

From offices in 17 countries on five continents, we play a vital role in the movement of the majority of commodities around the world. We are the world's leading shipping services group. We are Clarksons.

Our business

- 01 → Chairman's review
 02 → Chief executive's review

Our accounts

- 06 → Independent review report
 to Clarkson PLC
 → Interim financial statements
 07 → Consolidated income statement
 07 → Consolidated statement
 - - of comprehensive income
 - 08 → Consolidated balance sheet
 - 09 → Consolidated statement
 - of changes in equity 10 → Consolidated cash flow statement
- 11 → Notes to the interim financial statements

Shareholder information

16 → Principal trading offices

Directors' responsibility statement

The directors confirm, to the best of their knowledge, that this set of interim financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the Interim Management Report herein includes a fair review of the information required by Rules 4.2.7 and 4.2.8 of the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

The directors are responsible for the maintenance and integrity of the Interim Report on the website in accordance with UK legislation governing the preparation and dissemination of financial statements. Access to the website is available from outside the UK, where comparable legislation may be different.

Bob Benton Chairman Andi Case Chief executive James Morley Non-executive director Martin Stopford Executive director Ed Warner Non-executive director Paul Wogan Non-executive director Jeff Woyda Finance director 23 August 2011

Chairman's review

"Clarksons delivered a robust performance in the first half of 2011 against a backdrop of volatile markets and exchange rate pressure."



Bob Benton

Clarksons delivered a robust performance in the first half of 2011 against a backdrop of lower freight rates in a number of shipping markets and exchange rate pressure.

Challenging market conditions encourage a flight to quality and the strong heritage of the Clarksons' brand, the breadth and depth of our operations and the strength of our teams have served us well.

As a result we have continued to grow our market share and attract considerable talent to the business, all of which positions us strongly for future growth.

At the heart of our success is our dedicated and talented team of people, who I thank for their continued commitment and professionalism.

Bob Benton Chairman

23 August 2011

Chief executive's review

"These resilient results represent a good achievement by the whole of Team Clarksons and I would like to thank all our colleagues for their hard work and commitment during the period."



Andi Case

These resilient results demonstrate Clarksons' ability to perform, even in uncertain markets, and underline the strength of the company's strategy and business model.

Given the scale of reduction in freight rates across many markets and exchange rate pressures seen over the period, these results, whilst lower than the previous year, represent a good achievement by the whole of Team Clarksons and I would like to thank all our colleagues for their hard work and commitment during the period.

The shape and strategy of our business has enabled us to weather the market storm. These results show that clients value those brokers with a product breadth, geographical spread and expertise, underpinned by world class research.

Across our broking division we have continued to take market share during the first half of the year with higher transaction volumes largely offsetting reduced freight rates and the impact of the US dollar. Strong performances across the business, in particular from our offshore, specialised products and deep sea teams have once again highlighted the benefits of the breadth of our core broking offer.

Difficult markets present challenges, but also opportunities. Whilst we have achieved market share growth through organic development and targeted hires of exceptional people we remain alert to all options for extending our business advantage.

Results

The group delivered revenues of £88.6m (2010: £101.0m) for the period. Revenue from continuing business fell by only 4% from US\$146.4m in 2010 to US\$140.7m in 2011 - the equivalent of £3.8m. Sterling has appreciated from US\$1.4961 as at 30 June 2010 to US\$1.6055 as at 30 June 2011. As most revenue is received in US dollars, it is the conversion of these dollar revenues to sterling that has given rise to a £6.0m fall in reported revenues. The remaining £2.6m fall in revenue was a result of the exit from loss-making logistics activities in line with our previously stated strategy. Administrative expenses fell 5% to £73.7m (2010: £77.7m). 2010 expenses had benefited from a one-off release of a £2.0m provision, and thus underlying administrative expenses were actually down 8%. This comprises both cost savings and reduced bonus provisions from the lower levels of revenue and profit.

In line with expectations, profit before taxation was £13.5m (2010: £16.7m). After adjusting for the one-off release in 2010, underlying profit before taxation fell by just £1.2m or 8%. Basic earnings per share were 52.6p (2010: 66.7p).

Cash and dividends

Cash balances at 30 June 2011 were £101.3m (31 December 2010: £176.3m). Net funds, after deduction of accrued bonus entitlements, amount to £71.8m (31 December 2010: £62.5m), with all borrowings having been paid in early 2011.

Reflecting the strength in the business, the board has declared an interim dividend of 18p per share (2010: 17p per share) which will be paid on 30 September 2011 to shareholders on the register at the close of business on 16 September 2011.

Broking

Revenue

£74.1m (2010: £83.5m)

Result

£14.6m

The broking division has delivered a robust performance in difficult market conditions.

Dry bulk

Adverse weather conditions in many parts of the world, together with record double digit growth in fleet supply, exercised severe pressure on the dry bulk markets during most of the first half of 2011. Despite these challenging conditions Clarksons' dry bulk team has continued to maintain its leading global presence.

Fleet growth will continue to dominate short- and mediumterm sentiment and remains forecast for double digit growth over the next two to three years, even after taking into account expected record scrapping and delays to the delivery schedule from the shipyards. The trend toward spot fixtures will continue, though we expect fresh longer term contract and period time charter business will emerge as markets are perceived to bottom out.

Containers

The unexpected container market activity seen during 2010 failed to continue into 2011. Whilst the volumes of box moves rose satisfactorily, freight failed to do so, and given a historically high newbuild delivery book and a near total reactivation of the idle fleet, market conditions in the first six months of 2011 have been more challenging. However, containerised trade growth whilst not quite at the long-term average of close to 10%, still grew in the first six months in excess of 5%.

Clarksons has outperformed the market delivering an upturn in written spot and forward business and we continue to further strengthen our team to ensure we are well positioned to benefit further as markets improve. The medium-term outlook is still strong with the fleet requiring additional tonnage in most sectors going forward for the next two to three years and whilst building activity has been much stronger, it is still limited by finance and end user commitments.

Deep sea

The crude market has been subdued over the first six months of the year with the VLCC markets being particularly challenging and earnings from Suezmaxes and Aframaxes also impacted. International oil demand has increased at a slower pace than over the same period in the prior year and whilst there was a 52% increase in US bound crude cargoes (from the Arabian Gulf) in the first six months, the lack of a noticeable impact on the freight market indicates that any fundamental demand factors are currently being counter balanced by the large number of newbuildings entering the markets. Whilst the freight market volatility as a result of the MENA civil unrest was short lived, the loss of 1.3m barrels per day of Libyan oil exports have also had an impact on tanker earnings.

Chief executive's review continued

The products market has also been weaker but to a far lesser degree, with product tankers now benefiting from longer voyages as the erosion of refining capacity in key producing economies cedes to burgeoning capacity growth East of Suez.

Against this backdrop, Clarksons' global tanker businesses have continued to outperform the market with our teams well placed to capitalise on the opportunities in this area.

Specialised products

There have been signs of recovery within the specialised products markets, with stronger freight rates on limited routes more commonplace when compared to 2010. However, the majority of freight rates remain subdued as the market continues to adopt a cautious outlook.

The well documented tonnage overcapacity is still prevalent, although fleet growth did slow amidst a reduced order book and continued scrapping activity throughout the first half of 2011.

Owners continued to redistribute order books as a result of cancellations and renegotiations of new delivery contracts. Freight increases have been diluted by rising costs coupled with challenging trading conditions, meaning that many owners continue to operate at a loss.

In difficult and volatile market conditions our expert knowledge is invaluable to clients, and we remain well placed to continue our growth.

Gas

Despite the long-awaited increase in export volumes from the Middle East, the over supply of the VLGC fleet caused rates to remain under pressure in the second quarter as owners competed for cargoes. However pressure built up on producers and in July cargoes began to flood the market, helping rates to increase to much more healthy levels. LPG and ammonia spot business was steady and nowhere near as volatile.

The petrochemical gas market has been relatively stable over the first six months of this year, continuing a similar trend established in the second half of 2010.

Our strength remains our ability to provide a rounded gas service capable of responding to increased activity in all parts of the business. As always, the value which we place on high quality operations and analysis helps us to maintain our position as the overall leading gas brokers.

Sale and purchase

The continued depressed freight rates across all sectors, both wet and dry have had a significant negative effect on secondhand values in general and this, combined with a reduction in available financing within the maritime industry, has resulted in a major reduction in the volume of deals in the overall secondhand market. Nevertheless, our high quality client base and broad expertise have enabled us to fare better than many of our competitors.

In the offshore sector, however, the first half of 2011 saw a continued improvement of sentiment despite rates continuing to be suppressed by the significant amount of tonnage supply. Clarksons' offshore team has improved on its 2010 performance, with particular success in its involvement in the newbuilding and sale and purchase markets across all the sectors of the market.

In the newbuilding markets there has been a significant drop off in the number of ships ordered, albeit we have seen increased activity in the higher value end of the shipping markets, with a strong surge of ordering in the LNG, offshore and container sectors compared to 2010. The Clarksons newbuilding teams in both London and Shanghai have been well placed to take advantage of this surge of high value ordering.

Financial

Revenue

£4.7m (2010: £5.5m)

Result

£2.5m loss (2010: £1.8m loss)

Futures broking

Clarkson Securities Ltd has performed well in the first half of 2011 despite difficult market conditions with overall market volumes for the period down 17.5% on the same period last year.

We have grown market share and remain in a commanding position in the dry bulk sector. We have continued to grow our activities in iron ore and the container derivative product that we pioneered in 2010.

Our business

Investment services

Clarkson Investment Services has made good progress during the first half of the year despite difficult trading conditions. Macroeconomic uncertainty continued to impact M&A activity and this uncertainty combined with the poor fundamentals in the tanker and dry bulk markets resulted in fewer and lower value fundraisings by shipowners.

We have continued to expand our capital markets effort, opening in the US where we successfully completed our first transaction in June of this year. The team continues to secure and work on a number of mandates and remains focused on further developing our research offer to support growth. Given our strong global franchise, we believe we are well positioned to respond as economic conditions and sentiment improve.

Support

Revenue

£6.0m (2010: £8.6m)

Result

£1.1m (2010: £0.7m)

The stevedoring business enjoyed a better first half to the year than anticipated. Support was gained from nearly every UK grain exporter and the higher than expected throughput led to higher customer stock levels and therefore rental and other ancillary incomes.

Our agency business has performed in line with expectations. Whilst the failure of one customer in 2010 has had some impact on revenues in the first half of 2011, replacement business won has already started to come on stream.

Since the half year-end the group has completed the sale of Clarkson Technical Services and its subsidiary companies, for some time a drain on group profits and a non-core part of Clarksons' operations, to Gulbir Suri, the company's managing director. Gross assets sold amounted to £1.5m.

Research

Revenue

£3.8m (2010: £3.4m)

Result

£0.9m

Clarkson Research Services' revenues grew by 12% during the first half, supported by continued demand for our market-leading shipping products and strong growth of offshore related sales.

Sales of Shipping Intelligence Network, our flagship commercial database, and World Fleet Register, our leading online register, helped drive a 17% increase in digital sales. Our offshore sales benefited from the successful launch of Offshore Intelligence Monthly and the continued expansion of our offshore product range, with revenues up significantly in the first half. Our offshore database now offers our clients comprehensive access to market intelligence on structures and companies, oil and gas fields, global Geographical Information System (GIS) coverage and wide ranging commercial data.

Clarkson Valuations Ltd remains the leading provider of valuation services to the industry.

Current trading

As has been well documented in recent weeks, the rate of global macroeconomic recovery remains difficult to predict. This, combined with the political uncertainty in a number of countries continues to translate to volatile trading markets, with spot market business being more prevalent, reflecting the disconnect between forecasted economic recovery and current freight rates.

Our robust performance for the first six months of 2011 has further underpinned our belief that we have the right strategy in place across our business and will continue to benefit from the breadth and global reach of our operations as we look forward into the second half of the year.

Our excellent cash position and strong balance sheet provide us with the means to continue to invest in our business as and when growth opportunities arise, to ensure we are best placed to take advantage when and where market conditions improve.

Andi Case Chief executive

23 August 2011

Independent review report to Clarkson PLC

Introduction

We have been engaged by the company to review the condensed consolidated set of financial statements in the interim report for the six months ended 30 June 2011, which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity and the consolidated cash flow statement together with the related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated set of financial statements.

Directors' responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority. As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated set of financial statements included in this interim report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed consolidated set of financial statements in the interim report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of financial statements in the interim report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP Chartered Accountants

London

23 August 2011

Consolidated income statement

For the half year to 30 June

Continuing operations	Notes	2011 £m*	2010 £m*
Revenue	3	88.6	101.0
Cost of sales		(2.2)	(4.5)
Trading profit		86.4	96.5
Administrative expenses		(73.7)	(77.7)
Operating profit	3	12.7	18.8
Share of losses of associates and joint ventures		_	(0.1)
Finance revenue	4	0.5	0.2
Finance costs	4	(0.2)	(2.3)
Other finance revenue – pensions		0.5	0.1
Profit before taxation		13.5	16.7
Taxation	5	(3.7)	(4.3)
Profit for the period		9.8	12.4
Attributable to:			
Equity holders of the parent		9.8	12.4
Earnings per share			
Basic	6	52.6p	66.7p
Diluted	6	52.3p	66.7p
*! In a sural family	·		

^{*}Unaudited

Consolidated statement of comprehensive income For the half year to 30 June

	2011 £m*	2010 £m*
Profit for the period	9.8	12.4
Actuarial loss on employee benefit schemes – net of tax	(1.8)	(4.5)
Foreign exchange differences on retranslation of foreign operations	(0.7)	1.8
Foreign currency hedge – net of tax	0.8	(2.0)
Total comprehensive income for the period	8.1	7.7
Attributable to:		
Equity holders of the parent	8.1	7.7

^{*}Unaudited

Consolidated balance sheet As at 30 June

Notes	2011 £m*	2010 £m*	31 December 2010 £m [†]
Non-current assets			
Property, plant and equipment	8.8	13.9	8.7
Investment property	0.4	0.4	0.4
Intangible assets	32.6	32.6	32.7
Trade and other receivables	0.5	0.6	0.5
Investments 9	1.9	14.4	1.8
Employee benefits 8	1.9	_	_
Deferred tax asset	12.9	13.5	12.0
	59.0	75.4	56.1
Current assets			
Trade and other receivables	33.1	37.2	28.4
Income tax receivable	0.5	0.5	0.5
Investments 9	-	_	11.4
Cash and short-term deposits 10	101.3	132.9	176.3
	134.9	170.6	216.6
Current liabilities			
Interest-bearing loans and borrowings	-	_	(44.0)
Trade and other payables	(60.2)	(71.4)	(100.3)
Income tax payable	(4.9)	(5.8)	(5.3)
Provisions	(0.3)	(0.3)	(0.3)
	(65.4)	(77.5)	(149.9)
Net current assets	69.5	93.1	66.7
Non-current liabilities			
Interest-bearing loans and borrowings	-	(49.2)	_
Trade and other payables	(1.2)	(1.0)	(1.1)
Provisions	(1.5)	(1.2)	(1.4)
Employee benefits 8	(2.8)	(12.8)	(0.8)
Deferred tax liability	(2.3)	(3.3)	(3.1)
	(7.8)	(67.5)	(6.4)
Net assets	120.7	101.0	116.4
Capital and reserves			
Share capital 11	4.7	4.7	4.7
Other reserves	40.5	42.1	40.0
Profit and loss	75.5	54.2	71.7
Clarkson PLC group shareholders' equity	120.7	101.0	116.4

^{*}Unaudited

†Audited

Consolidated statement of changes in equity

	- Notes	Attributable	to equity holder	s of the parent	
		Share capital £m*	Other reserves £m*	Profit and loss £m*	Total equity £m*
Balance at 1 January 2011		4.7	40.0	71.7	116.4
Profit for the period		-	-	9.8	9.8
Other comprehensive income:					
Actuarial loss on employee benefit schemes – net of tax		-	-	(1.8)	(1.8)
Foreign exchange differences on retranslation					
of foreign operations		-	(0.7)	-	(0.7)
Foreign currency hedge – net of tax		-	0.8	-	0.8
Total comprehensive income for the period		-	0.1	8.0	8.1
Transactions with owners:					
Net ESOP shares acquired		-	(0.3)	-	(0.3)
Profit on ESOP shares		_	_	1.1	1.1
Share-based payments		_	0.7	_	0.7
Tax on other employee benefits		_	_	0.4	0.4
Dividend paid	7	_	_	(5.7)	(5.7)
		-	0.4	(4.2)	(3.8)
Balance at 30 June 2011		4.7	40.5	75.5	120.7

		Attributable	to equity holders	of the parent	
	Notes	Share capital £m*	Other reserves £m*	Profit and loss £m*	Total equity £m*
Balance at 1 January 2010		4.7	40.6	51.5	96.8
Profit for the period		_	_	12.4	12.4
Other comprehensive income:					
Actuarial loss on employee benefit schemes – net of tax		_	_	(4.5)	(4.5)
Foreign exchange differences on retranslation					
of foreign operations		_	1.8	_	1.8
Foreign currency hedge - net of tax		_	(2.0)	-	(2.0)
Total comprehensive (expense)/income for the period		_	(0.2)	7.9	7.7
Transactions with owners:					
Net ESOP shares utilised		_	1.5	_	1.5
Share-based payments		_	0.2	(0.1)	0.1
Dividend paid	7	_	-	(5.1)	(5.1)
		_	1.7	(5.2)	(3.5)
Balance at 30 June 2010		4.7	42.1	54.2	101.0

^{*}Unaudited

Consolidated cash flow statement For the half year to 30 June

Notes	2011 £m*	2010 £m*
Cash flows from operating activities		
Profit before taxation	13.5	16.7
Adjustments for:		
Foreign exchange differences	(0.3)	(2.3)
Depreciation and impairment of property, plant and equipment	1.1	1.5
Share-based payment expense	0.7	0.4
Share of losses of associates and joint ventures	_	0.1
Difference between ordinary pension contributions paid and		
amount recognised in the income statement	(1.8)	(0.3)
Finance revenue 4	(0.5)	(0.2)
Finance costs 4	0.2	2.3
Other finance revenue – pensions	(0.5)	(0.1)
Increase in trade and other receivables	(3.7)	(7.8)
Decrease in bonus accrual	(38.6)	(12.9)
Increase/(decrease) in trade and other payables	0.4	(3.6)
Increase in provisions	0.1	0.1
Cash utilised from operations	(29.4)	(6.1)
Income tax paid	(4.9)	(1.3)
Net cash flow from operating activities	(34.3)	(7.4)
Cash flows from investing activities		
Interest received	0.2	0.2
Purchase of property, plant and equipment	(1.3)	(0.4)
Proceeds from sale of investment	10.7	_
Proceeds from sale of property, plant and equipment	0.1	_
Dividends received from associates and joint ventures	_	0.1
Dividends received from investments	0.3	
Net cash flow from investing activities	10.0	(0.1)
Cash flows from financing activities		
Interest paid	(0.2)	(0.8)
Dividend paid 7	(5.7)	(5.1)
Repayments of borrowings 10	(43.6)	<u> </u>
Net cash flow from financing activities	(49.5)	(5.9)
Net decrease in cash and cash equivalents	(73.8)	(13.4)
Cash and cash equivalents at 1 January	176.3	143.2
Net foreign exchange differences	(1.2)	3.1
Cash and cash equivalents at 30 June	101.3	132.9

^{*}Unaudited

Notes to the interim financial statements

1 Corporate information

The interim consolidated financial statements of the group for the period ended 30 June 2011 were authorised for issue in accordance with a resolution of the directors on 23 August 2011. Clarkson PLC is a Public Limited Company listed on the London Stock Exchange, registered in England and Wales and domiciled in the UK.

The interim consolidated financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006, and should be read in conjunction with the 2010 annual financial statements. The statutory audited accounts for the year ended 31 December 2010 have been delivered to the Registrar of Companies in England and Wales. The Auditors' report on those accounts was unqualified and did not contain statements under Section 498 of the Companies Act 2006.

Copies of the interim financial statements have been circulated to all shareholders and are available from the registered office of the company at St. Magnus House, 3 Lower Thames Street, London EC3R 6HE and also on www.clarksons.com.

2 Statement of accounting policies

2.1 Basis of preparation

The interim consolidated financial statements for the period ended 30 June 2011 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements for the year ended 31 December 2010, which were prepared in accordance with IFRSs as adopted by the European Union.

2.2 Accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the group's annual financial statements for the year ended 31 December 2010.

Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected total annual profit or loss.

The following new standards and amendments to standards relevant to group are mandatory for the first time for the financial year beginning 1 January 2011:

- Annual improvements 2010 these amendments include greater emphasis on the disclosure principles in IAS 34 involving significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.
- Amendment to IFRIC 14, 'IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction' - the amendments apply in limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset.

Notes to the interim financial statements continued

2 Statement of accounting policies continued

The application of these standards and interpretations has had no significant impact on the group's interim report.

As at the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective. The group has not applied these standards and interpretations in the preparation of financial statements.

- IFRS 7, 'Financial instruments: Disclosures' on derecognition effective from 1 July 2011 subject to EU endorsement. These amendments arise from the IASB's review of off-balance-sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets.
- IAS 1, 'Financial statement presentation' regarding other comprehensive income effective from 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in Other comprehensive income (OCI) on the basis of whether they are potentially recycled to profit or loss (reclassification adjustments). The amendments do not address which items are presented in OCI.
- IFRS 9, 'Financial instruments' effective from 1 January 2013. This standard establishes the principles for the financial reporting of financial assets that will present relevant and useful information to users of financial statements for their assessment of the accounts, timing and uncertainty of the entity's future cash flows.
- IFRS 10, 'Consolidated financial statements' effective from 1 January 2013 subject to EU endorsement. This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a group consolidates as its subsidiaries.
- IFRS 13, 'Fair value measurement' effective from 1 January 2013 subject to EU endorsement. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.
- IAS 27 (revised 2011), 'Separate financial statements' effective from 1 January 2013 subject to EU endorsement. This standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.

The impact on the group's financial statements of the future adoption of these standards and interpretations is still under review, but the group does not expect any of these changes to have a material effect on the results or net assets of the group.

3 Segmental information

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For the half year to 30 June		Revenue		Results
Continuing operations	2011 £m	2010 £m	2011 £m	2010 £m
Broking	74.1	83.5	14.6	20.6
Financial	4.7	5.5	(2.5)	(1.8)
Support	7.7	10.1	1.1	0.7
Research	3.8	3.4	0.9	0.8
	90.3	102.5		
Less property services revenue arising within the group, included under Support	(1.7)	(1.5)		
Segment revenue/results	88.6	101.0	14.1	20.3
Head office costs			(1.4)	(1.5)
Operating profit			12.7	18.8
Share of losses of associates and joint ventures			_	(0.1)
Finance revenue			0.5	0.2
Finance costs			(0.2)	(2.3)
Other finance revenue – pensions	0.5	0.1		
Profit before taxation				16.7
Taxation	(3.7)	(4.3)		
Profit after taxation				12.4
The share of losses of associates and joint ventures is as follows:				
,			2011	2010
Broking			£m	£m (0.1)
DIONING				(0.1)
4 Finance revenue and finance costs				
For the half year to 30 June			2011 £m	2010 £m
Finance revenue			2	2
Bank interest receivable			0.2	0.2
Dividends received from investments			0.3	_
			0.5	0.2
Finance costs				
Interest-bearing loans and borrowings				0.8
Loss on revaluation of fair value through profit or loss investment			_	1.5
			0.2	2.3

Notes to the interim financial statements continued

5 Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2011 is 27.7% (the estimated tax rate for the six months ended 30 June 2010 was 25.8%).

6 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Half year to 30 June 2011	Half year to 30 June 2010
	£m	£m
Earnings	9.8	12.4
	2011 Million	2010 Million
Weighted average number of ordinary shares	18.5	18.6
Dilutive effect of performance share awards and share options	0.1	-
Diluted weighted average number of ordinary shares	18.6	18.6
7 Dividends		
For the half year to 30 June	2011 £m	2010 £m
Declared and paid during the period:		
Final dividend for 2010 of 30p per share (2009: 27p per share)	5.7	5.1
Payable (not recognised as a liability at period end):		
Interim dividend for 2011 of 18p per share (2010: 17p per share)	3.4	3.2

8 Employee benefits

The group operates two defined benefit pension schemes being the Clarkson PLC scheme and the Plowrights scheme.

As at 30 June 2011 the Clarkson PLC scheme had a surplus of £1.9m (31 December 2010: £0.4m). This amount is included in full on the balance sheet as a non-current asset; the company has recognised deferred tax on this surplus amounting to £0.5m (31 December 2010: £0.1m). The market value of the assets was £104.6m (31 December 2010: £106.4m) and independent actuaries have assessed the present value of funded obligations at £102.7m (31 December 2010: £106.0m).

Also as at 30 June 2011 the Plowrights scheme had a surplus of £0.6m (31 December 2010: £1.2m deficit). This surplus is not recognised on the balance sheet as the scheme has no active members and the principal employer does not have an unconditional right to a refund.

Triennial valuations for both schemes were prepared based on the position as at 31 March 2010. This resulted in a minimum funding requirement on the Plowrights scheme of £2.8m, recognised as a non-current liability on the balance sheet. Deferred tax of £0.7m has been recognised on this liability.

9 Investments

During the period, the company redeemed its investment in the Clarkson hedge funds.

10 Analysis of net funds

	31 December 2010 £m	Repayments of borrowings £m	Other cash flows £m	Foreign exchange differences £m	30 June 2011 £m
Cash and short-term deposits	176.3	(43.6)	(30.2)	(1.2)	101.3
Current interest-bearing loans and borrowings	(44.0)	43.6	-	0.4	-
Net funds	132.3	-	(30.2)	(0.8)	101.3

Net funds after deduction of accrued bonus entitlements amount to £71.8m (31 December 2010: £62.5m).

11 Share capital

	30 June 2011	30 June 2010	31 December 2010	30 June 2011	30 June 2010	31 December 2010
Allotted, issued and fully paid	Million	Million	Million	£m	£m	£m
Ordinary shares of 25 pence each:						
At start and end of period	19.0	19.0	19.0	4.7	4.7	4.7

12 Contingencies

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.

In December 2010 judgement was handed down regarding the long-running litigation relating to commissions derived from Russian based transactions between 2001 and 2004. The judgement was in favour of Clarksons and consequently was in accordance with the board's beliefs. Since the year-end, the claimant against Clarksons has appealed this judgement. The board's views remain unchanged.

13 Seasonality

The group's activities are not subject to significant seasonal variation.

14 Principal risks and uncertainties

The directors consider that the nature of the principal risks and uncertainties which may have a material effect on the group's performance in the second half of the year is unchanged from those identified in the Risk Management section of the Annual Report 2010 on page 21. These include credit risk, in the form of non-payment of invoices; liquidity risk arising from funding requirements; foreign exchange risk from fluctuations in the US dollar to sterling exchange rate; exposures to interest rate movements; reputational risk; and operational risk giving rise to losses from people, systems, external influences or failed processes.

15 Related party disclosures

The group's significant related parties are as disclosed in the Clarkson PLC annual report for the year ended 31 December 2010. There were no material differences in related parties or related party transactions in the period ended 30 June 2011.

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Thank you.

This report is available at: www.clarksons.com



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