provides effective leadership to ensure the Company's long-term sustainable growth and success.

The board is highly engaged in fulfilling its role of leading the Company and overseeing the governance arrangements across the Group and continues to be committed to maintaining a high standard of corporate governance which supports the execution of the Company's long-term strategy. Accordingly, the Company reports under the Code and the board is pleased to report that throughout the financial year ended 28 February 2025, the Company applied all of the principles and fully complied with all the provisions of the Code.

The board is actively working towards meeting the requirements of the 2024 Corporate Governance Code (the "2024 Code") and plans to report compliance with the 2024 Code in the FY26 Annual Report, with the exception of provision 29, where the board aims to report in the FY27 Annual Report.

In my Statement, set out on pages 6 to 7, I comment on the Group's robust financial performance in FY25 against a backdrop of continued geopolitical and economic uncertainty.

Braemar's robust governance framework is designed to support the Company's long-term strategy. The board and its Committees provide independent oversight and challenge to executive management in the development and execution of the strategy.
Governance is a key pillar of our Environment, Social and Governance ("ESG") framework and a high standard of corporate governance is essential for the Group to succeed in delivering its strategy and is integral to enhancing its reputation and maintaining the trust of its shareholders, clients, employees and other stakeholders. More information on our ESG framework can be found on page 29 of this Annual Report.

This Corporate Governance Report, which comprises the Compliance Statement on page 50, this letter, the Audit & Risk Committee Report on pages 56 to 59, the Nomination Committee Report on pages 60 to 61, together with the Directors' Remuneration Report on pages 62 to 63, describes how the board and its Committees operate and how the Company has applied the Code during the year ended 28 February 2025.

Below I highlight some of the governance activities that took place during FY25:

Board oversight of strategy and sustainable growth
During the year, a review of the Group's strategy was conducted. This review culminated in the updated strategic framework, details of which are included in my Statement on pages 6 to 7 and in the Strategic Report on page 9 to 11 and page 15. The board will continue to oversee the execution of the Group's growth strategy and assess delivery against the targets and strategic pillars set out in the strategic framework.

Board composition and changes
The board consists of the non-executive Chairman, the Group Chief Executive Officer, the Group Chief Financial Officer and three independent non-executive directors. The Chairman leads the board and is responsible for its overall effectiveness in directing the Company, taking into account the interests of the Company's various stakeholders. The Group Chief Executive Officer leads executive management in the development and execution of strategy and the management of all aspects of the performance and operations of the Company and its subsidiaries. The directors believe that the Company has a strong board who bring diverse experience and personal skillsets; the skills section in the director biographies on pages 54 to 56 provides more detail on the skills and experience that each director brings to the board. An internal board performance review, led by the Company Secretary and Chairman, was undertaken in FY25 which concluded that the board continues to operate effectively with each director contributing positively to the board's overall effectiveness. More detail on the process and outcome of the board performance review can be found in the Nomination Committee report on page 61.

As set out in my Statement on pages 6 to 7, Grant Foley will be promoted to Group Chief Financial and Operating Officer with effect from 1 June 2025. Grant's remit now includes: Finance, Legal, Human Resources, Compliance, Information Technology as well as leading Braemar's Securities business (subject to regulatory approval). Group Chief Operating Officer, Tristram ("Tris") Simmonds, stepped down from the board on 7 March 2025. Following Tristram's departure, the Group Chief Financial Officer Grant Foley's role now encompasses a wider remit with Grant taking on responsibility for leading all support functions as well as Braemar's Securities business (subject to regulatory approval).

With respect to diversity on the board, 50% of the board directors are women (43% as at the Balance Sheet date) and Elizabeth Gooch is the senior independent director. The board does not have a director from an ethnic minority background (as categorised by the Office for National Statistics).

The non-executive directors, none of whom have ever fulfilled an executive role within the Company, are appointed for an initial three-year term subject to annual re-election at the Annual General Meeting in accordance with the Code. There were no new director appointments during the year, however, the board's approach to director appointments remains unchanged. Prior to making director appointments, the board (supported by the Nomination Committee) considers other significant director appointments to assess whether the candidate will have sufficient time to undertake their role effectively.

The board has reviewed the other commitments of the non-executive directors, and the board continues to believe that all non-executive directors have sufficient time to continue undertaking their roles effectively.

The non-executive directors are responsible for constructively challenging and scrutinising the strategies and performance of the executive directors using their independence and the perspectives gained from their extensive experience, as well as having broader oversight of the Group through the work of the board and its Committees. Biographies of current board members, together with information on their skills, experience and their external appointments, are included in this Corporate Governance Report. All directors have access to the Company Secretary for advice and guidance on all governance matters to help ensure that the board is able to discharge its duties and function effectively and efficiently.

The Company Secretary ensures that the board and its Committees receives the financial and operational information they require to enable them to appropriately discharge their duties and responsibilities and circulates papers electronically in advance of meetings. Directors may also seek independent advice at the Company's expense where needed.

The board met ten times during the year (FY24: 18) and the attendance by each of the directors is set out above.

Board Committees

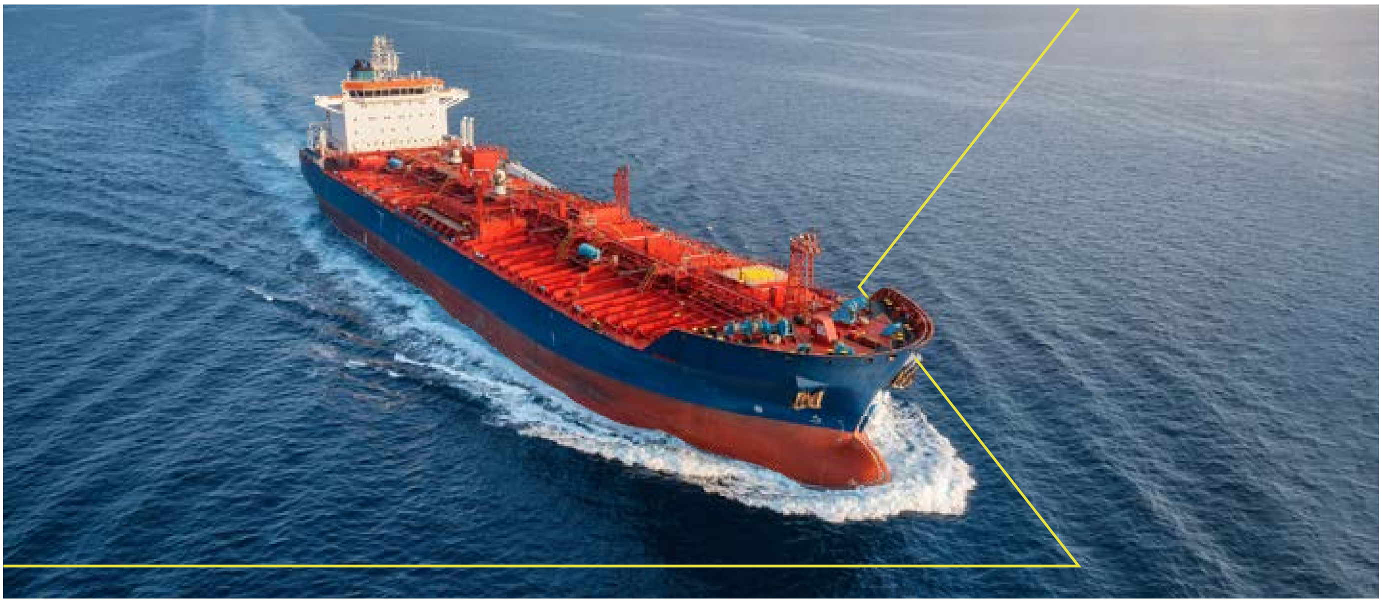
The board has three standing Committees: Audit & Risk, Nomination and Remuneration. Each of the board Committees is solely comprised of independent non-executive directors. The composition and responsibilities of the board Committees are set out in each of the Committee reports, on pages 56 to 78 of this Annual Report. The Remuneration Committee Report on pages 62 to 74 of this Annual Report is incorporated into this Corporate Governance Report by reference. The terms of reference for each of the Committees can be found in the Investor section of the Company's website.

The Group also has an Executive Committee to support the Group Chief Executive Officer with the day-to-day management of the Group and the development and execution of the Group's strategy. The Executive Committee comprises the executive directors. The Group also has a Risk Committee. The Risk Committee reports to the Audit & Risk Committee on matters including: the risk management activities, risk appetite, emerging risks and other changes to the risk matrix, the work of the internal audit function, and the day-to-day monitoring of the Group's risk management framework. The Risk Committee is chaired by the Group Chief Financial Officer and the Chair of the Audit & Risk Committee has a standing invitation to attend meetings of the Risk Committee and other colleagues are invited from time to time to provide additional input on the Group's operations and potential risk exposure where considered appropriate. In FY25, a Conduct Risk & Culture Committee was established to support the Group in achieving its objectives and responsibilities in identifying and mitigating conduct risks, the Committee is chaired by the Group Chief Financial Officer and reports directly to the Audit & Risk Committee.

Focus on risk management, compliance and effective controls

The directors have a duty to the Company's shareholders to ensure that the information presented to them is fair, balanced, understandable, and provides shareholders with the necessary information to assess the Company's position, performance, business model and strategy. Further details of the directors' responsibilities for preparing the Company's Financial Statements are set out in the statement of directors' responsibilities on page 77 of this Annual Report.

In fulfilling its responsibilities, the board has established procedures for identifying and evaluating any risks associated with its strategic objectives (including both emerging and principal risks) and considering how those risks can be managed effectively.



The Audit & Risk Committee is responsible for the independent review and challenge of the adequacy and effectiveness of the Company's approach to risk management and reports its findings to the board. The Audit & Risk Committee is supported by the Risk Committee and the internal audit function in this respect. More information on the work of the Audit & Risk Committee and the internal audit function can be found in the Audit & Risk Committee Report on pages 56 to 59 of this Annual Report, and more information on the Company's risk management processes, including a summary of the principal risks facing the Group and the procedures in place to identify emerging risks, is set out on pages 41 to 49 of this Annual Report.

Promoting a healthy culture and values

The Company's ESG framework recognises the three pillars of environmental, social, and governance that have become the widespread definition of ESG. As part of this framework, Braemar remains committed to providing its services to the highest standards and operating ethically, lawfully and with professional integrity at all times. The framework enables the Company to foster a culture and operating practices that incorporate our values of integrity, delivery and resilience. We believe that this will support the Group with its strategy to grow the Braemar brand in an increasing number of global markets. More information on our culture and values, what action has been taken during the year to ensure that policies, practices and behaviour across the Group are aligned with them, how we engage with, invest in and reward our workforce, and our commitment to diversity and inclusion can all be found in the ESG Report on pages 28 to 40 of this Annual Report.

Shareholder relations

The board recognises the importance of maintaining effective communication with key stakeholders of the Company's business and taking the interests of those stakeholders into consideration in its decision making. Key stakeholders of the Company include its shareholders, with whom the board seeks to engage with regularly in order to fulfil its duties under Section 172 of the Companies Act 2006. The Company follows an active investor relations programme carried out mostly through regular meetings of the Group Chief Executive Officer and the Group Chief Financial Officer with existing and potential investors following the announcements of the interim and preliminary full-year results of the Group.

The Company has also organised various opportunities and forums throughout the year to enable existing and prospective investors to hear more from the executive directors on the business and its strategy. From time to time, the non-executive directors and the non-executive Chairman also consult with the Company's major shareholders. Feedback from the Company's shareholders is also received through the Group's corporate broker and corporate affairs team. In accordance with legal and regulatory requirements, the board ensures that shareholders are kept updated on material information, especially that of a potentially price sensitive nature, as soon as possible. This is done via regulatory announcements to the market and made available on the Company's website.

The board encourages participation at its AGM where each resolution is separately put to the meeting for a vote. The board notes that although all resolutions were passed with the requisite majorities at the 2024 AGM, five resolutions received more than 20% of votes against the board's recommendation. Further detail on the engagement with shareholders to understand the reasons for their votes against these resolutions is included in the Code Compliance statement on pages 50 to 53. The board continues to encourage open and constructive dialogue directly with its shareholders and remains willing to engage with any shareholder on any relevant topics.

Nigel Payne
Chairman
28 May 2025

Board of Directors

The board consists of the non-executive Chairman, the Group Chief Executive Officer, the Group Chief Financial Officer and three independent non-executive directors.

The Chairman leads the board and is responsible for its overall effectiveness in directing the Company, taking into account the interests of the Company's various stakeholders. The Group Chief Executive Officer leads the executive and divisional management in the development of strategy and the management of all aspects of the performance and operations of the Company and its subsidiaries.

James Gundy
Group Chief
Executive Officer

Appointment date

1 January 2021

Background and relevant experience

James has over 35 years' shipbroking experience specialising in Tankers, Long Term Time Charter and Sale and Purchase/New building projects. He joined the Company in 2014 as Chief Executive Officer of Shipbroking following the merger of Braemar Plc and ACM Shipping Group Plc, where James was the Chief Executive Officer of ACM Shipping. James was an integral part of the successful integration of the two businesses which led to his appointment as Group Chief Executive Officer in January 2021.

External appointments

None.

Committee Memberships

None.

Skills

Shipbroking, leadership, mergers & acquisitions, business development, sales, marketing, investor relations, strategy

Grant Foley
Group Chief
Financial Officer

Appointment date

1 August 2023

Background and relevant experience

Grant is a chartered accountant and has over 25 years' experience in leading public and private financial services and technology businesses He joined the Company from ClearScore. As Chief Financial Officer at ClearScore, he drove significant improvements across the finance function, implementing new systems, processes and reporting as the business scaled. Grant also has additional transaction experience, and his other roles have included CMC Markets Plc where, as Group Chief Financial Officer and Chief Operating Officer, he was instrumental in the company's successful IPO.

External appointments

None.

Committee Memberships

None.

Skills

Finance, leadership, investor relations, mergers & acquisitions, strategy compliance and risk management

Nigel Payne
Non-executive Chairman

Appointment date

1 May 2021

Background and relevant experience

Nigel joined the Company as non-executive Chairman in May 2021. Nigel has a proven record of enhancing shareholder value with over 30 years' experience on international public and private boards as both an executive and non-executive director. Nigel is a qualified chartered accountant. Nigel served as the CEO of Sportingbet PLC, one of the world's largest internet gaming companies at the time. He was previously appointed non-executive chairman of AIM listed EG Solutions PLC, Stride Gaming PLC, Hangar8 PLC, ECSC PLC and Gateley PLC.

External appointments

Non-executive chairman of Green Man Gaming Ltd. Non-executive director of JSE listed Sun International Ltd, AIM quoted GetBusy plc and ASX listed Betr Entertainment ltd.

Committee Memberships

Chair of the Nomination Committee.

Skills

Leadership, strategy, business development, mergers & acquisitions, investor relations, finance and governance

Elizabeth Gooch, MBE
Non-executive director & senior independent director (from 1 April 2022)

Appointment date
1 August 2021

Background and relevant experience
Elizabeth has over 20 years' experience in governance, compliance and financial reporting of publicly listed companies, having founded and run EG Solutions plc. Elizabeth works with Founders of UK Tech Startups and Scaleups to help them grow, get investment and scale their businesses. She is a non-executive director, board adviser and mentor to technology companies in a wide range of sectors, including secure messaging, cyber security, artificial intelligence, drones-as-a-service, robotic process automation, e-commerce and workforce management

External appointments
Non-executive Chair of Skyfarer Ltd
Non-executive director of OPX Software Holdings Ltd, Turnkey Group (UK Holdings) Limited, Cyber Q Group Holdings Ltd

Committee Memberships
Chair of the Remuneration Committee; Member of the Audit & Risk and Nomination Committees

Skills
Governance, compliance, financial reporting, investor relations, equity fundraising

Joanne Lake
Non-executive director

Appointment date
1 March 2022

Background and relevant experience
Joanne has over 35 years' experience in financial and professional services – both in investment banking, with firms including Panmure Gordon, Evolution Securities and Williams de Broë, and in audit and business advisory services with Price Waterhouse.

Joanne is a fellow of the Institute of Chartered Accountants in England and Wales and a member of its Corporate Finance Faculty and is also a fellow of the Chartered Institute for Securities and Investment.

External appointments
Non-executive Chair of Made Tech Group Plc. Non-executive director of Gateley (Holdings) Plc, Pollen Street Group Limited

Committee Memberships
Chair of the Audit & Risk Committee; Member of the Remuneration and, Nomination Committees

Skills
Capital markets, equity fundraising, mergers & acquisitions, strategy and growth companies

Catriona Valentine
Non-executive director

Appointment date
16 May 2023

Background and relevant experience
Catriona was appointed to the board in May 2023. She is a communications professional with nearly 30 years' experience advising quoted and privately-owned companies on investor and corporate communications. She heads Rawlings Financial PR Limited, a consultancy which she first founded in 2008.

External appointments
Director of Rawlings Financial PR Limited

Committee Memberships
Member of the Audit & Risk and Remuneration Committees

Skills
Corporate communications, investor and media relations, equity capital markets, and organisational development

Report of the Audit & Risk Committee

I am pleased to present the Audit & Risk Committee's report for the year ended 28 February 2025.

Joanne Lake
Chair of the Audit & Risk Committee

Meeting attendance

	Attended
Joanne Lake	7/7
Elizabeth Gooch	7/7
Catriona Valentine	7/7

The overall role of the Audit & Risk Committee (the "Committee") during the financial year was largely unchanged from previous years. The Committee's remit includes: financial reporting, internal control and risk management, compliance and internal audit and external audit.

The Committee comprises three independent non-executive directors and its terms of reference can be found in the Investors section of the Company's website. The Committee is chaired by non-executive director Joanne Lake. Joanne is a highly experienced chartered accountant with a strong financial background and, with the complementary skills of the other members, continues to ensure that the Committee has a sufficient level of both financial and relevant sector experience. The qualifications and experience of the members of the Committee can be found in the director biographies on pages 54 to 55 of this Annual Report.

Only members of the Committee have the right to attend meetings; however, standing invitations were extended to the Chairman, Group Chief Executive Officer, Group Chief Operating Officer, Group Chief Financial Officer, Group Financial Controller, Group Finance Director, Company Secretary, Head of Internal Audit and Risk Management and representatives of the internal auditor and external auditor. The Company Secretary acted as secretary to the Committee. The internal and external auditors attended Committee meetings and periodically met in private with the Committee Chair to discuss matters relating to the Committee's remit and issues arising from their work. The Committee held seven meetings during the year, the attendance of which is set out above.

The key function of the Committee is to address the following specific responsibilities, while adapting its activities as appropriate to address changing priorities within the business:

- **Financial reporting:** reviewing the published half-year and annual Financial Statements and reports, and any other formal announcement relating to the Group's financial performance, and advising the board on whether such information represents a fair, balanced and understandable assessment of the Group's position and prospects; monitoring compliance with relevant statutory reporting and listing requirements; reviewing and considering any changes in accounting standards; and considering the suitability of, and any changes to, accounting policies used by the Group, including the use of estimates and judgements.
- **Internal control and risk management:** reviewing the adequacy of the Group's internal controls; assisting the board in conducting a robust assessment of the Group's emerging and principal risks; and monitoring the scope and effectiveness of the activities of the Group's internal audit activities in the context of the Group's overall risk management framework. As part of this responsibility, the Committee receives reports and updates from the Risk Committee and the Conduct Risk & Culture Committee. The Committee regularly reviews the Group's compliance policies and procedures, including those relating to sanctions, whistleblowing, the prevention of bribery, corruption and fraud, and the Group's Know Your Client ("KYC") processes.
- **Reviewing and monitoring the effectiveness of the external audit process and the independence of the external auditor:** conducting the tender process to appoint an external auditor and making recommendations to the board on the appointment, reappointment and removal of the external auditor; planning with the external auditor the half-year review and full-year audit programme, including agreement as to the nature and scope of the external audit as well as the terms of remuneration in the context of the overall audit plan; monitoring the ongoing effectiveness of the external auditor; monitoring the objectiveness and independence of the external auditor; and approving and monitoring any non-audit services undertaken by the external auditor, together with the level of non-audit fees.

The following sections describe the work of the Committee during the year ended 28 February 2025.

Review of Financial Statements
The Committee monitors the integrity of the Company's financial statements and has reviewed the presentation of the Group's interim and annual results. As part of this review, it considered matters raised by the Group Chief Financial Officer, together with reports presented by the external auditor summarising the findings of their annual audit and interim reviews.

The key areas of estimates and judgements considered for the year ended 28 February 2025 are:

- **Impairment of goodwill**
  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 unit. The key estimates are therefore the selection of suitable discount rates and the estimation of future growth rates which vary between cash-generating units ("CGUs") depending on the specific risks and the anticipated economic and market conditions related to each cash-generating unit. Climate change risk has been taken into account in determining the underlying inputs used in calculations used for impairment reviews and is not considered to have a material impact on the value-in-use calculations.

  The Committee considered the work undertaken to support the discount rate, the growth assumptions and the potential impact of climate change and is satisfied these estimates are appropriate. The result of this work indicated that the Group's carrying value of goodwill is supported by the value-in-use estimates and no impairments are required. This work is described in Note 3.1 to the Financial Statements.

- **Share option vesting**
  The fair value determined at the grant date of the equity-settled share-based payments is 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 Committee is satisfied that the processes to determine the effect of non-market-based vesting conditions are appropriate.

- **Provision for impairment of trade receivables and accrued income**
  The provision for impairment of trade receivables and accrued income represents management's best estimate at the Balance Sheet date. Several 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. Further details can be found in Note 4.2 to the Financial Statements.

  The Committee reviewed management's process for determining the provision and was satisfied that the judgements are appropriate.

- **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 for reasonability. Further details can be found in Note 5.1 to the Financial Statements.

  The Committee considered the review work performed by management in respect of the estimates made by the independent actuary and the information provided by the independent trustee and is satisfied with the process.

- **Internal independent investigation provision**
  In June 2023, the board commissioned an internal independent investigation into an historical transaction from 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 focused on a review of several of transactions between 2006 and 2013.

  As a result of the investigation, the Group continues to recognise a provision of £2.0 million in relation to the uncertain obligations connected to a number of the transactions and commission obligations reviewed as part of the investigation. During the year, £0.1 million was removed from the provision. 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 likelihood of settlement.

- **Measurement of right-of-use assets and lease liabilities**
  The Group's measurement of right-of-use assets and lease liabilities is impacted by management's assessment of whether it is reasonably certain that a lease extension option will be exercised, or that a lease termination option will not 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. For further detail see Note 3.6 to the Financial Statements.

  The Committee has reviewed management's approach to the assessment of the determined lease term for sufficiently material leases and is satisfied with the approach taken and resulting lease term.

Review of Financial Statements continued

- **Investments in subsidiaries**
  In the Company-only financial statements, a review of impairment is performed in relation to the Company's carrying value of its historical cost of investment of subsidiary companies. The impairment review considers the performance of the trading entities and their available resources to determine whether any impairment is deemed necessary.

  The Committee considered the work and approach taken by management in determining whether there were any indicators of impairment, and if there were, the key inputs into management's calculations to support carrying amounts. These key inputs were generally consistent with those referred to above in relation to the impairment review for goodwill.

- **Preference share asset**
  In the Company-only financial statements, the Company's investment in the Corporate Finance sub-group is largely held through an investment in preference shares issued by a holding company. Due to the terms of the preference shares, under IFRS 9, they are measured at fair value through profit or loss. The key estimates are the selection of suitable discount rates and the estimation of future growth rates for the Corporate Finance business, as well as adjustments for excess working capital held.

  The Committee considered the work undertaken to support the discount rate, the growth assumptions and the potential impact of climate change and is satisfied these estimates are appropriate.

Judgements

- **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.

  The Committee considered the work done to validate the accuracy of revenue transactions and is satisfied that management's judgement on the timing of revenue recognition is materially correct.

- **Classification and recognition of specific items**
  The Group excludes specific items from its underlying earnings measure; management judgement is required as to what items qualify for this classification. Each item reported as specific is either directly related to acquisitions or not deemed to be related to the trading performance of the business. Further details can be found in Note 2.2 to the Financial Statements.

  The Committee reviewed the items for reasonableness and consistency and is satisfied with management's classification.

- **Recoverability of defined benefit pension scheme net asset**
  The UK defined benefit scheme continues to be in an actuarial surplus position, net of tax, 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 Committee reviewed the terms of the scheme and the discount rate used to estimate the value of the assets and liabilities of the scheme and has concluded that the recognition of the surplus was reasonable.

- **Climate-related risks**
  Management has considered the impact of climate-related risks in respect of impairment of goodwill, and recoverability of receivables 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. The potential impact of climate change has been reviewed by the Risk Committee and has been identified as an emerging risk for the shipping and energy sectors within which the Group operates, but not one which is likely to have an impact on the business in the short to medium term.

  The Committee has also assessed the short-to-medium-term impact relating to climate change risks and it is not expected that climate-related risks will have a material impact on the Group's short-term financial performance.

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- **Going concern and viability**
  The Group has drawn up its accounts on a going concern basis and the directors have assessed the viability of the Group over a four-year period. As in previous years, a four-year timeframe is still considered to be appropriate as this is consistent with the Group's long-term strategic planning period.

  The Committee received reports to support these matters and considered the assumptions made, the sources of liquidity and funding, the risks and sensitivities to the forecasts and the stress tests used, including the potential impact from the investigation. The Committee concluded that the application of the going concern basis for the preparation of the Financial Statements is appropriate. More detail can be found in the Principal risks and uncertainties section of this Annual Report on pages 41 to 49.

External audit

BDO LLP was reappointed as external auditor at the 2024 AGM for their seventh year as auditor to the Group. The lead audit partner at BDO LLP responsible for the external audit is David Campbell, who rotated in during the year as the new audit partner in accordance with the rotation requirements of the FRC's Ethical Standards.

The Group has a clear policy for the approval of non-audit services. Any services BDO provides that are not part of the statutory year-end audit are subject to a cap of 70% of the average of the previous three consecutive years of statutory audit fees. The external auditor is only appointed to perform a non-audit service when doing so would not compromise their independence, and when their skills and expertise make them the most suitable supplier. The Group policy for the approval of non-audit services requires the Committee's prior approval of all non-audit services. This year, fees for non-audit services represent 10% of the total fee paid to BDO LLP (FY24: 8%). The Committee also continues to agree the scope and related fee for the annual external audit. The non-audit services performed during the year related to the half-year review and certain other audit related regulatory certifications.

The Committee additionally monitors the independence of the external audit function, as well as its objectivity and effectiveness, through the annual schedule of meetings (at which it discusses the auditor's reports and performance), through inviting feedback from those involved with the external auditor's work across the business, and through additional meetings between the Chair of the Committee and the lead audit partner.

Review by the Financial Reporting Council ("FRC")

The external auditor was subject to a review by the FRC's Audit Quality Review ("AQR") team in respect of the audit for the year ended 29 February 2024. The Committee Chair shared the AQR inspection report with the Committee and also discussed the findings directly with the audit partner. It was noted that no key findings were raised, and a number of good practice points were noted in the AQR inspection report. The Committee noted the scope of the review, together with BDO's proposed plan to address the findings noted.
The Committee was satisfied with the findings of the review and with BDO's response, and the BDO plan was implemented as part of the audit for the year ended 28 February 2025.

Internal audit

Internal audit is an independent assurance function which supports Braemar in improving its overall control framework. The work of the internal audit function supports Braemar to evaluate and improve the design and effectiveness of the risk management framework, internal control, and governance processes. The Audit & Risk Committee defines the responsibility and scope of the internal audit function and approves its annual plan. The Head of Internal Audit and Risk reports to the Chair of the Committee.

The Audit & Risk Committee monitors the delivery of the internal audit plan throughout the year and provides challenge to ensure that management is sufficiently responsive to any audit findings.

Business functions, processes and areas forming part of the rolling three-year risk-based Group internal audit plan are based on assessment of risks to the business, as described on pages 41 to 49 of this Annual Report. The plan is reviewed and updated at least annually to help ensure key Group and new or emerging risks receive appropriate and timely audit focus. Updates or changes to the audit plan, and internal audit reports, are reviewed by the Audit & Risk Committee during the year.

The Group's operational and functional management teams are engaged and involved in the risk assessment process and in the development of the internal audit plan by way of the following activities:

- Risk Committee meetings to agree and coordinate compliance, risk management, and to provide input into internal audit activity;
- submission of operational and financial senior management confirmations that the results of their respective business areas are accurate, that stated levels of debtors and accrued income are recoverable, adequate provisions have been made for uncollectible amounts, and that the business complies with the Group's position on the UK Bribery Act and there have been no breaches of applicable sanctions;
- completion of semi-annual control self-assessment questionnaires by all Group entities to help ensure that adequate controls are in place. Completed questionnaires are reviewed and discussed with senior management for their respective business areas; and
- suggestions for internal audit activity are sought from each business area, and operational and functional departments.

Audits conducted this year included reviews on Treasury, Human Resources and sanctions. As part of the board's preparations for compliance with the 2024 Code, a readiness assessment against the requirements of the 2024 Code has been carried out and the board will review the output of this to support its compliance with the new requirements. Management action plans were developed and agreed with action implementation dates for identified control gaps or deficiencies. Progress against agreed management actions from audits is monitored through regular updates to the Audit & Risk Committee.

Risk and internal control framework

During the year, the Audit & Risk Committee continued its focus on review and enhancement of the Group's risk and internal control framework. Braemar is committed to the highest standards of conduct in all aspects of its business. In reviewing and improving this framework of policies, processes and procedures, the directors remained mindful of the potentially competing interests of the Company's stakeholders, particularly the need to balance cost, resource, and the interests and perspectives of clients and other market participants with the need to maintain its reputation for integrity and to comply with international laws and best practice. This review, and the Audit & Risk Committee's ongoing responsibilities in this area, saw the Audit & Risk Committee involved in:

- reviewing the work of the Risk Committee, particularly on matters such as the regular reviews of the Group's emerging and principal risks and the development of its enhanced risk management framework;
- reviewing and improving the Group's framework of compliance policies and procedures, including in relation to sanctions, bribery and corruption, conflicts of interest, know your customer, entertainment, meals, gifts, tax evasion, and whistleblowing;
- reviewing the design of a comprehensive programme of compliance training for all staff;
- reviewing the financial reporting framework and improving the processes for regular reporting of key financial judgements and estimates, as well as other elements of risk management across the business;
- reviewing the Group's IT cyber security monitoring and planning programme;
- reviewing the Group's insurance coverage; and
- reviewing the Group's foreign exposure and hedging strategy.

More information on the Group's emerging and principal risks, including a summary of the principal risks facing the Group and how these are managed, can be found on pages 41 to 59 of the Annual Report.

Joanne Lake
On behalf of the Audit & Risk Committee
28 May 2025

We are committed to ensuring that the board has the right balance of skills, knowledge and experience to operate effectively and promote the Company's long-term success.

Nigel Payne
Chair of the Nomination Committee

Meeting attendance

	Attended
Nigel Payne	2/2
Elizabeth Gooch	2/2
Joanne Lake	2/2

The primary responsibilities of the Nomination Committee are to ensure that the board and its committees have the right composition, to lead the process for appointments to the board, and to ensure that the Company has appropriate plans in place for succession to the board and senior management roles. The Committee's terms of reference can be found in the Investors section of the Company's website.

I chair the Nomination Committee and it comprises three independent non-executive directors. The Committee met two times during the year (attendance at the meetings is set out in this report) to consider the board evaluation, succession planning and board composition.

Board changes

The board's composition is a matter the Committee keeps under regular review and although there were no board changes during the year, the Group Chief Operating Officer, Tristram ("Tris") Simmonds stepped down from his role on the board on 7 March 2025 to explore other opportunities. On behalf of the board, we thank Tris for his contributions and wish him well for the future. As set out in my statement on pages 6 to 7 and my introductory letter in the Corporate Governance Report on pages 51 to 53, Group Chief Financial Officer Grant Foley will be promoted to Group Chief Financial and Operating Officer with effect from 1 June 2025. Grant has made a significant positive impact to the Group since his appointment in August 2023; he leads all support functions as well as Braemar's Securities business.

Succession planning

The Nomination Committee's succession planning has two key areas of focus: firstly, to ensure that the board has the right combination of skills, experience, knowledge and independence; and secondly, to ensure that the Company has plans in place for orderly succession. This includes the development of a diverse talent pipeline for the Company's senior management and more broadly across the Group. The Committee manages the former through its rigorous and formal approach to new board appointments and regularly challenges the directors to consider the size and composition of the board and the appropriate range of skills and balance between executive and non-executive directors through an annual evaluation process. The Committee manages the second area through the review of the succession plans in place for senior management across the Group. As part of this, the Committee challenges the executive directors and senior management across the business to present detailed insights into the organisational structures and personnel profiles of the businesses and how they look to develop key talent and mitigate succession risk. More information on how the Company invests in the training and development of its people can be found in the ESG report on pages 36 to 37 of this Annual Report. Where necessary, the Company also considers how best to fill potential vacancies with external candidates.

In both of these areas, the Committee ensures that the directors and senior management remain mindful of the Group's approach to diversity. Braemar recognises the importance of diversity in all respects, including (but not limited to) gender, skills, age, experience, ethnicity and background. The Committee believes that diversity and an inclusive culture are important contributors to a company's ability to achieve its strategic objectives and deliver long-term, sustainable success. As at the date of this Report, approximately 17% (FY24: 17%) of the Group's Executive Committee and its members' direct reports are female and three of the six board positions are occupied by female board members.

Board evaluation

Throughout the year, the Committee tracked progress against the actions agreed as part of the FY24 board evaluation. There has been a significant improvement in board reporting with additional metrics and KPIs being tracked and shared with the board, with particular input from the Group Financial Planning & Analysis function (more detail on how this function has been helping drive better decision making can be found on page 4). There was clear focus on the growth strategy in FY25, which culminated in the updated strategic framework and Capital Allocation Framework; further details on this can be found in my Statement on page 7.

In early 2025, an internal board and committee evaluation was carried out; the Committee agreed that, on this occasion, the board evaluation exercise could be effective without the need for any external facilitation. The board evaluation was facilitated by the Company Secretary who conducted detailed evaluation interviews with each director. These interviews covered all areas of the board's role and effectiveness as well as evaluating the performance and contribution of each director. The findings from this exercise were then shared with the Committee and the board to consider and agree any appropriate actions. While the review identified that the board and its committees continued to operate effectively, certain areas of focus and improvement were highlighted.

Some of the specific actions that the board and its Committees will be taking during the forthcoming year include: ensuring the board maintains appropriate focus on the Company's updated strategic framework, continuing the ongoing work to enhance the quality of board reporting, continuing to improve employee engagement and ensuring there is appropriate focus on people and culture.

I continue to work with the other directors and the Company Secretary to improve the effectiveness of the board and its Committees and we will report on progress against actions in the FY26 Annual Report.

Nigel Payne
On behalf of the Nomination Committee
28 May 2025

On behalf of the board, I am pleased to present the directors' remuneration report for the year ended 28 February 2025.

Elizabeth Gooch
Chair of the Remuneration Committee

Meeting attendance

	Attended
Elizabeth Gooch	5/5
Joanne Lake	5/5
Catriona Valentine	5/5

On behalf of the board, I am pleased to introduce the Directors' Remuneration Report for the year ended 28 February 2025. As in past years, the first section of this introductory statement details the work of the Committee together with our remuneration philosophy, which remains unchanged. I will then go on to describe how we paid our executive directors in the year in the context of Company performance, and to introduce the remuneration items for which we are seeking shareholder approval at our 2025 AGM.

The Remuneration Committee and its work

The Remuneration Committee is appointed by the board and comprises three independent non-executive directors. The Committee is chaired by Elizabeth Gooch and its terms of reference can be found in the Investors section of the Company's website. The Committee's main responsibilities are to:

- determine the policy and framework for executive remuneration;
- set the remuneration for the executive directors, the Chairman and the Group's senior management;
- review remuneration and related policies for employees across the Group; and
- approve the design of, and determine targets for, performance-related incentive schemes and/or equity participation schemes across the Group.

In discharging these responsibilities, the Committee may call for information and advice from advisers inside and outside the Group. During the year, the Committee took advice from the Chairman, the Group Chief Executive Officer, the Group Chief Financial Officer and the Company Secretary, who all attended various meetings at the invitation of the Committee, but did not participate in any decision making, nor were they present for any discussions, regarding or affecting their own remuneration.

The Committee received independent remuneration advice from FIT Remuneration Consultants LLP ("FIT") on a range of matters within the Committee's remit, for which fees of £9,062 (excluding VAT and disbursements and calculated on a time-spent basis) were charged during the year. FIT is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. FIT was also engaged to provide advice in relation to the operation of the Company's share plans. The Committee believes that the FIT team continues to provide objective and independent advice. As set out in the UK Corporate Governance Code Compliance Statement on page 50, the Committee commissioned an externally facilitated review of the Company's remuneration arrangements and structures to ensure that these remain appropriate for the Company's business model and are in the best interests of all stakeholders.

At the date of this Report, work is still ongoing to finalise this review, the Committee plans to engage with shareholders on any proposals and an update will be provided in the FY26 Report.

Remuneration philosophy

The Committee's approach to executive remuneration remains unchanged. The pay structures in our sector are atypical, compared with executive pay at many UK listed companies. They are, however, proven to work to the benefit of Braemar, as well as being accepted practice across the shipbroking sector and other commission-based businesses. The board still considers that the business is better served by the CEO leading the shipbroking divisions.

The Committee is focused on retaining strong executive leadership and appropriately incentivising our executive team to deliver shareholder value, while remaining mindful of best practice and market trends.. In FY25, the Committee worked within the shareholder-approved Policy to remunerate the executive directors. Our remuneration philosophy is based on five core principles:

- Market competitiveness: the success of our business is entirely dependent upon the experience and skills of our employees and management team, the specialist advice they offer, and the relationships that they develop with our clients. The structures, designs and quantum of our remuneration arrangements must be sufficient to allow us to retain our team and compete in highly competitive global talent markets.

- Proportionality and alignment to performance: we seek to pay no more than is necessary and also ensure that a substantial portion of executive reward is aligned to both profitability and delivery of strategy. In line with our competitors, we operate profit-sharing arrangements for those individuals engaged in broking activities.
- Simplicity and transparency: our executive remuneration structures must be clear and understandable for participants and other stakeholders.
- Alignment with shareholders: we align long-term rewards with the long-term value of our shares, through share ownership guidelines and share-based remuneration.
- Alignment with culture and risk appetite: we ensure that remuneration drives the right behaviours to support our strategy and reflects our values, including the identification and mitigation of any risks that could arise from our incentive plans.

Activity during the year

Five meetings were held during the year; the attendance of which is set out above.

Our performance in FY25 and our review of the Directors' Remuneration Policy

Wider context – our performance in FY25

Performance and reward in FY25

Details of the Group's performance in FY25 are fully detailed in the Chairman's statement on pages 6 to 7 and the Group Chief Executive Officer's statement on pages 12 to 13. The Group's balanced and diversified business model delivered a robust overall trading performance for FY25 with strong revenue and underlying profit in a challenging environment. The Committee, however, agreed that no bonuses would be awarded to the executive directors in respect of FY25. The Committee regarded paying no bonuses for FY25 as appropriate and fully aligned to the Company's use of pay structures that reflect the shipbroking sector. At Braemar, bonus outcomes for the CEO are directly related to the financial outcomes of our shipbroking division, however, this can be reduced to nil when appropriate to do so.

The performance conditions for our 2023 LTIP awards based on growth in EPS measured across the three years to 28 February 2025 were not attained and these awards have not vested.

Implementation of our Policy in FY26

Our intention is for our Directors' Remuneration Policy to continue to apply consistently in FY26. This will involve the following:

- **Base salaries:** Our Group Chief Executive Officer's base salary will be increased by 5.2% to £500k with effect from 1 June 2025. The Committee noted that the Group Chief Executive Officer's salary had not been increased since 2022 and the increase was less than the average salary increases for employees across the Group over the last 3 years. In recognition of his role now encompassing a wider remit, 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). In recognition of the significant positive impact he has made since joining the Group and to reflect the change in his role, Grant Foley's base salary will be increased to £400k (up from £325k in FY25) with effect from 1 June 2025.
- **Annual Bonus:** In line with continuing Policy, executive directors who participate in broking activities may participate in the brokers' bonus which is driven by the profitability of the broking desks and their contributions in achieving those numbers.
- **LTIPs:** we will again operate our LTIP plan in FY26, with both executive directors receiving an LTIP award over shares worth up to 100% of base salary.

Applying a consistent approach to our pay arrangements provides clarity to our executive directors and has led to our CEO building a significant shareholding of 988,907 shares (541% of his FY25 salary as at 28 February 2025) in the Company. This provides clear alignment of interests between our executive directors and our shareholders.

In early 2025, the base non-executive director fees were reviewed and from 1 June 2025 will be increased by £2,500 to £55k (£52,500 in FY25). There will be no change to the Chairman's fee in FY26.

Statement regarding 2024 AGM remuneration votes

The Committee noted and considered the voting outcomes for the resolution to approve the Directors' Remuneration Report and the Long-Term Incentive Plan at our 2024 AGM.

The board considers that its remuneration practices are in the best interests of all the stakeholders of the business, and that the Remuneration Committee has discharged its duties properly. As set out in the UK Corporate Governance Code Compliance Statement on page 50, the Remuneration Committee commissioned an externally facilitated review of the Company's remuneration arrangements and structures, and an update will be provided in the FY26 Report.

The board and the Remuneration Committee encourage an open and constructive dialogue directly with the Company's shareholders and continue to be willing to engage with any shareholder on any relevant topics, should they wish to do so, including all remuneration topics within the Committee's remit. Accordingly, if you would like to discuss any matter from this Report, or remuneration issues generally, please email the Group Company Secretary at company.secretary@braemar.com.

Format of the Report and matters to be approved at our 2025 AGM

The remainder of this Report comprises two sections:

1. A summary of our Directors' Remuneration Policy which was approved at the 2023 AGM. This is included solely for information purposes and the full Policy can be found within the Company's FY23 Annual Report, which is available on the Company's website; and
2. The Annual Report on Remuneration, which sets out the details of how our Policy was implemented during FY25, and the decisions taken in relation to the prospective application of the policy in FY26.

At the 2025 AGM, shareholders will be asked to approve the Directors' Remuneration Report (comprising both the Annual Report on Remuneration and this introductory.

The vote to approve the Directors' Remuneration Report is the annual advisory vote on such matters. We trust that our shareholders will recognise the robust year of performance delivered by our executive team and vote in favour of the resolution to approve the Directors' Remuneration Report.

Elizabeth Gooch

On behalf of the Remuneration Committee

28 May 2025

The Remuneration Committee is not proposing to make any changes to the Policy approved by shareholders at the 2023 AGM. The full Policy is contained on pages 69 to 78 of the Company's 2023 Annual Report and can be found on our website at braemar.com/investors/.

Key extracts of the current Policy are shown below for information.

Policy table for executive directors

Base salary

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
To provide an element of fixed remuneration as part of a market-competitive remuneration package to attract and retain the calibre of talent required to deliver the Group's strategy	Base salaries are determined by the Committee, taking into account: – skills and experience of the individual; – size, scope and complexity of the role; – market competitiveness of the overall remuneration package; – performance of the individual and of the Group as a whole; and – pay and conditions elsewhere in the Group. Base salaries are normally reviewed annually with changes effective from the start of the financial year.	While there is no defined maximum, salary increases are normally made with reference to increases for the wider employee population. The Committee retains discretion to award larger increases when considered appropriate, to reflect, for example: – Where an executive director has had an increase in responsibility – Where an executive director has been promoted or has had a change in scope – An individual's development or performance in role (e.g. to align a newly appointed executive director's salary with the market over time). – Where an executive director's salary is no longer market competitive (e.g. due to an increase in size and complexity of the business) Increases may be implemented over such time period as the Committee deems appropriate.	None.

Benefits

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
To provide a market-competitive benefits package for the nature and location of the role.	Incorporates various cash/non-cash benefits which are competitive in the relevant market, and which may include such benefits as a car (or car allowance), club membership, healthcare, life assurance, income protection insurance, and reimbursed business expenses (including any tax liability). Where relevant, other benefits on broadly the same terms as provided to the wider workforce or to reflect specific individual circumstances, such as housing, relocation, travel, or other expatriate allowances may also be provided. Any reasonable business-related expenses can be reimbursed (and any tax thereon met if determined to be a taxable benefit). Executive directors may also participate in the Company's Save As You Earn ("SAYE") scheme on the same basis as other employees and subject to statutory limits.	Benefit provision, for which there is no prescribed monetary maximum, is set at an appropriate level for the specific nature and location of the role.	None.

Pension

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
To provide a post-retirement benefit to attract and retain talent.	The Committee may offer participation in a defined contribution pension scheme or provide a cash allowance.	The maximum contribution for any executive director will be in line with the level available for the majority of UK employees at any given time (currently 5% of salary).	None.

Annual bonus

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
To incentivise and reward annual performance aligned with the long-term objectives of individuals and the delivery of strategy. **Deferral into shares strengthens long-term alignment with shareholders.**	Executive directors are eligible to participate in the annual bonus at the discretion of the Committee each year. Where executive directors undertake broking activities, they may, at the discretion of the Committee, be eligible to participate in the brokers' bonus arrangements. The brokers' bonus is non-contractual and is currently calculated as a percentage of profits from either personal and/or desk revenues depending on the role fulfilled. Where executive directors do not undertake broking activities, they may participate in an annual bonus for which appropriate performance targets are set at the outset of the year in accordance with this Policy. Payout levels for all executive directors are determined by the Committee after year-end. A portion of the annual bonus will be deferred into shares under the Deferred Bonus Plan ("DBP"), described in more detail in the section below. Clawback provisions will also apply, as explained on page 74 of the 2023 Annual Report.	In line with market practice for the Company's peers, there is no cap on individual brokers' bonus awards. However, the brokers' bonus is funded by broking profitability, and therefore any amount is capped by the profits generated by broking activities, as well as the profitability and financial position of the Group as a whole. Where executive directors do not undertake broking activities, the maximum annual bonus opportunity is 100% of base salary p.a.	Where executive directors participate in the brokers' bonus, this is currently calculated as a percentage of profits which, depending on the individual's role, may reflect either personal broking and/or desk revenues. However, the Committee may also make a portion of the brokers' bonus for executive directors subject to the attainment of specific non-financial or personal metrics. Where executive directors do not participate in the brokers' bonus, the performance measures applied may be financial or non-financial, corporate or individual, and in such proportions as the Remuneration Committee considers appropriate for any financial year. For all executive directors, the Committee retains discretion to override any formulaic bonus outcome, if it considers it appropriate to do so, to take account of overall or underlying Group or personal performance or such other factors as it considers relevant. The Committee may also set "gateways" or "underpins" for elements of an executive director's bonus which must be attained before that part of the bonus is paid, should the Committee consider this appropriate.

Long-Term Incentive Plan ("LTIP")

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
To provide a variable element which aligns the reward of all executive directors with long-term performance delivered for shareholders.	Awards are made under the 2024 Long-Term Incentive Plan ("LTIP") as approved by shareholders at the 2024 Annual General Meeting. Awards vest subject to performance measured over a period of at least three years. Vested awards are subject to an additional holding period which, unless the Committee determines otherwise, will run up to the fifth anniversary of the date of grant. All executive directors are eligible to participate each year at the discretion of the Committee. The Committee retains the discretion to override formulaic vesting outcomes downward, if it considers it appropriate to do so, to take account of overall or underlying Group or personal performance or such other factors as it considers relevant. Awards are subject to clawback provisions, as described in more detail on page 74 of the 2023 Annual Report.	The usual maximum award opportunity in respect of a financial year is 100% of base salary. However, in circumstances that the Committee considers to be exceptional, awards of up to 200% of base salary may be made.	Vesting is based on the achievement of performance targets set in respect of key performance measures aligned to the strategy and shareholder value (currently underlying earnings per share). Up to 25% vests for threshold performance. The Committee retains discretion to set alternative measures and weightings for awards over the life of the Policy. Targets for performance measures are set and assessed by the Committee in its discretion.

Shareholding requirements

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
In-employment shareholding requirement. **To create greater alignment between executive directors and shareholders**	Executive directors are required to build a shareholding of 100% of base salary. Shares subject to unvested or vested but unexercised awards under the DBP and vested but unexercised LTIP awards may be included, in all cases on a net of tax basis. Executive directors will be required to retain all of the shares (net of tax) that vest under the DBP and the LTIP until the shareholding requirement is met. The Committee shall retain a discretion to waive the requirements, in whole or in part, in exceptional circumstances such as critical illness or personal financial hardship (including divorce).	Not applicable.	Not applicable.
Post-employment shareholding requirement. **To ensure continued alignment of the long-term interests of executive directors and shareholders post cessation.**	Executive directors are required to maintain a shareholding equivalent to the in-employment shareholding requirement immediately prior to departure (or the actual share and award holding on departure, if lower) for two years post-cessation. Shares subject to unvested awards under the DBP and vested but unexercised LTIP awards may be included, in both cases on a net of tax basis. The requirement will only apply to shares vesting under DBP and LTIP awards made from the 2020 AGM onwards and will not apply to shares acquired either from awards granted before this date or from shares purchased directly by the executive director.	Not applicable.	Not applicable.

Bonus deferral

A portion of the annual bonus will be deferred into shares under the DBP, the latest plan rules for which were approved by the Company's shareholders at the 2021 AGM. Such awards will vest, unless the Committee determines otherwise, three years from the date of grant, subject to continued employment with the Group.

For executive directors, the Company's policy is to defer 10% of annual bonus outcomes each year under the DBP.

The Committee may determine that DBP awards are made in conjunction with the Company Share Option Plan ("CSOP") to enable UK tax resident individuals to benefit from the growth in value of the shares subject to the awards in a tax-efficient manner. In such circumstances, when DBP awards are granted, a corresponding market value option will be granted under the terms of the CSOP, the maximum aggregate face value of which may be up to £60,000. The options will vest on the same terms as and on the same date as the corresponding DBP awards. Under the terms of a CSOP, no income tax or employee's or employer's National Insurance contributions will be payable, on exercise, on the growth in value of the shares. The number of shares in respect of which the DBP awards will vest will be reduced to take account of the gain in value, as at exercise, of the corresponding CSOP options. CSOP awards would only be made in conjunction with the DBP as described above, and not on a stand-alone basis.

Policy table for the Chairman and non-executive directors

Purpose and link to strategy	Operation	Maximum opportunity
To provide market-appropriate fees to recruit and retain individuals of the calibre required to deliver the strategy.	The remuneration of the Chairman is determined by the Committee and the remuneration of the non-executive directors is determined by the board (excluding the non-executive directors). Fees are normally reviewed on an annual basis. Where the Chairman is a non-executive Chairman, they will receive a single fee encompassing all duties. Where the Company has an Executive Chairman, they may be eligible for additional elements in line with the executive director policy table. Non-executive directors receive a basic fee and may also receive additional fees for Committee or other board duties. Fees are payable in cash, although the Company may retain the right to make payment in shares. Expenses reasonably incurred in the performance of the role may be reimbursed or paid for directly by the Company, as appropriate, including any tax due on the benefits. A non-executive Chairman and non-executive directors do not participate in any of the Group's bonus arrangements, share plans or pension schemes.	While there is no maximum fee level, fees are set considering: – market practice for comparative roles; – the time commitment and duties involved; and – the requirement to attract and retain the quality of individuals required by the Company.

Service contracts and letters of appointment

The policy for executive directors is for them to have rolling service contracts that provide for a notice period by either party (as set out in the table below for current executive directors). The notice period may range between six and twelve months. The Company may terminate the executive director's contract by making a payment in lieu of notice of the unexpired notice period equivalent to a value comprising salary, pension and contractual benefits. There is no provision in any of the service contracts of the executive directors for any ex-gratia payments.

A non-executive Chairman and non-executive directors are appointed pursuant to a letter of appointment. The policy is that non-executive directors are appointed for an initial term of three years which may be extended for further three-year periods on the recommendation of the Nomination Committee and with the board's agreement, subject to annual re-election at the AGM.
The non-executive directors' letters of appointment are to be terminable on one month's notice from either party.

	Appointment date	Notice period
Executive		
Grant Foley	1 August 2023	6 months
James Gundy	10 November 2020	6 months
Non-executive		
Elizabeth Gooch	21 July 2021	1 month
Joanne Lake	1 March 2022	1 month
Nigel Payne	6 April 2021	1 month
Catriona Valentine	16 May 2023	1 month

Annual Report on Remuneration

Implementation of the Policy for FY26

This part of the Report sets out details of how the Remuneration Committee intends to apply the Directors' Remuneration Policy (the "Policy") to the current executive directors in FY26.

Base salary

The base salaries for the current executive directors are shown below.

	FY25 £'000	**FY26 £'000**	Change
James Gundy	475	**500**	5.2%
Grant Foley	325	**400**	23%

Benefits and pension

James Gundy and Grant Foley receive benefits and pension in line with the Policy.

Annual bonus

In line with continuing Policy, executive directors who participate in broking activities may participate in the brokers' bonus which is driven by the profitability of the broking desks and their contributions towards this. This bonus is non-contractual and is based on profits generated through broking activities as described in the Policy.

A portion of the annual bonus awarded to the CEO and CFO will be deferred into shares under the DBP, and the deferral level will be at 10% of bonus outcome.

The board believes annual bonus targets to be commercially sensitive and, consequently, does not publish details of them on a prospective basis.

LTIP

The Committee proposes to grant LTIP awards to our executive directors for FY26 at normal policy levels of 100% of salary. All awards will take the form of nil cost options to acquire ordinary shares of 10 pence each in the Company following a three-year vesting period, subject to meeting the performance criteria set by the Committee and the rules of the LTIP. More detail on the performance metrics and targets will be disclosed in the related announcement when the awards are made. Any vested awards will be subject to a further two-year holding period.

Chairman and non-executive directors' fees

During the year, the non-executive director ("NED") base fees were reviewed and increased by £2,500 to £55,000 with effect from 1 June 2025. The Chairman's fee will remain unchanged at £135,000 in FY26.

A summary of NED fees is set out in the table below.

	FY25 £'000	**FY26 £'000**
Chairman fee	135	**135**
Non-executive director base fee	52.5	**55**
Audit & Risk Committee Chair fee	10	**10**
Remuneration Committee Chair fee	10	**10**
Committee membership fee[1]	5	**5**

1 Catriona Valentine receives a Committee membership fee of £5,000 for her membership on the Remuneration and Audit & Risk Committees.

Implementation of the Policy in FY25

This section sets out details of the remuneration outcomes in respect of the year ended 28 February 2025. Those sections that have been audited have been identified below.

Single total figure of remuneration for FY25 (audited)
The remuneration of the executive directors in respect of FY24 is shown in the table below (with the prior year comparative).

	James Gundy		Tristram Simmonds		Grant Foley	
	FY25 £'000	FY24 £'000	**FY25 £'000**	FY24 £'000	**FY25 £'000**	FY24 £'000
Base salary	**475.0**	475.0	**375.0**	375.0	**325.0**	189.6
Benefits[1]	**2.6**	2.7	**4.5**	3.2	**4.5**	1.8
Pension[2]	**23.8**	23.8	**18.8**	18.8	**16.3**	9.5
Annual bonus[3]	**0.0**	2,350	**0.0**	1,125	**0.0**	189.0
LTIP[4]	**0.0**	0.0	**0.0**	0.0	**0.0**	0.0
Buy-out award[5]	**0.0**	0.0	**0.0**	0.0	**0.0**	136.0
Total	**501.4**	2,851.5	**398.3**	1,522.0	**345.8**	525.9
Total fixed	**501.4**	501.5	**398.3**	397.0	**345.8**	200.9
Total variable	**0.0**	2,350	**0.0**	1,125.0	**0.0**	325.0

1 Benefits include private healthcare.
2 Pension includes the value of pension contributions to the Company's defined contribution scheme (or an equivalent cash allowance) in respect of the relevant year.
3 Annual bonus represents the full value of the annual bonus awarded in respect of the relevant financial year, including the portion that is deferred into shares pursuant to the DBP.
4 LTIP represents the value of the LTIP award that vests in respect of a performance period ending in the relevant financial year. The performance conditions for our 2023 LTIP awards based on growth in EPS measured across the three years to 28 February 2025 were not attained and these awards have not vested.
5 Grant Foley received a cash payment of £136,000 which was a buy-out of the discounted value of his incentives from his previous employer, ClearScore, that were forfeited on his departure to join the Company.

The fees of the non-executive directors in FY25 are shown in the table below.

Fixed fee

	FY25 £'000	FY24 £'000
Elizabeth Gooch	**62.5**	60
Nigel Payne	**135**	135
Joanne Lake	**62.5**	60
Catriona Valentine	**57.5**	50

Payments to past directors and payments for loss of office (audited)
There were no payments to past directors during the year. Group Chief Operating Officer, Tristram Simmonds, stepped down from the board on 7 March 2025. A summary of his leaving arrangements, which were in line with the Remuneration Policy, is set out below:

- A payment in lieu of notice, representing six months and totalling £187,500, inclusive of basic salary and pension contribution entitlement (to be paid in six instalments between March and August 2025).
- Loss of office (including settlement of obligations) payment of £400,000 to be paid in three instalments between March 2025 and March 2026.
- All unvested share awards granted in 2023 and 2024 were lapsed in full; the full details of these awards are set out in the table on page 70, which sets out the executive directors' interests in incentive awards during the year.

LTIP award – granted during FY25 (audited)
The Committee granted LTIP awards to James Gundy, Tristram Simmonds and Grant Foley during the period at a level of 100% of salary. The awards have performance criteria based on the Company's growth in Earnings per Share ("EPS"), measured over a three-year performance period ending on 28 February 2027. The underlying EPS measure will be adjusted to eliminate 50% of the estimated impact of changes in foreign exchange rates over the performance period.

The performance targets require a three-year compound annual growth rate ("CAGR") of 25% or more for full vesting (100% of the award), with threshold vesting (25% vesting of the award) at 15% CAGR. For attaining three-year growth between these points, vesting will be prorated on a straight-line basis.

Shareholding guidelines and share interests (audited)

Under the shareholding guidelines, executive directors are required to build and retain a shareholding in the Group at least equivalent to 100% of their base salary.

Non-executive directors are not subject to a shareholding guideline. The following table sets out the shareholdings (including by connected persons) of the directors in the Company as at 28 February 2025. This shows that James Gundy has met the shareholding guideline. Grant Foley is yet to meet the shareholding guideline.

	Number of shares beneficially held at 28 February 2025	Shareholding as a % of salary[1]	Guideline met
Executive directors			
James Gundy	**988,907**	531%	Yes
Grant Foley	**4,000**	3%	No
Tristram Simmonds	**292,620**	199%	Yes
Non-executive directors			
Nigel Payne	**8,258**		
Elizabeth Gooch	**–**		
Joanne Lake	**3,885**		
Catriona Valentine	**–**		

1 Shareholding as a percentage of salary is calculated using the base salary/fee and the average share price for the last three months of the year to 28 February 2025.

The table below provides details of the interests of the executive directors in incentive awards during the year.

	Awards held at 1 Mar 2024	Grant date	Share price on grant £[1]	Granted	Exercised/ released	Lapsed	**Awards held at 28 Feb 2025**	Exercise price £	Exercisable from	Exercisable to
James Gundy										
2018 LTIP	33,294	29 Oct 18	2.30	–	33,294	–	**–**	–	26 May 23	29 Oct 28
2019 LTIP	166,200	1 Jul 19	1.855	–	166,200	–	**–**	–	1 Jul 24	1 Jul 29
2020 LTIP	218,750	24 Jul 20	1.23	–	–	–	**218,750**	–	24 Jul 25	24 Jul 30
2021 DBP	169,925	8 Jun 21	2.66	–	169,925	–	**–**	–	8 Jun 24	8 Jun 24
2021 LTIP	300,884	14 Jun 21	2.91	–	–	300,884	**–**	–	–	–
2023 LTIP	164,360	16 Feb 23	3.14	–	–	–	**–**	–	–	–
2023 DBP	66,484	16 Feb 23	3.14	–	–	–	**66,484**	–	30 Jun 25	16 Feb 33
2024 LTIP	169,039	8 Dec 23	2.81	–	–	–	**169,039**	–	8 Dec 26	8 Dec 33
2024 DBP	104,982	8 Dec 23	2.81	–	–	–	**104,982**	–	9 Jul 26	8 Dec 33
2025 LTIP	–	3 Jul 24	2.98	159,503	–	–	**159,503**	–	3 Jul 27	3 Jul 34
2025 DBP	–	3 Jul 24	2.98	78,912	–	–	**78,912**	–	3 Jul 27	3 Jul 34
Tristram Simmonds										
2023 LTIP	259,516	16 Feb 23	3.14	–	–	–	**259,516**	–	15 Feb 26	16 Feb 33
2023 DBP	14,505	16 Feb 23	3.14	–	–	–	**14,505**	–	30 Jun 25	16 Feb 33
2024 LTIP	–	8 Dec 23	2.81	133,452	–	–	**133,452**	–	8 Dec 26	8 Dec 33
2024 DBP	–	8 Dec 23	2.81	44,484	–	–	**44,484**	–	9 Jul 26	8 Dec 33
2025 LTIP	–	3 Jul 24	2.98	125,923	–	–	**125,923**	–	3 Jul 27	3 Jul 34
2025 DBP	–	3 Jul 24	2.98	37,777	–	–	**37,777**	–	3 Jul 27	3 Jul 34
Grant Foley										
2024 LTIP	–	8 Dec 23	2.81	67,467	–	–	**67,467**	–	8 Dec 26	8 Dec 33
2025 LTIP	–	3 Jul 24	2.98	109,134	–	–	**109,134**	–	3 Jul 27	3 Jul 34
2025 DBP	–	3 Jul 24	2.98	6,347	–	–	**6,347**	–	3 Jul 27	3 Jul 34

1 Share price included is the market price on the date of grant. When calculating the number of awards to be made, the Company uses the middle market quotations for the three trading days prior to grant.

The 2023, 2024 and 2025 LTIP awards are outstanding and have performance criteria based on the Company's growth in EPS measured over a three-year performance period as follows: the maximum possible opportunity will vest if growth in EPS is equivalent to a CAGR of 25% or more per annum over the three-year performance period; if CAGR over the performance period is less than 15% per annum, none of the awards will vest; if CAGR is 15% per annum, 25% of the award will vest; and if CAGR is between 15% and 25% per annum, the vesting outcome will be calculated on a straight-line basis between 25% and 100%.

Percentage change in remuneration of the directors' compared with average UK employees
The following table shows the year-on-year percentage change in the salary, benefits and annual bonus of the directors and the employees of the Company for FY25 (and previous financial years from FY21). The Company considers that the Group's UK employees is the more representative comparator group, as the majority of the Group's employees are not employed by the Company itself, and as the Group Chief Executive Officer and the majority of the Group's workforce are UK-based.

	% Change in base salary				% Change in benefits				% Change in Annual Bonus			
	FY24 to FY25	FY23 to FY24	FY22 to FY23	FY21 to FY22	**FY24 to FY25**	FY23 to FY24	FY22 to FY23	FY21 to FY22	**FY24 to FY25**	FY23 to FY24	FY22 to FY23	FY21 to FY22
All UK Employees	**8%**	6%	12%	6%	**34%**	7%	49%	0%	**-9%**	-30%	104%	13%
All Plc Employees	**5%**	9%	7%	10%	**21%**	7%	13%	-20%	**-96%**	-9%	66%	119%
James Gundy	**0%**	6%	6%	0%	**-3%**	4%	0%	20%	**-100%**	-10%	51%	5%
Tristram Simmonds[1]	**0%**	12.5%	50%	N/A	**41%**	19%	0%	N/A	**-100%**	-10%	194%	N/A
Grant Foley[2]	**0%**	N/A	N/A	N/A	**0%**	N/A	N/A	N/A	**-100%**	N/A	N/A	N/A
Joanne Lake[3]	**4%**	0%	N/A	N/A	**N/A**	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A
Nigel Payne[4]	**0%**	25%	0%	N/A	**N/A**	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A
Elizabeth Gooch[5]	**4%**	0%	18%	N/A	**N/A**	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A
Catriona Valentine[6]	**15%**	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A

1 Tristram Simmonds joined the Board on 1 August 2021, so there is no prior year comparison in respect of FY21 to FY22.
2 Grant Foley joined the Board on 1 August 2023, so there is no prior year comparison in respect of FY23 to FY24 and earlier.
3 Joanne Lake joined the Board on 1 March 2022, so there is no prior year comparison in respect of FY22 to FY23 and earlier.
4 Nigel Payne joined the Board on 1 May 2021, so there is no prior year comparison in respect of FY21 to FY22.
5 Elizabeth Gooch joined the Board on 1 August 2021, so there is no prior year comparison in respect of FY21 to FY22.
6 Catriona Valentine joined the Board on 16 May 2023, so there is no prior year comparison in respect of FY23 to FY24 and earlier.

CEO pay ratio
The table below shows how the Group Chief Executive Officer's single-figure remuneration for FY25 compares to the equivalent single-figure remuneration for the Group's UK employees ranked at the 25th, 50th and 75th percentile.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025	**Option A**	**09:01**	**06:01**	**03:01**
2024	Option A	57:1	30:1	15:1
2023	Option A	74:1	40:1	18:1
2022	Option A	80:1	54:1	21:1
2021	Option A	21:1	13:1	5:1

2025	**25th percentile pay £**	**Median pay £**	**75th percentile pay £**
Total pay and benefits	**57,500**	**90,000**	**200,000**
Salary element of total pay and benefits	**51,500**	**80,000**	**130,000**

The Company has again selected Option A as the method for calculating the CEO pay ratio. Option A calculates a single figure for every UK-based employee in the year to 28 February 2025 and identifies the employees that fall at the 25th, 50th and 75th percentiles. This method was chosen as it is considered the most accurate way of identifying the relevant employees and aligns to how the single figure table is calculated.

The Company has included the following elements of pay in its calculation: annual basic salary, allowances, bonuses, share awards, employer's pension contributions, and P11D benefits. These pay elements were separated into recurring and non-recurring components. The recurring components were scaled relative to the proportion of the financial year worked by each individual employee before being added to the non-recurring elements such as bonus and share awards.

This resulted in a single figure for each employee, from which the individuals at the 25th, 50th and 75th percentiles could be identified.

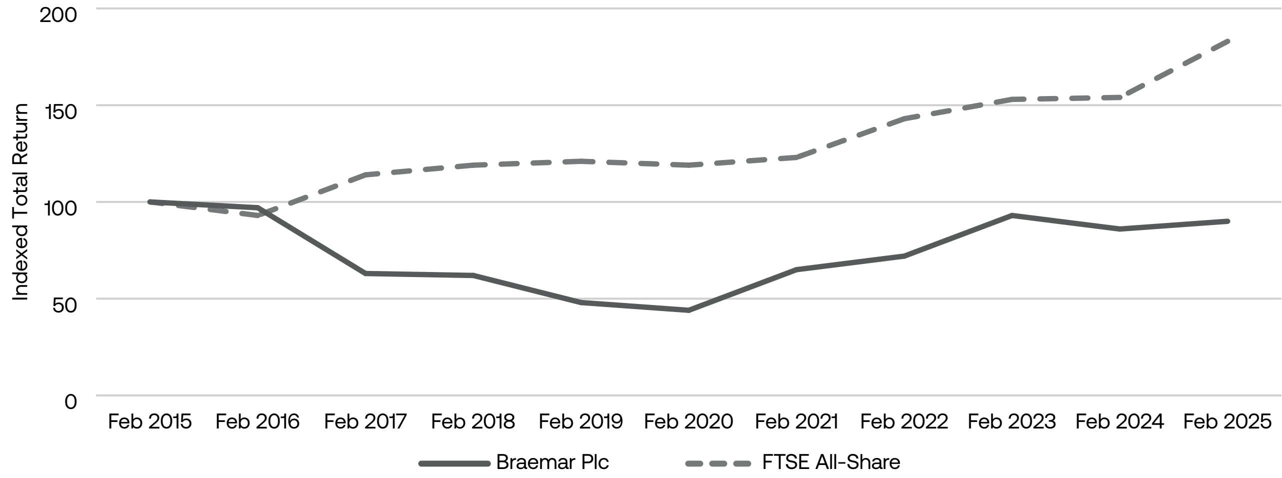
Relative importance of spend on pay
The table below shows total employee remuneration and distributions to shareholders paid in respect of FY25 and FY24 (and the difference between the two).

	FY25 £ million	FY24 £ million	Change (%)
Total employee remuneration[1]	**96.4**	105.6	-8.7%
Distributions to shareholders	**2.2**	4.1	-46%

1. Total employee remuneration as per Note 2.4, excluding employer social security costs.

Performance graph and table

The chart below shows the Total Shareholder Return of the Company against the FTSE All-Share Index over the last ten years. The Committee believes the FTSE All-Share Index is the most appropriate index against which the Total Shareholder Return of the Company should be measured.



Source: Datastream (an LSEG product).

The table below provides remuneration data for the role of the CEO for the current and each of the last ten financial years over the equivalent period.

CEO	**FY25 £'000 James Gundy**	FY24 £'000 James Gundy	FY23 £'000 James Gundy	FY22 £'000 James Gundy	FY21 £'000 Ronald Series/ James Gundy	FY20 £'000 James Kidwell/ Ronald Series	FY19 £'000 James Kidwell	FY18 £'000 James Kidwell	FY17 £'000 James Kidwell	FY16 £'000 James Kidwell
Single total figure of remuneration	**501.4**	2,851.5	4,112	2,830	714	324	404	579	404	577
Annual bonus (% of maximum)	**N/A**	N/A	74%	49%	34%	10%	0%	50%	0%	60%
LTIP vesting (% of maximum)	**0%**	0%	100%	90%	18	0%	0%	0%	0%	N/A

Statement of voting at AGM

The following table sets out the votes cast (including those cast by proxy) at the 2024 AGM in respect of the Committee's Report for the year ending 28 February 2024 and at the 2023 AGM in respect of the Directors' Remuneration Policy.

Resolution	Votes for #	Votes for %	Votes against #	Votes against %	Total votes cast #	Votes withheld #
Approval of Directors' Remuneration Report for year ending 29 February 2024	6,034,754	54.90	4,958,251	45.10	10,993,005	56,003
Approval of the Long-Term Incentive Plan	8,699,813	79.17	2,289,077	20.83	10,988,890	60,118
Approval of Directors' Remuneration Policy	7,283,255	57.65	5,350,295	42.35	12,633,550	12,838

Elizabeth Gooch
On behalf of the Remuneration Committee
28 May 2025

Directors' Report for the year ended 28 February 2025

On behalf of the board, I am delighted to present the directors' report for the year ended 28 February 2025.

Rebecca-Joy Wekwete
Group Company Secretary

This section contains additional information that the Directors are required to include within the Annual Report. Together with the Strategic Report on pages 1 to 49, it forms the Management Report for the purposes of Disclosure Guidance and Transparency Rule ("DTR") 4.1.5. Other information that is relevant to this Directors' Report, and which is incorporated by reference into this Directors' Report, can be found elsewhere in this Annual Report, as follows:

- Results and decisions relating to dividends on pages 1 and 7.
- Important events during the year ended 28 February 2025 and likely future developments in the business of the Company or its subsidiaries on pages 6 to 7 and 26.
- Going concern on pages 24 and 48.
- Greenhouse gas emissions on page 32.
- Employee engagement and diversity on page 37.
- Engagement with clients and other key stakeholders on pages 26 to 27 and 53.
- Corporate Governance Report on pages 50 to 74.
- Section 172 Statement on pages 26 to 27.
- Risk and compliance framework on pages 41 to 49.
- Principal decisions taken during the year on pages 26 to 27.
- ESG Report on pages 28 to 39.
- Non-Financial Information Statement on page 40.

Principal activity
Braemar Plc (registered number 02286034) is the ultimate holding Company for the Group, a global provider of expert investment, chartering, and risk management advice to the shipping and energy markets.

Review of the business
A more detailed review of the business for the year is included in the Chairman's Statement, the Group Chief Executive Officer's Statement and the Financial Review.

Amendment of Articles of Association
The Company's shareholders may amend the Company's Articles of Association by special resolution.

Branches outside the United Kingdom
The Group has branches and/or representative offices in Australia, China, Germany, Greece, India, Republic of Korea, Spain, Singapore, Switzerland, United Arab Emirates, and the USA.

Change of control – significant agreements
No person holds securities in the Company carrying special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions in the transfer of securities or voting rights.

The Convertible Loan Notes that are summarised below carry certain accelerated conversion rights in the event of default on financial commitments associated with the instruments or business distress within the Group. The Convertible Loan Notes shall automatically convert or be redeemed in the event that any person or persons acting in concert holds more than 50% of the issued share capital of the Group or an impairment charge in excess of €50 million is reflected in the audited Financial Statements of the Group.

There are a number of ordinary course of business agreements that take effect, alter or terminate following a change of control of the Company, but none of these are considered to have a significant potential impact on the business of the Group as a whole.

Convertible Loan Note Instruments
On 26 September 2017, the Company completed the acquisition of Braemar Naves. A new class of convertible loan note instruments (the "Convertible Loan Notes") formed a core part of the consideration for this transaction. The Company has issued all of the Convertible Loan Notes to be issued in connection with this acquisition, of which €2,928,956 (FY24: €3,627,956) worth remain outstanding.

These Convertible Loan Notes are unsecured and unlisted. The Convertible Loan Notes are denominated in euros and, as part of the restructuring, it was agreed that they would carry a 5% per annum coupon from September 2025, increasing from 3%. The conversion prices were fixed at 390.3 pence for management note holders. For more information on the Convertible Loan Notes, please see Note 4.7 to the Financial Statements.

Political contributions
There were no political contributions during the year ended 28 February 2025 (FY24: £nil).

Share capital and voting rights
As at 28 February 2025, the Company's total issued ordinary share capital was 32,924,877 shares of 10 pence each (29 February 2024: 32,924,877 shares). All of the Company's shares are fully paid up and quoted on the London Stock Exchange plc's Official List. The rights and obligations attaching to the Company's ordinary shares (as well as the powers of the Company's Directors and any rules relating to their appointment and replacement) are set out in the Company's Articles of Association, copies of which can be found online at Companies House, or by writing to the Company Secretary. There are no restrictions on the voting rights or the transfer restrictions attaching to the Company's issued ordinary shares.

At the AGM held on 3 July 2024, shareholders passed a resolution to renew the Directors' authority to allot shares in the Company. Further details are provided in the Notice of the 2024 AGM.

Share schemes
Details of long-term incentive schemes are provided in the Directors' Remuneration Report on page 66.

Purchase of own ordinary shares
The Company is authorised to make market purchases of the Company's ordinary shares pursuant to the authority granted by its shareholders at the AGM held on 3 July 2024. This authority will expire at the end of the 2025 AGM. The Company did not use this authority in either the year ended 29 February 2024 or the year ended 28 February 2025.

The Directors proposed that this authority be renewed at the 2024 AGM in accordance with the Company's Articles of Association and this resolution was passed. In accordance with the ABI Investor Protection Guidelines, the maximum number of ordinary shares which may be acquired under such authority is 10% of the Company's issued ordinary shares. The Directors will only make a purchase of shares using this authority if it is expected to result in an increase in earnings per share and will take into account other available investment opportunities, appropriate gearing levels and the overall position of the Company. Any shares purchased in accordance with this authority will subsequently be cancelled.

Options and ESOP Trust
The total number of options to subscribe for shares in the Company that were outstanding as at 28 February 2025 was 1,865,006, being 5.6% (FY24: 5.4%) of the issued share capital.

During the year ended 28 February 2025, 880,344 of the Company's ordinary shares were purchased by SG Kleinwort Hambros Trust Company (CI) Ltd, as Trustee of the Company's ESOP Trust (FY24: 2,156,196). The Trustee had absolute discretion and independence in respect of any trading decisions it made in respect of these purchases. As at 28 February 2025, the ESOP held 1,583,460 shares.

Directors and their interests
The directors of the Company as at the date of this Directors' Report are shown on pages 75 to 78. Tristram Simmonds served as a director of the Company during the year ended 28 February 2025 and stepped down from the board on 7 March 2025.

The directors' beneficial interests in the ordinary shares and share options of the Company as at 28 February 2025 are disclosed in the Directors' Remuneration Report on page 71. There have not been any changes in such interests between 28 February 2025 and 1 May 2025. As at 28 February 2025, the executive directors, in common with other employees of the Group, also have an interest in 1,583,460 (FY24: 2,365,501) ordinary 10 pence shares held by SG Kleinwort Hambros Trust Company (CI) Ltd on behalf of the Employee Share Ownership Plan.

The Directors held no material interest in any contract of significance entered into by the Company or its subsidiaries during the year ended 28 February 2025.

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

Significant shareholdings
As at 28 February 2025, the board had been notified of the following shareholdings of 3% or more of the Company's issued share capital, in accordance with DTR 5. The Company has only disclosed those interests of which it has been notified. It should be noted that these holdings are likely to have changed since being notified to the Company. However, notification of any change is not required until the next applicable threshold is crossed. The working vendors of Braemar Naves Corporate Finance GmbH currently hold €2,928,956 of Convertible Loan Notes.

As at 28 February 2025, the Company was aware of the following significant direct or indirect shareholdings of 3% or more:

Name	Number of shares	Percentage of issued ordinary share capital[1]
Chase Nominees Limited	**2,850,000**	8.66%
Wealth Nominees Limited	**1,904,106**	5.78%
Rock (Nominees) Limited	**1,867,838**	5.67%
SG Kleinwort Hambros Trust Company (CI) Limited as Trustee of the Braemar Plc ESOP	**1,583,460**	4.81%
Interactive Investor Services Nominees Limited	**1,205,092**	3.66%
Hargreaves Landsdown (Nominees) Limited	**1,129,087**	3.43%
Barclays Director Investing Nominees Limited	**997,422**	3.03%
James Gundy	**988,907**	3.00%

1 Percentages are shown as a percentage of the Company's total voting rights as at 28 February 2025.

Financial instruments

The Group's financial risk management objectives and policies are set out in the Corporate Governance Report on pages 52, 56 to 60 and in the Strategic Report on pages 41 to 49.

Statement of Directors' responsibilities

The directors are responsible for preparing this Annual Report and the Group and Company Financial Statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare Group and Company Financial Statements for each financial year. Under such law, they are required to prepare the Group Financial Statements in accordance with international accounting standards in conformity with the Companies Act 2006. Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, Group Financial Statements are required to be prepared in accordance with UK adopted IAS and the requirements of the Companies Act 2006.

Under company law, the directors must not approve the Group Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- in respect of the Group Financial Statements, state whether UK adopted IAS and the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- in respect of the Parent Company Financial Statements, state whether UK Generally Accepted Accounting Practice and in conformity with the Companies Act have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Group and parent Financial Statements on the going concern basis unless it is appropriate to presume that the Company and the Group will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy the financial position of the Company and the Group and enable them to ensure that the Company and the Group Financial Statements comply with Section 403 of the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

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

Responsibility statement of the directors in respect of the Annual Report

Each of the directors, whose details can be found on pages 54 to 56, to the best of their knowledge confirm that the:

- consolidated Financial Statements, prepared in accordance with UK adopted IAS and the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Parent Company and undertakings included in the consolidation taken as a whole;
- Annual Report, including the Strategic Report and the Directors' Report, together includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face;
- Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Disclosure of information to the auditors

In accordance with Section 418 of the Companies Act 2006, each person who is a director at the date of approval of this Annual Report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Forward-looking statements

Where this Annual Report contains forward-looking statements, these are based on current expectations and assumptions and only relate to the date on which they are made. These statements should be treated with caution due to the inherent risks, uncertainties and assumptions underlying any such forward-looking information. The Group cautions investors that a number of factors, including matters referred to in this Annual Report, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Such factors include, but are not limited to, those discussed on pages 41 to 49 of this Annual Report.

Forward-looking statements in this Annual Report include statements regarding the intentions, beliefs or current expectations of our directors, officers and employees concerning, among other things, the Group’s results, financial condition, liquidity, prospects, growth, strategies and the business. Neither the Group, nor any of the directors, officers or employees, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Annual Report will actually occur. Undue reliance should not be placed on these forward-looking statements. Other than in accordance with our legal and regulatory obligations, the Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Appointment of the auditors

In accordance with Section 489 of the Companies Act 2006, a resolution for the reappointment of BDO LLP as auditor of the Company was proposed and passed at the AGM held on 3 July 2024.

Annual General Meeting

The Company’s 2025 Annual General Meeting (“AGM”) will be held on Wednesday, 2 July 2025 at 11 a.m. at the Company’s offices at One Strand, Trafalgar Square, London, WC2N 5HR. Further details of the AGM will be set out in the 2025 AGM notice of meeting.

This Directors’ Report was approved by the board of directors on 28 May 2025.

By order of the board

Rebecca-Joy Wekwete
Company Secretary
28 May 2025

Independent auditor's report
to the members of Braemar Plc

Opinion on the financial statements
In our opinion:
- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 28 February 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Braemar Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 28 February 2025 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Total Equity, the Company Balance Sheet, the Company Statement of Changes in Total Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit and Risk committee.

Independence
Following the recommendation of the Audit and Risk committee, we were appointed by the Board of Directors on 2 October 2018 to audit the financial statements for the year ended 28 February 2019 and subsequent financial periods. The period of total uninterrupted engagement is seven years, covering the years ended 28 February 2019 to 28 February 2025. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the Directors' going concern assessment and forecasts, including assessing the underlying base case cash flow forecasts by obtaining supporting documents, including current forward order book, and considering other factors such as:
  - geopolitical events;
  - the overall shipping industry;
  - impacts of tariffs;
  - current economic matters; and
  - climate-change;
- Evaluating the stress tests performed by the Directors, to determine whether they are appropriate based on our knowledge of the business and industry and whether further stress tests should be performed;
- Reviewing the reverse stress test forecast to assess the point at which covenants would be breached or a liquidity event triggered;
- Considering the Directors' conclusion that the likelihood of the reverse stress case scenario materialising is remote and the ability of the Directors to undertake further mitigating actions that are within their control should this be required;
- Assessing the Group's covenant compliance calculations (actual at year end and forecast post year-end) with the terms of the facility agreement; and
- Assessing the financial statement disclosures regarding going concern to determine whether they are complete and accurate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters		2025	2024
	1. Manipulation of revenue through adjustments posted in Navision that do not originate from the Group's core trading systems	✓	✗
	2. Shipbroking revenue recognition on Sales and Purchase (Second-hand and New Builds)	✗	✓
	Shipbroking revenue recognition on Sales and Purchase (Second-hand and New Builds), is no longer considered to be a key audit matter due to the refined risk assessment in the current year.		
Materiality	*Group financial statements as a whole* £851,000 (2024: £917,000) based on 0.6% (2024: 0.6%) of revenue from continuing operations.		

An overview of the scope of our audit
Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope
From our risk assessment and planning procedures, we determined which of the Group's components were likely to include risks of material misstatement relevant to the Group's financial statements. We then determined the type of procedures to be performed at these components, and the extent to which component auditors were required to be involved.

As part of performing our Group audit, we have determined the components in scope as follows:

Audit procedures on entire financial information of the component – comprises the Parent Company and certain Group subsidiaries in Singapore and the UK (2024: Parent Company and certain Group subsidiaries in Australia, Germany, Singapore, UK and USA).

Audit procedures on one or more account balances, classes of transactions or disclosures – comprises certain Group subsidiaries in Australia, USA and the UK (2024 – Spain, UAE and UK).

In determining components, we have considered how components are organised within the Group, and the commonality of control environments, legal and regulatory framework, and level of aggregation associated with individual entities. Whilst there is relative commonality of controls across the Group, differences in jurisdictional risk, and the legal and regulatory frameworks under which the entities operate, prevent the further amalgamation of components.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures
- procedures on one or more classes of transactions, account balances or disclosures.

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Component	Component Name	Entity	Group Audit Scope
1	Braemar Plc	Braemar Plc	Statutory audit and procedures on the entire financial information of the component.
2	Braemar Shipbroking Limited	Braemar Shipbroking Limited Braemar Shipbroking Limited - Athens branch Braemar Shipbroking Limited - Geneva branch Braemar Shipbroking Limited – China office	Statutory audit and procedures on the entire financial information of the component.
3	Braemar Shipbroking Pte Limited	Braemar Shipbroking Pte Limited Braemar Shipbroking Pte Limited – China office	Statutory audit and procedures on the entire financial information of the component.
4	Braemar Securities Limited	Braemar Securities Limited	Statutory audit and procedures on the entire financial information of the component.
5	Braemar Shipbroking (Dry Cargo) Limited	Braemar Shipbroking (Dry Cargo) Limited	Procedures on one or more classes of transactions, account balances or disclosures.
6	Braemar Shipbroking Pty Limited	Braemar Shipbroking Pty Limited	Procedures on one or more classes of transactions, account balances or disclosures.
7	Southport Maritime Inc	Southport Maritime Inc	Procedures on one or more classes of transactions, account balances or disclosures.

Procedures performed centrally

The group operates a centralised IT function that supports IT processes for certain components. This IT function is subject to specified risk-focused audit procedures, predominantly assessing the design and implementation of the relevant IT general controls and IT application controls.

Locations

The Group's operations are spread over a number of different geographical locations. During the year, the group engagement team visited the Singapore component and attended meetings with local management and component auditors. The component audit teams visited and conducted procedures at the Group's offices in the UK, Singapore and Australia.

In addition, our teams worked remotely, holding calls and video conferences with Group management and component management for the in-scope components.

Working with other auditors

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the group engagement team as reported above. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the group audit relevant to the components based on our assessment of the group risks of material misstatement. We issued our group audit instructions to component auditors on the nature and extent of their participation and role in the group audit, and on the group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls during various phases of the audit, reviewing component auditor working papers remotely and evaluating the appropriateness of the audit procedures performed and the results thereof.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and Audit and Risk Committee meetings and other papers related to climate change.

We challenged the extent to which climate-related considerations, including the expected cash flows from initiatives and commitments have been reflected, where appropriate, in the Director's going concern assessment and viability assessment.

We also assessed the consistency of management's disclosures (including the disclosures in the Task Force on Climate-Related Disclosures ('TCFD') section) with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters that were materially affected by climate-related risks.

Key audit matters

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

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition: Manipulation of revenue through adjustments posted in Navision that do not originate from the Group's core trading systems. *(See the accounting policy in note 2)*	Revenue for the Group could be subject to manipulation from management when revenue arises that does not originate from the Group's core trading systems. These journals are considered higher risk as they do not relate to the standard transactional processing of the business. We have assessed this risk as one of the most significant risks of material misstatement due to the nature of entries that are made directly into the accounting system. For these reasons, we considered revenue adjustments posted directly in Navision to be a key audit matter.	Our procedures included: • Use of computer assisted audit techniques to reconcile financial information between Trigonal (the Group's shipbroking revenue system) & Navision (the general ledger system) to identify unmatched transactions; and • Audit of unmatched transactions between Trigonal and Navision, including postings relating to: – Co-broker/address commissions; – Hedging FX differences; – Accrued and deferred revenue for single voyage revenue; and – Other revenue that does not originate from the Group's core trading systems. Evidence obtained to support the unmatched transactions included agreements between Braemar and third parties, third party discharge documentation and cash receipts and payments. **Key observations** Based on the procedures above, we are satisfied that adjustments relating to revenue in Navision throughout the year and at year end are appropriate.

Our application of materiality
We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group	Parent Company
Materiality	£851,000 (2024: £917,000)	£765,000 (2024: £810,000)
Basis for determining materiality	0.6% of revenue from continuing operations (2024: 0.6% of revenue from continuing operations).	1% of total assets capped at 90% (2024: 90%) of Group materiality.
Rationale for the benchmark applied	We consider total Group revenue from continuing operations to be the most appropriate benchmark due to potential volatility in underlying profit before tax, due in part to acquisition related expenses and foreign exchange movements.	We consider total assets to be the most appropriate benchmark as the Parent Company is a non-trading holding company. This was capped at 90% of Group materiality (2024: 90%), given the assessment of component aggregation risk.
Performance materiality	£655,000 (2024: £596,000)	£573,000 (2024: £533,000)
Basis for determining performance materiality	77% (2024: 65%) of Materiality	75% (2024: 65%) of Materiality
Rationale for the percentage applied for performance materiality	The level of performance materiality was set by the audit team with reference to the level of adjustments identified in the prior year, level of sampling work required, the number of accounts subject to high degrees of estimation and judgement and the number of components.	

Component performance materiality
For the purposes of our Group audit opinion, we set performance materiality for each component of the Group (apart from the Parent Company whose materiality and performance materiality are set out above) based on a percentage of between 30% and 65% (2024: 59% and 88%) of Group performance materiality, dependent on a number of factors including size of component and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £197,000 to £427,000 (2024: £351,000 to £526,000).

Reporting threshold
We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £26,000 (2024: £18,000) for Group and £23,000 (2024: £16,000) for Parent Company. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Independent auditor's report continued
to the members of Braemar Plc

Other information
The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement
The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 48; • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 48; and • The Directors' statement on whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities set out on page 48.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 77; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 42; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 59; and • The section describing the work of the Audit and Risk committee set out on page 56-59.

Other Companies Act 2006 reporting
Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors
As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations
Based on:
- Our understanding of the Group and the industry in which it operates;
- Discussion with management, the Audit & Risk Committee, and in-house legal counsel; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to include, but not be limited to, the Companies Act 2006, the UK Listing Rules of the Financial Conduct Authority, UK adopted international accounting standards for the Group and United Kingdom Generally Accepted Accounting Practice for the Parent Company, Health and Safety legislations, the Bribery Act 2010 and tax legislations.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to include, but not be limited to, Health and Safety legislation and tax legislation.

Our procedures in respect of the above included:
- discussion with management, in-house legal counsel and the Audit and Risk Committee;
- review of minutes from board and Audit and Risk Committee meetings of those charged with governance to identify any instances of non-compliance with laws and regulations as well as attending Audit and Risk Committee meetings;
- With the support of our internal tax specialists, we reviewed the Group's tax computations against the requirements of the relevant tax legislation and where applicable, reviewed correspondences with relevant taxation authorities; and
- review of the financial statement disclosures against the requirements of the applicable accounting framework.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management, the Audit and Risk Committee, and in-house legal counsel regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance, including Board and Audit and Risk Committee meetings, for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls through inappropriate journal entries, including adjustments to revenue, and bias in key estimates and judgements.

Our procedures in respect of the above included:
- In addressing the risk of fraud including management override of controls we tested the appropriateness of journal entries made throughout the year by applying specific risk criteria as well as journals throughout the year which did not match the risk criteria, verified to supporting documents and obtained an understanding of the business rationale for each of the journal entries;
- We performed a detailed review of the Group's year end adjusting and consolidation entries and investigated any that appeared unusual as to nature or amount through inquiry with management and verified to supporting evidence where necessary;
- We assessed whether the judgements made and accounting estimates were indicative of a potential bias;
- We applied professional scepticism in our audit procedures and performed randomised procedures to include a level of unpredictability; and

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including component auditors, who were deemed to have the appropriate competence and capabilities, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;

The component teams also considered the susceptibility of the financial statements due to fraud in respect of the relevant components. Testing of management override was completed by the component teams through testing the appropriateness of a sample of journal entries in line with the journal testing procedures as detailed above and assessment of risk of management bias on the significant judgements and estimates as detailed in note 1.3. We also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

David Campbell (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
28 May 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Income Statement
For the year ended 28 February 2025

	Notes	28 Feb 2025 Underlying £'000	28 Feb 2025 Specific items £'000	28 Feb 2025 Total £'000	29 Feb 2024 Underlying £'000	29 Feb 2024 Specific items £'000	29 Feb 2024 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	2.3, 2.2	**(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	2.5, 2.2	**553**	**213**	**766**	871	419	1,290
Finance costs	2.5, 2.2	**(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

		28 Feb 2025 Underlying	28 Feb 2025 Total	29 Feb 2024 Underlying	29 Feb 2024 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

The accompanying notes on pages 92-145 form an integral part of these Financial Statements.

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

The accompanying notes on pages 92-145 form an integral part of these Financial Statements.

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	**(4,334)**	(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

The Financial Statements on pages 87-145 were approved by the board of directors on 28 May 2025 and were signed on its behalf by:

James Gundy
Group Chief Executive Officer

Grant Foley
Group Chief Financial Officer

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, 4.9	**(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
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

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.

The accompanying notes on pages 92-145 form an integral part of these Financial Statements.

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 £'000	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**

The accompanying notes on pages 92-145 form an integral part of these Financial Statements.

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 Consolidated Financial Statements have 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 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.

The Company has elected to prepare its Parent Company Financial Statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

1.2 Going concern

The Group and Company 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.

1 Basis of preparation continued

1.2 Going concern continued

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 the 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.

a) 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.

b) 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.

1 Basis of preparation continued

1.4 Material accounting policies continued

c) 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.

d) 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.

2 Performance-related information continued

2.1 Business segments continued

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 than 2 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.

2 Performance-related information continued

2.2 Specific items continued

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 Performance-related information continued

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. Details are included in the Directors' Remuneration Report on pages 62-74. The directors' remuneration is borne by Braemar Plc.

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. Further information about the remuneration of individual directors is provided in the Directors' Remuneration Report on pages 62-74.

	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 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 Performance-related information continued

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.

a) 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.

b) 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.

2 Performance-related information continued

2.7 Taxation continued

c) 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**

d) 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)

e) 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.

3 Balance sheet non-current assets continued

3.1 Goodwill continued

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% £'000	-1% £'000	+2% £'000	-2% £'000	+15% £'000	-15% £'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 Balance sheet non-current assets continued

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 Balance sheet non-current assets continued

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.

3 Balance sheet non-current assets continued

3.6 Leases continued

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.

4 Balance sheet – Operating assets and liabilities continued

4.2 Trade and other receivables continued

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, among 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

4 Balance sheet – Operating assets and liabilities continued

4.2 Trade and other receivables continued

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.

a) 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.

4 Balance sheet – Operating assets and liabilities continued

4.4 Financial instruments and risk management continued

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.

b) 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.

4 Balance sheet – Operating assets and liabilities continued

4.4 Financial instruments and risk management continued

c) 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

d) 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

4 Balance sheet – Operating assets and liabilities continued

4.4 Financial instruments and risk management continued

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)

e) 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.

f) 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.

g) 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 Balance sheet – Operating assets and liabilities continued

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 and appear in the accounts of the Company.

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.

4 Balance sheet – Operating assets and liabilities continued

4.7 Convertible loan notes continued

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 £'000	2024 £'000	2025 €'000	2024 €'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. If there is an impact to the Group's scheme, there is currently much uncertainty as to how the ruling should be reflected by the Group in its accounts , and as a result, it is not possible at present to estimate the impact, if any, from the ruling. It is expected that further legal cases will be required to settle some of the uncertainties that remain. No adjustments have been made to the defined benefit asset recognised in the Financial Statements in relation to this ruling.

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.

5 Employee remuneration schemes continued

5.1 Long-term employee benefits continued

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

5 Employee remuneration schemes continued

5.1 Long-term employee benefits continued

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.

5 Employee remuneration schemes continued

5.2 Share-based payments continued

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 2023 – Dec 2025

6 Share capital and other reserves
6.1 Share capital

	Ordinary shares		Ordinary shares	
	2025 Number	2024 Number	**2025 £'000**	2024 £'000
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
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 Share capital and other reserves continued

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.

Group and Company	£'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 Other supporting notes continued

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.

A list of the Group's subsidiary undertakings is included in the following table. Unless otherwise indicated, all shareholdings owned directly or indirectly by the Company represent 100% of the issued share capital of the subsidiary and the share capital comprises ordinary shares. All entities primarily operate in their country of incorporation.

Subsidiaries

Entity name	Principal activity	Country of incorporation	Registration number	Proportion of shares held (%)
Braemar Shipping Group Limited*, 1	Holding company	England & Wales	05990315	100‡
Braemar Securities Holdings Limited*, 1	Holding company	England & Wales	10010995	100‡
Braemar Financial Holdings Limited*, 1	Holding company	England & Wales	10917096	100‡
Braemar Shipbrokers Limited[1]	Dormant	England & Wales	01674710	100‡
Seascope Capital Services Limited[1]	Dormant	England & Wales	03592796	100‡
Braemar Shipping Services Limited[1]	Dormant	England & Wales	02360525	100‡
Braemar Developments Limited[1]	Dormant	England & Wales	02186790	100‡
Braemar Tankers Limited[1]	Dormant	England & Wales	02001027	100‡
Braemar Shipbroking Group Limited*, 1	Holding company	England & Wales	01611096	100
Braemar Shipbroking Limited[1]	Shipbroking	England & Wales	01020997	100
Braemar Shipbroking (Dry Cargo) Limited*, 1	Shipbroking	England & Wales	07223509	100
A.C.M. Shipping USA Limited*, 1	Shipbroking	England & Wales	08391132	100
Braemar Valuations Limited*, 1	Valuations	England & Wales	03439765	100
Braemar Securities Limited[1]	Futures broker	England & Wales	07899358	100
Braemar Corporate Finance Limited*, 1	Corporate finance	England & Wales	02710842	100
ACM Shipping CIS Limited[1]	Dormant	England & Wales	06934055	100
Braemar Maritime Limited[1]	Dormant	England & Wales	03321899	100
Braemar Burness Maritime Limited[1]	Dormant	England & Wales	03674230	100
Burness Marine (Gas) Limited[1]	Dormant	England & Wales	01081837	100
Braemar Pension Trustees Limited[1]	Dormant	England & Wales	05502209	100
Braemar Holdings (USA) Inc[2]	Holding company	United States	FEIN 81-1568938	100‡
Braemar Shipbroking (USA) Inc[2]	Shipbroking	United States	46-2641490	100
Braemar Technical Services (USA) Inc[2]	Energy loss adjuster	United States	76-0036958	100
Southport Maritime Inc[3]	Shipbroking	United States	65-0342509	100‡
Braemar ACM Shipbroking LLP[4]	Shipbroking	United States	1099337	100
Madrid Shipping Advisors S.L.[5]	Shipbroking	Spain	B10866028	100‡
Braemar Corporate Finance GmbH[6]	Corporate finance	Germany	HRB 114161	100
Braemar Financial Holdings Germany GmbH[6]	Holding company	Germany	HRB 146089	100
Braemar Shipbroking DMCC[7]	Shipbroking	United Arab Emirates	DMCC-749556	100
Braemar Shipbroking Pte Limited[8]	Shipbroking	Singapore	200602547M	100
Braemar Corporate Finance Pte Limited[8]	Corporate finance	Singapore	201834760K	100
Braemar Shipbroking Pty Limited[9]	Shipbroking	Australia	ACN 000862 993 / ABN 35 000 862 993	100
Braemar Seascope Italia SRL[10]	Shipbroking	Italy	01268770458	100
Braemar Seascope (Shanghai) Limited[11]	Shipbroking	China	913100005588064761	100
Braemar ACM Shipbroking India Private Limited[12]	Shipbroking	India	U63090DL2003PTC120257	49.9#
ACM Shipping India Limited[13]	Dormant	India	U93090MH2006FLC164019	100
Braemar Korea Co., Ltd[14]	Shipbroking	South Korea	110111-8911277	100
Braemar South Africa Proprietary Limited[15]	Shipbroking	South Africa	K2024843151	100

* Subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Companies Act 2006 for the financial year ended 28 February 2025. The Company has provided a guarantee of all outstanding liabilities to which these subsidiaries were subject as at 28 February 2025 in accordance with section 479C of the Companies Act 2006.

‡ Investment held directly by Braemar plc.

\# The Group has a 49.9% legal ownership of Braemar ACM Shipbroking India Private Limited, but has a 100% economic interest and control of the entity through other contractual arrangements.

The registered addresses and country of incorporation are as follows:

1 One Strand, Trafalgar Square, London WC2N 5HR
2 211 East 7th Street, Suite 620, Austin, Texas, USA, 78701-3218
3 2401 PGA Boulevard, Suite 236, Palm Beach Gardens, Florida 33410, US
4 24 Grassy Plain Street – Ste 4, Bethel, CT 06801-1700, US
5 Paseo de la Castellana 149, 8° Izq., 28019 Madrid
6 Domstrasse 17, 20095 Hamburg, Germany
7 Gold Tower, Level 15 Unit 14 D&E, JLT area, Dubai, UAE
8 80 Robinson Rd, #24-01/02, Singapore 068898
9 Level 3, 70 City Road, South Bank, Melbourne, Victoria 3006, Australia
10 Piazza 2 Giugno No 14, 54033 Carrara, Italy
11 Suite 2009, Building C Luneng International Center, No.211, GuoYoa Road, Pudong District, Shanghai, 200126, China
12 2nd Floor, Building No. 22, Pushp Vihar, Commercial Complex, Madangir, New Delhi – 110 062, India
13 Office No. 1004, 10th Floor, Dalamal House, 206-Jamanalal Bajaj Road, Nariman Point, Mumbai-400021, India
14 Gyeonggi Building, 9 Namdaemun-ro 10-gil, Jung-gu, Seoul
15 Unit 63 Victoria Junction, Green Point, Cape Town, Western Cape 8001, South Africa

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.

Company Balance Sheet
As at 28 February 2025

	Note	As at 28 Feb 2025 £'000	As at 29 Feb 2024 (restated) £'000
Assets			
Non-current assets			
Intangible assets	5	**97**	217
Property, plant and equipment	6	**5,774**	723
Investments	8	**127,288**	126,865
Deferred tax assets	9	**746**	734
Derivative financial instruments	15	**54**	291
Other long-term receivables	10	**10,370**	15,141
		144,329	143,971
Current assets			
Other receivables	11	**7,751**	3,617
Derivative financial instruments	15	**298**	294
Cash and cash equivalents	12	**879**	2,712
		8,928	6,623
Total assets		**153,257**	150,594
Liabilities			
Current liabilities			
Other payables	13	**37,910**	57,145
Convertible loan notes	15	**2,401**	3,002
Derivative liabilities	15	**327**	434
Provisions	16	**–**	417
		40,638	60,998
Non-current liabilities			
Other payables	13	**91**	518
Long-term liabilities	14	**27,198**	26,975
Derivative liabilities	15	**54**	291
Provisions	16	**800**	–
		28,143	27,784
Total liabilities		**68,781**	88,782
Total assets less total liabilities		**84,476**	61,812
Equity			
Share capital	17	**3,292**	3,292
ESOP reserve	19	**(4,334)**	(7,140)
Other reserves	20	**3,611**	3,611
Retained earnings		**81,907**	62,049
Total equity		**84,476**	61,812

In accordance with the exemptions allowed by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. The profit for the Parent Company for the year was £24,018,000 (2024: profit of £9,026,000) and has been dealt with in the Financial Statements of the Company.

The accompanying notes on pages 148-159 form an integral part of these Financial Statements.

The Financial Statements of Braemar Plc on pages 146-159 were approved by the board of directors on 28 May 2025 and were signed on its behalf by:

James Gundy
Group Chief Executive Officer

Grant Foley
Group Chief Financial Officer

Registered number: 02286034

Company Statement of Changes in Total Equity
For the year ended 28 February 2025

	Note	Share capital £'000	Share premium £'000	ESOP reserve £'000	Other reserves £'000	Retained earnings/ (deficit) £'000	Total equity £'000
At 1 March 2023		3,292	53,796	(10,607)	23,762	(16,140)	54,103
Profit for the year		–	–	–	–	9,026	9,026
Dividends paid	4	–	–	–	–	(2,440)	(2,440)
Capital reduction	17, 20	–	(53,796)	–	(20,151)	73,947	–
Own shares acquired	19	–	–	(6,125)	–	–	(6,125)
Issue of shares held by ESOP	19	–	–	9,592	–	(8,766)	826
Share-based payments		–	–	–	–	6,442	6,442
Cash paid for share-based payments		–	–	–	–	(52)	(52)
Tax on share awards		–	–	–	–	32	32
At 29 February 2024		**3,292**	**–**	**(7,140)**	**3,611**	**62,049**	**61,812**
Profit for the year		**–**	**–**	**–**	**–**	**24,018**	**24,018**
Dividends paid	4	**–**	**–**	**–**	**–**	**(5,497)**	**(5,497)**
Own shares acquired	19	**–**	**–**	**(2,376)**	**–**	**–**	**(2,376)**
Issue of shares held by ESOP	19	**–**	**–**	**4,661**	**–**	**(4,327)**	**334**
Disposal of EBT shares				**521**	**–**	**–**	**521**
Share-based payments		**–**	**–**	**–**	**–**	**5,563**	**5,563**
Cash paid for share-based payments		**–**	**–**	**–**	**–**	**(163)**	**(163)**
Tax on share awards		**–**	**–**	**–**	**–**	**264**	**264**
At 28 February 2025		**3,292**	**–**	**(4,334)**	**3,611**	**81,907**	**84,476**

The accompanying notes on pages 148-159 form an integral part of these Financial Statements.

Notes to the Company Financial Statements

General information
The separate 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. Braemar Plc is a public limited company incorporated in England and Wales, and its principal activity is a holding company for the shipbroking and securities businesses.

The term "Company" refers to Braemar Plc.

1 Material accounting policies

a) Basis of preparation
The Company Financial Statements have been prepared in accordance with United Kingdom Generally Accepted Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice). No Income Statement is presented for Braemar Plc as permitted by Section 408 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 and have been prepared on a going concern basis.

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

FRS 101
The Financial Statements of the Company have been prepared in accordance with FRS 101 "Reduced Disclosure Framework". The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:
- a cash flow statement and related notes;
- certain information as per IAS 1 Presentation of Financial Statements;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of key management personnel.

As the Consolidated Financial Statements of the Group on pages 87-145 include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:
- IFRS 2 "Share-based Payment" in respect of Group-settled share-based payments;
- certain disclosures required by IFRS 13 "Fair Value Measurement"; and
- the disclosures required by IFRS 7 "Financial Instrument Disclosures".

b) Going concern
The Company 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 for a period of greater than twelve months from the date of signing of these Financial Statements. The going concern assumption for the Company is considered together with the going concern assumption for the Group. See Note 1 to the Consolidated Financial Statements for more detail.

c) Use of estimates and critical judgements
The preparation of the Company'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.

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

Judgement applied to	Judgements excluding estimates	Estimates	Location of further information
Investments in subsidiaries		Yes	Note 8 – Investments
Preference share assets	Yes	Yes	Note 10 – Other long-term receivables
Provision for impairment of amounts due from subsidiaries		Yes	Note 10 – Other long-term receivables
Lease term		Yes	Note 3.6 – Leases, in the Consolidated Financial Statements
Share option vesting		Yes	Note 5.2 – Share-based payments to the Consolidated Financial Statements

d) Accounting policies

The Company's accounting policies are the same as the accounting policies of the consolidated Group described on pages 92-145 except for the policies described in the respective notes below.

2 Profit/loss for the year

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own statement of comprehensive income (including the profit and loss account) for the year.

The auditor's remuneration for audit services to the Company is disclosed in Note 2.6 to the Consolidated Financial Statements. All fees paid to the auditor were charged to operating loss/profit in both years.

3 Staff costs

Staff costs for the Company during the year (including directors) are provided in the table below.

	2025 £'000	2024 £'000
Salaries, wages and short-term employee benefits	**2,337**	2,445
Other pension costs	**84**	70
Social security costs	**298**	272
Share-based payments	**403**	548
	3,122	3,335

The numbers above include remuneration and pension entitlements for each director. Details are included in the Directors' Remuneration Report on pages 62-74.

The average number of full-time employees of the Company was six (2024: seven)

4 Dividends

Amounts recognised as distributions to equity holders in the year are detailed in Note 6.2 to the Consolidated Financial Statements.

5 Intangible assets

	Computer software £'000
Cost	
At 29 February 2024 (restated)[1]	1,879
Disposal	(44)
At 28 February 2025	**1,835**
Accumulated amortisation and impairment	
At 29 February 2024 (restated)[1]	1,662
Charge for the year	120
Disposal	(44)
At 28 February 2025	**1,738**
Net book value at 28 February 2025	**97**
Net book value at 29 February 2024	217

1 Following a review of the gross cost and gross accumulated amortisation and impairment amounts, the Company has restated the opening gross cost and gross amortisation and impairment amount to increase both by £0.8 million in relation to incorrect disposals in prior years for which the gross amounts had been reduced. There is no impact on the Company's profit or loss or movements in investments in the current and prior years.

At 28 February 2025, the Company had no contractual commitments for the acquisition of computer software (2024: £nil).

6 Property, plant and equipment

	Land and buildings £'000	Computers £'000	Fixtures and equipment £'000	Total £'000
Cost				
At 29 February 2024	6,827	234	28	7,089
Additions at cost	7,280	1	1	7,282
At 28 February 2025	**14,107**	**235**	**29**	**14,371**
Accumulated depreciation and impairment				
At 29 February 2024	6,206	142	18	6,366
Charge for the year	1,427	59	2	1,488
Impairment	743	–	–	743
At 28 February 2025	**8,376**	**201**	**20**	**8,597**
Net book value at 28 February 2025	**5,731**	**34**	**9**	**5,774**
Net book value at 29 February 2024	621	92	10	723

The land and buildings category includes land and buildings held under leases and leasehold improvements. For further details of right-of-use assets included within property, plant and equipment, see Note 7. At 28 February 2025, the Company had no contractual commitments for the acquisition of property, plant and equipment (2024: £nil).

7 Leases

The Company as a lessee

The Company primarily leases property in relation to offices. At inception of a lease contract, the Company 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 Company 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 and included within property, plant and equipment. The cost comprises 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 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 Company's incremental borrowing rate is used, being the rate that the Company 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 Company, lease payments generally comprise the following:
- Fixed payments, less any lease incentives receivable; and
- Payments to be made under extension options which are reasonably certain to be exercised.

Contracts entered into by the Company have a wide range of terms and conditions but generally do not impose any additional covenants. Contracts entered into by the Company include extension or termination options which provide the Company with additional operational flexibility. If the Company 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.

Right-of-use assets

	Land and buildings £'000	Fixtures and equipment £'000	Total £'000
At 28 February 2023	1,748	–	1,748
Additions	–	11	11
Amortisation	(1,165)	–	(1,165)
At 29 February 2024	**583**	**11**	**594**
Additions	**7,023**	**–**	**7,023**
Amortisation	**(1,389)**	**(2)**	**(1,391)**
Impairment	**(743)**	**–**	**(743)**
At 28 February 2025	**5,474**	**9**	**5,483**

Lease liabilities

	Total £'000
At 28 February 2023	3,026
Additions	11
Interest expense	57
Lease payments	(2,154)
At 29 February 2024	**940**
Additions	**7,023**
Interest expense	**101**
Lease payments	**(2,145)**
At 28 February 2025	**5,919**

Lease liabilities

	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 £'000	Unearned interest £'000	Net payable £'000
At 28 February 2025	**368**	**1,550**	**2,356**	**2,197**	**–**	**6,471**	**(552)**	**5,919**
At 29 February 2024	468	469	3	6	–	946	(6)	940

The Company as a lessor

The Company 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 Company'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.

Lease receivables

	Gross £'000	Provision £'000	Net £'000
At 28 February 2023	867	(9)	858
Interest received	16	–	16
Lease payments	(643)	–	(643)
Movement in provision	–	9	9
At 29 February 2024	**240**	**–**	**240**
Interest received	**1**	**–**	**1**
Lease payments	**(241)**	**–**	**(241)**
At 28 February 2025	**–**	**–**	**–**

There was no short-term lease expense, no short-term lease income and no low-value lease expense in the year (2024: £nil).

8 Investments

Key estimate
Investments in subsidiaries
The Company recognises provisions for impairment of investments in subsidiaries based on management's judgement of whether or not there is an indication of impairment at the Balance Sheet date. A judgement is made based on the net assets, cash balance and future trading performance of the subsidiary.

Investments
Investments in subsidiaries, associates and joint ventures are held at cost less accumulated impairment. Where there is objective evidence that the investment in subsidiaries, associates and joint ventures has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

For share awards granted to employees of subsidiary companies, the IFRS 2 charge is recognised as an increase of the Company's investment in the relevant subsidiaries.

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

	Subsidiaries £'000	Unlisted investments £'000	Total £'000
Cost			
At 1 March 2023	118,989	1,500	120,489
Additions	1,579	–	1,579
Fair value loss	–	(147)	(147)
Share-based payments	5,894	–	5,894
At 29 February 2024	**126,462**	**1,353**	**127,815**
Additions	**80**	**–**	**80**
Fair value gain	**–**	**86**	**86**
Share-based payments	**257**	**–**	**257**
At 28 February 2025	**126,799**	**1,439**	**128,238**
Impairment			
At 1 March 2023, 29 February 2024 and 28 February 2025	**950**	**–**	**950**
Net book value at 28 February 2025	**125,849**	**1,439**	**127,288**
Net book value at 29 February 2024	125,512	1,353	126,865

Additions in the prior year represent a further investment made in respect of Madrid Shipping Advisors S.L. of £1.6 million. The payments are subject to claw-back conditions linked to continuous employment within the Group which are treated as a cost of investment by the Company, but treated as prepayments for future service in the Group accounts.

The Company invested £0.3 million (2024: £5.9 million) in the subsidiaries of the Group in respect of share-based payment charges incurred in the year.

The carrying value of the Company's investments in subsidiary undertakings are reviewed for indicators of impairment on an annual basis. In the event impairment indicators are identified, the recoverable amount is determined based on a value-in-use calculation which requires the determination of appropriate assumptions in relation to cash flows over a forecast period, the long-term growth rate to be applied beyond this period and the risk-adjusted discount rate used to discount the estimated cash flows to present value. There are no indicators of impairment in relation to the Company's investments measured at cost less accumulated impairment.

The Company's principal investment in Braemar Financial Holdings Limited is held as preference shares; see Note 10 for further information.

A list of subsidiary undertakings is included in Note 7.3 of the Consolidated Financial Statements.

The Financial Statements of the principal subsidiary undertakings are prepared to 28 February 2025.

Unlisted investments

The Company's unlisted investments include 1,000 (2024: 1,000) ordinary £1 shares in London Tanker Brokers' Panel. In the prior year, 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 Company 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 Company'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 input into the valuation are:

- a discount rate of 16%, and
- expected income from the investment.

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

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

	Unlisted investment £'000
Opening fair value	**1,353**
Unrealised fair value loss recognised in operating costs	**86**
Total	**1,439**

9 Deferred tax

The movement in the net deferred tax asset	Accelerated capital allowances	Employee benefits	Total £'000
Balance at 1 March 2024	(23)	757	734
Credit for the year to profit or loss	14	(199)	(185)
Credit for the year to reserves	–	197	197
Balance at 28 February 2025	**(9)**	**755**	**746**

A deferred tax asset of £0.7 million (2024: £0.7 million) has been recognised as the directors believe that it is probable that there will be sufficient taxable profits in the UK tax group in the future to recover the asset in full.

10 Other long-term receivables

Key estimate

Preference share assets

The Company holds investments in preference shares issued by a subsidiary at fair value through profit and loss and are classified as Level 3 in the IFRS 13 fair value hierarchy. The preference shares are not traded in any market and there are no similar assets in quoted markets. Therefore, the Company performs a valuation based on the present value of future cashflows using unobservable ("Level 3") inputs. The Company develops unobservable inputs using the best information available in the circumstances, which include the Group's forecasts of cash flows for the underlying businesses of the holding company issuing the preference shares using a risk-adjusted discount rate. See also accounting policies Note 1 (d).

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. The discount rates and growth rates are consistent with those applied to the same business in the Group's assessment of the impairment of goodwill. See Note 3.1 in the Consolidated Financial Statements for a description of the approach used by management to determine these key values and the sensitivity analysis on the impairment.

In addition, management makes adjustments for expected working capital requirements with any surplus net current assets being included in the valuation of the issued preference shares. The estimate of working capital requirement is based on historical experience as well as forecasts relating to the sub-group.

Provision for impairment of amounts due from subsidiaries

The provision for impairment of amounts due from subsidiaries represents management's best estimate at the Balance Sheet date. A number of judgements are made in the calculation of the provision, primarily based on the net assets, cash balance and expected future trading performance of the subsidiary.

The application of IFRS 9 "Financial Instruments" results in an additional provision for expected credit losses. When measuring expected credit losses, the Company 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.

Key judgement

Classification of financial assets

The Company holds investments in preference shares issued by a subsidiary. The preference shares do not provide a contractual right to unpaid amounts in the event of a bankruptcy of the issuer and, therefore, in the judgement of the directors, the returns do not meet the conditions of being solely payments of principal and interest and are required to be held at fair value through profit and loss. The valuation of these shares is considered in the use of estimates and critical judgements above. The preference shares are recognised as amounts due from subsidiaries receivable after more than one year.

Amounts due from subsidiaries

The expected credit losses on amounts due from subsidiaries is assessed under the general approach with reference to changes in credit quality since initial recognition. An amount due from a subsidiary is considered to be in default and credit impaired when there is evidence that the subsidiary is in significant financial difficulty such that it will have insufficient liquid assets to repay the loan. The assessment of a significant increase in credit risk is performed qualitatively by reference to the borrower's expected cash flows, liquid asset position and considers the impact of the wider Group's support.

Preference shares measured at fair value

The fair value of the investment in preference shares is based on the value-in-use of the Corporate Finance Division (see Note 3.1 in the Consolidated Financial Statements), with adjustments to determine a fair value, principally an adjustment for net debt in relation to balances not forming part of working capital of the entity.

	Note	2025 £'000	2024 £'000
Amounts due from subsidiary undertakings			
Preference shares measured at fair value		**8,206**	7,095
Other amounts due from subsidiary undertakings		**2,392**	6,453
Provision for impairment of other amounts due from subsidiary undertakings		**(228)**	(249)
Net amounts due from subsidiary undertakings		**10,370**	13,299
Deferred consideration		**–**	1,304
Contingent consideration		**–**	532
Prepayment		**–**	6
Other long-term receivables		**10,370**	15,141

In FY24, deferred consideration of £1.3 million and contingent consideration of £0.5 million relates to the non-current element of the earnout payments receivable in respect of the disposal of Cory Brothers. The deferred consideration relates to the minimum earnout payments accounted for on an amortised cost basis. The contingent consideration represents the variable element of the earnout payments which are contingent on the future gross profit of the newly formed VertomCory agency business, which are recognised at fair value through profit or loss. Note 4.9 in the Consolidated Financial Statements provides further detail.

See Note 7 for a maturity analysis which reconciles the long-term finance lease receivables to the undiscounted lease receipts and unearned finance income.

11 Other receivables

Amounts due from subsidiaries

The expected credit losses on amounts due from subsidiaries is assessed under the general approach with reference to changes in credit quality since initial recognition. An amount due from a subsidiary is considered to be in default and credit impaired when there is evidence that the subsidiary is in significant financial difficulty such that it will have insufficient liquid assets to repay the loan. The assessment of a significant increase in credit risk is performed qualitatively by reference to the borrower's expected cash flows, liquid asset position and considers the impact of the wider Group's support.

	2025 £'000	2024 £'000
Amounts due from subsidiary undertakings	**4,341**	806
Deferred consideration	**1,336**	1,316
Contingent consideration	**654**	550
Other receivables	**691**	456
Finance lease receivables	**–**	240
Prepayments	**729**	249
Total	**7,751**	3,617

Deferred consideration of £1.3 million and contingent consideration of £0.7 million relates to the current element of the earnout payments receivable in respect of the disposal of Cory Brothers.

The total receivables balance (including long-term receivables) is denominated in the following currencies.

	2025 £'000	2024 £'000
Sterling	**9,625**	11,654
USD	**290**	9
Euro	**8,206**	7,095
Total	**18,121**	18,758

The Company has no trade receivables (2024: £nil). Amounts due from subsidiary undertakings are interest-free, unsecured and repayable on demand. The Company provides for impairment using a lifetime expected credit loss provision for amounts due from subsidiary undertakings.

12 Cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank	**879**	2,712

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

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

13 Other payables

Current liabilities	2025 £'000	2024 £'000
Lease liabilities	**1,657**	931
Amounts owed to subsidiary undertakings payable within one year	**34,727**	55,341
Other payables	**583**	133
Accruals	**943**	740
Total	**37,910**	57,145

Amounts owed to subsidiary undertakings payable within one year are interest-free and unsecured and repayable on demand.

Non-current liabilities	2025 £'000	2024 £'000
Amounts owed to subsidiary undertakings payable after more than one year	**–**	220
Other long-term payables	**91**	298
Total	**91**	518

14 Long-term liabilities

Long-term liabilities	2025 £'000	2024 £'000
Lease liabilities	**4,262**	9
Secured revolving credit facilities	**22,936**	26,966
Total	**27,198**	26,975

The Company has a revolving credit facility ("RCF") with HSBC. For further details see "Note 4.6 Long-term liabilities" in the Group's Financial Statements. 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.

15 Convertible loan notes and derivative financial instruments

The Company issued convertible loan notes as part of the acquisition of Naves Corporate Finance GmbH (further details of the acquisition are provided in Note 4.7 to the Consolidated Financial Statements). The convertible loan notes have been valued at amortised cost with a derivative liability recognised in respect of the equity conversion feature.

	2025 £'000	2024 £'000 (restated[1])
Assets		
Derivative assets maturing after more than one year	**54**	291
Derivative assets maturing within one year	**298**	294
Total assets	**352**	585
Liabilities		
Issued convertible loan notes maturing – current	**2,401**	3,002
Derivative liabilities – current	**327**	434
Derivative liabilities – non-current	**54**	291
Total liabilities	**2,782**	3,727

Financial instruments in relation to the acquisition of Naves

The following table shows amounts in the Company balance sheet relating to the convertible loan notes issued on the acquisition of Naves. The amounts shown in the table below differ from the similar amounts disclosed in Note 4.7 to the Group's Consolidated Financial Statements primarily due to the difference in accounting arising from the employment condition relating to certain of the instruments issued, which results in different effective interest rates applying at the Group and Company level. At 28 February 2025, there are no unsatisfied ongoing employment conditions.

	2025 £'000	2024 £'000 (restated[1])
Current liabilities		
Convertible loan notes	**2,401**	3,002
Derivatives	**29**	140
	2,430	3,142

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 to the Consolidated Financial Statements.

16 Provisions

	Dilapidations £'000
At 1 March 2024	417
Addition to provision in the year	383
At 28 February 2025	**800**

The Company holds a dilapidations provision of £0.8 million (2024: £0.4 million) which is classified as a non-current liability. 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.

17 Share capital and share premium
The Company has one class of ordinary shares which carry no right to fixed income. Note 6.1 to the Consolidated Financial Statements provides detail on authorised share capital and movements in issued share capital.

18 Share-based payments
The Company operates a number of equity-settled share-based payment schemes for the benefit of the Group's employees.

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, 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 Company'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 Company. For further details relating to share awards issued by the Company see Note 5.2 to the Consolidated Financial Statements.

19 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. The ESOP is accounted for within the Company accounts.

The net cost of the shares acquired for the shares held by the ESOP are a deduction from shareholders' funds and represent a reduction in distributable reserves. During the year, the shares held by the EBT were disposed of. For further details, see Note 6.3 to the Consolidated Financial Statements which provides more information on the ESOP and the EBT and movements in shares to be issued.

20 Other reserves
Merger reserve
The merger reserve arises on transactions where the Company issues shares pursuant to an arrangement to acquire more than an 90% interest in another company and no share premium is recorded. The amounts in 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.

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.

Capital redemption reserve
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.

	Capital redemption reserve £'000	Merger reserve £'000	Total £'000
At 1 March 2023	396	23,366	23,762
Capital reduction	(396)	(19,755)	(20,151)
At 29 February 2024 and 28 February 2025	**–**	**3,611**	**3,611**

In the prior year, following the Capital Reduction (see Note 4 to the Consolidated Financial Statements), the merger reserve was reduced by £19.8 million and the capital redemption reserve was reduced to £nil.

21 Contingent liabilities and commitments

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

The Company has issued guarantees to certain subsidiaries in order to exempt them from audit for the year ended 28 February 2025. See Note 7.3 of the Consolidated Financial Statements.

22 Related party transactions

The Company has applied the disclosure exemption of FRS 101 in respect of transactions with wholly owned subsidiaries.

A list of the Company's subsidiary undertakings is provided in Note 7.3 in the Consolidated Financial Statements.

23 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 of authorisation.

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 sale	**–**	–	–	–	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

Contact information

Registered office
Braemar Plc
One Strand
Trafalgar Square
London
WC2N 5HR
Company number: 02286034

Telephone: +44 (0)20 3142 4100

Web address:
www.braemar.com

Principal offices
Shipbroking
One Strand
Trafalgar Square
London
WC2N 5HR

80 Robinson Road
#24-01/02
Singapore
068898

Level 3, 70 City Road
South Bank
Melbourne
Victoria 3006
Australia

Corporate Finance
Domstraße 17
20095 Hamburg
Germany

www.braemar.com

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Braemar Plc
One Strand
Trafalgar Square
London
WC2N 5HR

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