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Fisher (James) & Sons plc
10 September 2024

James Fisher and Sons plc

Half year results for the six months ended 30 June 2024

10 September 2024

James Fisher and Sons plc (FSJ.L) ("James Fisher", "the Group", "the Company"), the leading marine service provider, announces its results for the six months ended 30 June 2024 ('the Period', "1H 2024").

Continued progress on the turn-around strategy and financial strengthening

- Underlying performance in the Period in line with expectations
- Significant value realised from sale of non-core business and assets, with aggregate cash proceeds before transaction costs of c.£100m to be realised in 2024 from sale of RMSpumptools (£82.8m), Martek (£10.6m) and remaining Subtech Europe assets (£7.1m)
- Group refinancing expected to be completed in due course, on more favourable terms
- Targeted investment in high value growth areas across Divisions
- Expertise strengthening, with continued focus on cash management, pooling of resources and other self-help measures
- Positive market fundamentals support medium term growth opportunities across all Divisions
- The Company is making continued progress on the business turn-around and the outlook for the full year remains in line with market expectations

	Underlying results[1]			Reported results		
	Six months ended			Six months ended		
Continuing operations	**30.06.24**	30.06.23	Change	**30.06.24**	30.06.23	Change
Revenue (£m)	**221.5**	252.0	(12.1%)	**221.5**	252.0	(12.1%)
Operating profit (£m)	**16.8**	14.0	20.0%	**12.7**	3.2	296.9%
Profit/(loss) before tax (£m)	**4.3**	6.4	(32.8%)	**0.2**	(4.4)	n/m
Profit/(loss) for the period (£m)	**3.0**	(1.7)	n/m	**(1.0)**	(9.6)	89.6%
Operating margin	**7.6%**	5.6%	200 bps	**5.7%**	1.3%	440 bps
Return on capital employed	**7.5%**	4.7%	280 bps	**n/a**	n/a	n/a
Net debt - covenant basis	**144.8**	154.5	6.2%	**n/a**	n/a	n/a
Earnings/(loss) per share	**6.4**	21.5	(70.2%)	**(1.7)**	(6.3)	73.0%

Financial highlights

- Revenue down 12.1% to £221.5m driven by a 17.8% decline in the Energy Division, predominantly due to the closure of IRM activities in December 2023. Excluding the impact of Subtech Europe and Swordfish (diving support vessel), revenue was flat
- Underlying operating profit up 20.0% to £16.8m which included a £3.0m gain on the sale of 'Life of Field' rental assets and also reflects the impact of the underperformance of Subtech Europe in 1H 2023
- 200 bps improvement in operating margin (included RMSpumptools) to 7.6% reflecting the benefit of the removal of Subtech Europe's underperformance in 1H 2023. Excluding RMSpumptools, operating margin was 5.1% in 1H 2024
- 280 bps improvement in ROCE to 7.5% reflecting our focus on increasing underlying profitability and capital discipline
- Reported profit before tax of £0.2m reflecting net finance costs of £12.5m and refinancing costs of £2.5m
- Net debt (for covenant purposes) at £144.8m, with Net Debt : EBITDA at 2.6x, before contribution from RMSpumptools and Martek sale proceeds reduces net debt to c.£65m in 2H 2024

Strategic highlights

- Generally supportive market backdrop in the Period, with good performance from Energy well services, Maritime Transport tankships and Defence submarine rescue and platforms
- Continued streamlining of the portfolio with year end net debt expected to be significantly reduced, towards our communicated Net Debt : EBITDA leverage range of 1.0 - 1.5x
- Targeted capital investment to support organic growth and returns in high value air compressors and bubble curtain technology, and fleet replacement programme
- Strengthening of Executive Committee now complete, including appointments of Chief Human Resources Officer and Head of Operations
- Continued focus on improving cash management and productivity efficiencies
- Focus on managing underperforming businesses

Jean Vernet, Chief Executive Officer, commented:

"We have made important strategic progress on our business turn-around this year, significantly deleveraging our balance sheet through the sale of non-core assets, to provide a stronger financial foundation for growth.

With the full Executive Committee now in place, we are committed to delivering on our Company priorities and I am particularly pleased to see progress on our financial foundations. We are driving a step change in our capital allocation and discipline, targeting investment in high value markets that will deliver our financial targets.

Our focus on strengthening the supply chain will drive greater efficiency and operational excellence. This will complement a broader company self-help programme launched in June 2024 and our continued focus on underperforming businesses.

We will continue to prioritise Exceptional Safety across all our operations by investing in our talent development, training and employee engagement. Combined, this will develop a long-term safety culture together as One James Fisher.

As we enter the second half, trading in July and August was in line with expectations and the Group's full year outlook remains unchanged.

Across all three Divisions we continue to operate in supportive end markets, with a long-term customer base that is evolving for the future. This provides the framework for continued delivery and through our growth pillars of people, innovation and targeted geographical growth, we will drive the second phase of our business turn-around."

Results presentation: A webcast presentation for investors and analysts will be held on 10 September 2024 at 09:00 am (UK time). The presentation will be webcast live and will be available on demand at www.james-fisher.com. A transcript of the presentation and Q&A will also be made available on our website.

For further information:

James Fisher & Sons plc	Jean Vernet Karen Hayzen-Smith	Chief Executive Officer Chief Financial Officer	020 7614 9503
FTI Consulting	Richard Mountain Susanne Yule		020 3727 1340

1 The Group uses a number of alternative (non-Generally Accepted Accounting Practice (non-GAAP)) performance measures (APMs) which are not defined within IFRS. The APMs should be considered in addition to and not as a substitute for or superior to the information presented in accordance with IFRS, as APMs may not be directly comparable with similar measures used by other companies. The APMs are described more fully and reconciled to GAAP performance measures in Note 2 of the Condensed Consolidated Financial Statements.

2 Cautionary statement: This announcement contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and James Fisher and Sons plc undertakes no obligation to update these forward-looking statements. Nothing in this statement should be construed as a profit forecast.

Chief Executive's statement

Strategy update

James Fisher is halfway through its turn-around programme to build a stronger, more sustainable business focused on improved operational and financial performance. Delivered through the One James Fisher strategy to 'focus, simplify and deliver', the first half of 2024 has seen the Group take further actions which will significantly strengthen its financial position, simplify the business portfolio further and focus investment on high value and growth areas.

The sale of non-core businesses and assets will generate aggregate cash proceeds of c.£100m to be realised in 2024 from the sale of RMSpumptools (£82.8m), Martek (£10.6m) and remaining Subtech Europe assets (£7.1m), and will reduce the Group's leverage towards our target range of 1.0-1.5x Net Debt : EBITDA. The Company's focus remains centred on increasing efficiency while reducing cost, through standardisation, resource sharing, and cash and working capital management. In combination, this will accelerate sustainable recovery for the Group and provide the right platform to refinance our Group facilities on more favourable terms which will be completed in due course.

To align James Fisher for growth, the Group is targeting capital investment in key areas across Energy and Maritime Transport, including new air compressors and bubble curtains for deployment in the global energy industry. We have also invested in four dual-fuel sub-intermediate tankers as part of our fleet replacement programme that will service the ports of Northwest Europe. These investments also align with the Group's sustainability strategy, to decarbonise its operations and transition to net zero by 2050. Further new product development is underway across all Divisions, with some due to market in 2025.

The Company is making continued progress on the business turn-around and the outlook for the full year remains in line with market expectations.

Market backdrop and business highlights

With a continued backdrop of geopolitical instability and heightened focus on security of energy supply, James Fisher's end markets remained supportive. Within the Energy Division, demand for generation-related services, including artificial lift, compressors and bubble curtains was strong, while the market for decommissioning continues to be challenging. In Defence, the requirement for subsea and special operations capabilities is accelerating in core markets, with particular interest in submarine rescue and special forces platforms. Maritime Transport saw stable long-term demand for its tankship fleet, while LNG ship-to-ship operations remained lower year-on-year, due to slow market conditions.

Energy

The Energy Division provides safe, sustainable technologies and services across two core markets: energy services and renewables. 1H 2024 highlights include:

- Continued strong demand for well services, intervention and artificial lift well services
- Key contract awards for bubble curtains, inspection repair and maintenance, and offshore wind services, in North America, Brazil and Europe, respectively
- Targeted capital investment in high value growth areas, including air compressors and bubble curtains
- Continued challenging decommissioning market, with business turn-around plan in place
- Broader Division reorganisation under way to right size support costs, pool resources and increase efficiencies

Defence

The Defence Division provides underwater systems and life support capabilities for the defence and commercial diving markets. 1H 2024 highlights include:

- Strong base in existing home markets, with growth in the US reflecting demand for special forces platforms
- Demand for additional submarine rescue services with a long-term customer
- Continued solid performance from commercial and defence diving
- New strategy and senior leadership team in place, with encouraging pipeline to be realised over the next two years

Maritime Transport

Maritime Transport is a leading provider of targeted coastal shipping and global oil and natural gas ship-to-ship (STS) transfer services. 1H 2024 highlights include:

- Robust performance from Tankships with high utilisation across the fleet
- Fleet replacement programme under way with four dual-fuel sub-intermediate tankers due from early 2026
- Ship-to-ship revenue lower year-on-year due to high LNG winter inventories and poor weather in Brazil, both limiting operations in 1H 2024
- Strong profit in Cattedown Wharves

Progress on the business turn-around strategy

The Group's One James Fisher 'Business Excellence' programme is now embedded, enabling the business to deliver the initial foundation work for its turn-around programme. In 2024, the Company launched five unified objectives that prioritise safety, integrate the supply chain, improve legal, compliance and financial controls, build employee engagement and deliver a pipeline of talent that is critical to the business' long-term growth. Key achievements in 1H 2024 include:

- **Exceptional Safety** - implemented a Company-wide training platform and reporting tool, with 89% of employees now trained on the Company's 'Life Saving Rules'. The Group continues to see a mixed safety performance and is leading a global stand-down for safety in 2H 2024 focused on driving cultural change across international operations.

- **Financial Foundations** - alongside deleveraging the balance sheet, the Group has strengthened its foundations through a combination of improvements to its financial, legal and compliance functions. An end-to-end review of Group policies and procedures is on schedule to be completed by the end of 2024. The Investment Committee continues to ensure that we allocate capital in a disciplined way, that aligns with the Group's strategic financial targets for underlying operating profit (10%) and return on capital employed (15%). We have clear path forward to meet our underlying operating profit margin target of 10% through the following four key set of actions: self-help, focus on business performance, defence rebound and supply chain initiatives.

- **Pipeline of Talent** - a new Chief Human Resources Officer was appointed in 2Q 2024 and is leading key programmes to attract and retain the right talent. This includes a comprehensive job architecture programme that will build a diverse and geographically mobile workforce. This will allow visibility on career pathing and will be measured through the Group's attrition and gender diversity measures reported at year end.

- **Employee engagement** - this remains key to enabling the business change programme, with the Company's annual survey taking place in November 2024. In 1H 2024 the Group focused on engaging with employees at Group and Divisional level, with 2H 2024 plans to strengthen senior line management training and change management support.

- **Supply Chain** - following the appointment of a new Head of Operations in 1Q 2024, new initiatives are under way, including the launch of central procurement for indirect services that will strengthen the Group's supply chain, reduce cost and increase efficiency.

These priorities are underpinned by three Division-led pilots that will unlock key areas of opportunity, including commercial excellence, new product development and carbon reduction. This will prepare the Group for long-term strategic growth, aligned to its core customer markets.

Environmental, Social and Governance

The Group published its second Annual Sustainability Report in May 2024, outlining progress made on its Sustainability strategy, which is delivered through three key focus areas - People, Planet and Partnerships.

Gender diversity has improved at the most senior levels of the Group. Women now represent 50% of the Board and 40% of the Executive Committee, increasing from 38% and 29% respectively, year-on-year.

The Group also published its Scope 1 and 2 greenhouse gas ("GHG") emissions reductions targets, aligned to achieving net zero by 2050. The Maritime Transport Division has a long-term, tankship fleet replacement programme under way that will form the backbone of the Group's carbon emissions pathway. The Energy Division delivered its first Life Cycle Assessment to inform its product line emissions reduction programme.

Work to progress the Scope 3 GHG emissions reduction targets is underway, including a supply chain mapping exercise with the Group's top 60 suppliers. A New Product Development process was also launched in early 2024 and we will partner with customers to understand their future technology needs.

Board changes

On 1 March 2024, the Board appointed Shian Jastram as an Independent Non-Executive Director and member of the Audit Committee, Remuneration Committee and Nominations Committee. Shian has worked in a variety of leadership positions at Ørsted, one of the world's leading renewable energy companies, bringing a wealth of strategic and technical expertise to the Board.

Summary and outlook

The Group's 1H 2024 underlying performance was in line with expectations, led by good performances in Well Services, tankships and submarine rescue platforms. Overall, market conditions remain generally supportive, alongside an attractive long-term customer base that provides the framework for continued delivery. As we enter the second half, trading in July and August was in line with expectations and the Group's full year outlook remains unchanged.

Key strategic progress was made to significantly deleverage the balance sheet towards our target range of 1.0 - 1.5x Net Debt: EBITDA, creating a more sustainable financial platform for future growth. We expect the Group refinancing to be completed on more favourable terms in due course.

The full Executive Committee is now in place, driving progress on the Company's 2024 business priorities into 2H 2024. Future growth remains centred on targeted investment in high value growth areas, including air compressors, bubble curtains and tankships. The launch of a new product development process earlier this year will drive long-term growth across all Divisions, from 2025 onwards.

While the geopolitical and economic climate remains uncertain, the Board remains committed to delivering the second stage of the Group's business turn-around strategy.

Jean Vernet
Chief Executive Officer

A summary of the Group's performance from continuing operations is set out below

	Underlying results[1] Six months ended			**Reported results Six months ended**		
Continuing operations	**30.06.24**	30.06.23	Change	**30.06.24**	30.06.23	Change
Revenue (£m)	**221.5**	252.0	(12.1%)	**221.5**	252.0	(12.1%)
Operating profit (£m)	**16.8**	14.0	20.0%	**12.7**	3.2	296.9%
Profit/(loss) before tax (£m)	**4.3**	6.4	(32.8%)	**0.2**	(4.4)	n/m
Profit/(loss) for the period (£m)	**3.0**	(1.7)	276.5%	**(1.0)**	(9.6)	89.6%
Operating margin	**7.6%**	5.6%	200 bps	**5.7%**	1.3%	430 bps
Return on capital employed	**7.5%**	4.7%	280 bps	**n/a**	n/a	n/a
Net debt - covenant basis	**144.8**	154.5	6.2%	**n/a**	n/a	n/a
Earnings/(loss) per share	**6.4**	21.5	(70.2%)	**(1.7)**	(6.3)	73.0%

1 The Group uses a number of alternative (non-Generally Accepted Accounting Practice ("non-GAAP")) performance measures ("APMs") which are not defined within International Financial Reporting Standards ("IFRS"). The APMs should be considered in addition to and not as a substitute for or superior to the information presented in accordance with IFRS, as APMs may not be directly comparable with similar measures used by other companies. The APMs are described more fully and reconciled to GAAP performance measures in Note 2 of the Condensed Consolidated Financial Statements

Reported results from continuing operations

The Group generated revenue of £221.5m in 1H 2024, a decrease of 12.1% compared to £252.0m in 1H 2023 largely due to the closure of Subtech Europe in December 2023. Energy had a slower start to 2024 than anticipated due to contract phasing in Mozambique for the development of a new LNG plant which will now run into 2025, rather than finishing in December 2024. Although Tankships in Maritime Transport performed well, Fendercare was impacted by low levels of LNG ship-to-ship activity as global stocks remain high. Defence revenues were flat.

Gross margin increased to 29.8% from 26.0% in 1H 2023 and 27.4% for FY23. Margin improvement continues to be an area of focus for the Group.

The Group made a reported operating profit of £12.7m, an increase of £9.5m over 1H 2023. The improvement has been driven by a reduction in net adjusting items of £6.7m1 and the impact of the Group's focus on higher margin activity.

Reported profit before tax was £0.2m (1H 2023: loss of £4.4m). The increase in profit before tax was driven by the reported operating profit performance noted above offset by an increase in net finance expense. The increase in net finance expense was the result of increased interest rates and higher amortisation of financing fees arising from the refinancing undertaken in 2023. There was also an increase due to the unwinding of discount on lease liabilities due to the Group entering into and extending several vessel and office leases during 2023.

Reported loss per share from continuing activities was 1.7 pence compared to a loss of 6.3 pence in 1H 2023 reflecting the improved operating profit performance and decrease in adjusting items.

1 Refer to the Underlying operating results from continuing operations section below for a breakdown of the adjusting items

Underlying operating results from continuing operations

Reconciliation of underlying operating profit (continuing operations) to operating profit (continuing operations)	Six months ended 30.06.24 £m	30.06.23 £m
Underlying operating profit (continuing operations)	**16.8**	14.0
Impairment charges	**-**	0.3
Refinancing costs	**(2.5)**	(9.3)
Restructuring costs	**(0.4)**	(1.4)
Disposal of businesses and assets	**(0.5)**	1.1
Other	**(0.7)**	(1.5)
Operating profit (continuing operations)	**12.7**	3.2

Underlying operating profit improved by 20.0% to £16.8m (1H 2023: £14.0m). The Energy Division delivered growth in both underlying operating profit and margin, whereas both Defence and Maritime Transport saw declines in underlying operating profit and margin. The Group's overall underlying operating profit margin improved by 200 bps, from 5.6% in 2023 to 7.6% in 2024 reflecting the impact of the underperformance of the Subtech Europe business in 1H 2023 results.

The adjusting items for 1H 2024 amounted to £4.1m, with £2.5m of costs associated with the refinancing of the Revolving Credit Facility ("RCF").

Summary of underlying operating results from continuing operations

Continuing operations	Revenue			Underlying operating profit/(loss)		
	Six months ended			Six months ended		
	30.06.24 £m	30.06.23 £m	Change %	30.06.24 £m	30.06.23 £m	Change %
Energy	**110.2**	134.0	(17.8)	**15.0**	7.5	100.0
Defence	**36.5**	37.0	(1.4)	**(0.4)**	0.6	n/m
Maritime Transport	**74.8**	81.0	(7.7)	**8.2**	10.0	(18.0)
Corporate	**-**	-	-	**(6.0)**	(4.1)	(46.3)
Total	**221.5**	252.0	(12.1)	**16.8**	14.0	20.0

Six months operating performance by Division

Energy

Strong performance in Well Services

The Energy Division provides services to the energy services and renewables markets, and mainly comprises of the Well Services (Scantech), Inspection Repair and Maintenance (JF Subtech), Renewables (JF Renewables) and Subsea & Decommissioning Services (JF Offshore) product lines. The Artificial Lift (RMSpumptools) product line, which is included in the 1H results, was subsequently disposed of on 8 July 2024 for net consideration of £82.8m.

	Six months ended		Change
	30.06.24	30.06.23	
	£m	£m	
Revenue	**110.2**	134.0	(17.8%)
Revenue (excl. Subtech Europe and Swordfish)	**110.2**	101.9	8.1%
Revenue (excl. Subtech Europe, Swordfish and RMSpumptools)	**87.4**	81.6	7.1%
Underlying operating profit	**15.0**	7.5	100.0%
Underlying operating profit (excl. Subtech Europe and Swordfish)	**15.0**	9.0	66.7%
Underlying operating profit (excl. Subtech Europe, Swordfish and RMSpumptools)	**8.3**	4.7	76.6%
Underlying operating profit margin	**13.6%**	5.6%	800 bps
Underlying operating profit margin (excl. Subtech Europe and Swordfish)	**13.6%**	8.8%	480 bps
Underlying operating profit margin (excl. Subtech Europe, Swordfish and RMSpumptools)	**9.5%**	5.8%	370 bps
Return on capital employed[1]	**14.1%**	8.2%	590 bps

1 Please refer to Note 2 of the Condensed Consolidated Financial Statements for further information on this alternative performance measure

The Energy Division showed a 7.1% increase in revenue (excluding Subtech Europe, Swordfish and RMSpumptools) with strong performances in Well Services and Subsea & Decommissioning Services offsetting reduced revenues in the remaining Inspection Repair and Maintenance businesses. Underlying operating profit growth (excluding Subtech Europe, Swordfish and RMSpumptools) for the Division was 76.6%.

Well Services revenue, which includes Well Services and Bubble Curtain solutions in Taiwan and the USA, increased by 14.4% to £35.8m (2023: £31.3m). This increase was driven by sustained demand for Well Testing and bubble curtain services, facilitated by ongoing capital investment in new technology compressors as well as continuing strong demand in more traditional markets in Africa and the Middle East.

Inspection, Repair and Maintenance (excluding Subtech Europe and Swordfish) showed an increase in revenue of 29.6% to £25.8m (2023: £19.9m), there was good growth in Africa and Brazil facilitated by new contract wins.

Renewables revenues declined to £11.4m (2023: £15.2m) mainly due to lower levels of construction activity, with the completion of two significant projects delivered in 2023 (Seagreen and Hollandse-Kust) not replaced in 2024. Following a review, the business restructured its portfolio with a focus on growth in key target markets (blades, cable and O&M services) and a move away from higher risk/lower margin projects to ensure a sustainable basis for future growth.

Subsea and Decommissioning Services revenue grew by 14.6% to £10.2m (2023: £8.9m).

The now divested RMSpumptools product line reflected a 12.3% increase in revenue to £22.8m (2023: £20.3m). The sale of the business has significantly decreased Group financial leverage.

Defence

Opportunities are progressing and pipeline remains strong

The Defence Division provides underwater systems and life support capabilities, for the defence and commercial diving markets. The main business lines are submarine rescue, defence diving, special operations vehicles, submarine systems, and commercial diving and hyperbaric systems.

	Six months ended		Change
	30.06.24	30.06.23	
	£m	£m	
Revenue	**36.5**	37.0	(1.4%)
Underlying operating (loss)/profit	**(0.4)**	0.6	n/m
Underlying operating profit margin	**(1.1%)**	1.6%	(270 bps)
Return on capital employed[1]	**0.6%**	1.8%	(120 bps)

1 Please refer to Note 2 of the Condensed Consolidated Financial Statements for further information on this alternative performance measure

The Defence Division's revenue declined by 1.4%, to £36.5m in 1H 2024, with an underlying operating loss of £0.4m, a decrease of £1.0m compared to 1H 2023. The revenue decline was predominately due to the cancellation of a US defence contract award, partially offset by the delivery of additional services to existing defence customers, as well as strong performances from our commercial diving and hyperbaric systems.

Submarine rescue service contracts progressed well, with the first anniversary of the renewed NATO submarine rescue contract occurring in the period. We anticipate these projects to be completed in the second half of 2024.

Significant progress has been made on the new enhanced facility in Australia that further strengthens our commitment and service offering to the Royal Australian Navy.

Significant project awards that were anticipated for the period have yet to be secured due to delayed procurement processes, but several opportunities are well progressed for delivery in 2H 2024. The underlying drivers for the market remain buoyant, and the Group is focused on securing new contracts as customers around the world prioritise undersea defence and energy security.

Maritime Transport

Focus on margin improvement and portfolio rationalisation

The Maritime Transport Division comprises the Tankship business, Cattedown Wharves ("Cattedown"), JF Fendercare and Martek Marine ("Martek").

	Six months ended		Change
	30.06.24	30.06.23	
	£m	£m	
JF Tankships (incl. Cattedown)	**40.4**	39.6	2.0%
JF Fendercare (incl. Martek)	**34.4**	41.4	(16.9%)
Revenue	**74.8**	81.0	(7.6%)
Underlying operating profit	**8.2**	10.0	(18.0%)
Underlying operating profit margin	**11.0%**	12.3%	(130 bps)
Return on capital employed[1]	**27.8%**	24.1%	370 bps

1 Please refer to Note 2 of the Condensed Consolidated Financial Statements for further information on this alternative performance measure

The Tankships business delivered a solid performance in the first six months. Revenue was marginally up year-on-year, from £39.6m to £40.4m, with both vessel utilisation and day rates being in line with 1H 2023. The tanker fleet utilisation during the period was 90% (1H 2023: 91%). Cattedown performed well in 1H 2024 with an increase in the number of vessels through the port year-on-year, in particular for dry cargo.

Tankships continues the replacement programme for its new fleet, with contracts signed for four new sub-intermediate tankers funded through leasing with delivery expected during 2026 and early 2027.

JF Fendercare experienced a £7.0m reduction in revenue year-on-year, impacted by a lull in LNG ship-to-ship activity as global stocks remained high, poor weather in Brazil, and reduction in volumes of oil ship-to-ship in the Middle East and delays in large product orders.

Corporate

Corporate costs were £6.0m compared to £4.1m in 1H 2023. The increase reflects the effect of investments the Group made during 2023 to strengthen capability within enabling functions. The investment builds a foundation for growth through stronger business performance and efficiencies leading to group wide margin improvement.

Non-underlying items included within operating profit

The Group has recognised a net operating loss of £4.1m in relation to adjusting items, significantly lower than the £10.8m recognised in 1H 2023.

	Six months ended	
	30.06.24	30.06.23
	£m	£m
Impairment charges	**-**	(0.3)
Refinancing costs	**2.5**	9.3
Restructuring costs	**0.4**	1.4
Loss/(Gain) on disposal of businesses and assets	**0.5**	(1.1)
Other	**0.7**	1.5
Total	**4.1**	10.8

During 1H 2024, the Group incurred £2.5m of legal and advisory costs relating to the refinancing of the existing RCF. In 2023, the £9.3m of costs related to the legal and advisory costs associated with the implementation of the RCF, refinancing strategy and facilities maintenance.

Restructuring costs of £0.4m in 1H 2024 and £1.4m in 1H 2023 relate to the transformation programme aimed at simplification, rationalisation and integration of the Group's businesses.

Disposal of businesses and assets includes £4.2m of costs incurred on the disposal of RMSpumptools which will be part of the gain on disposal calculation in 2H 2024 following completion of the sale in July; the estimated gain on disposal is around £49m. The 1H 2024 incurred costs are offset by £3.6m gains recognised on the disposal of residual fixed assets from Subtech Europe. The £1.1m gain recognised in 1H 2023 largely relates to a gain on the disposal of a vessel in the Maritime Transport Division.

Capital expenditure

Capital expenditure in the period was £16.9m and £0.7m on development expenditure. The capital expenditure to depreciation ratio was 1.4x (excluding intangibles additions and amortisation). Most of the growth expenditure was in relation to investment in a new fleet of compressors to support expansion of the bubble curtain product line and in relation to deposits on the Tankships rebuild programme.

Net finance charges

The Group's net finance charges increased by £4.9m to £12.5m (2023: £7.6m).

Finance charges in the six months to June 2024 primarily comprise £9.4m of interest expense on loans and overdrafts (2023: £5.8m), £2.2m for deferred financing fees to be paid under the terms of the new credit facilities (2023: £0.3m), £0.6m of loan arrangement fees (2023: £1.2m), and £1.8m interest expense on lease liabilities (2023: £1.4m), partially offset by £1.5m (2023: £1.1m) interest income on cash balances and pensions.

The increase in interest expense on loans and overdrafts and interest income on cash balances was largely the result of higher comparable interest rates and costs of borrowing in the first six months of 2024. Interest expense on lease liabilities increased during the year due to new vessel leases and extensions to existing vessel and property leases.

The Group's interest cover ratio, an alternative performance measure which is fully described and reconciled in Note 2 of the Condensed Consolidated Financial Statements, and is calculated by dividing rolling 12 months underlying operating profit by rolling 12 months net finance charges (excluding IFRS 16 finance charges), is 2.0x (2023: 3.2x), which compares to banking covenants that require the ratio to be greater than 1.5x (2023: 2.5x).

Taxation

The Group has recognised an overall net tax expense in respect of continuing operations of £1.2m in the period (2023: credit of £1.2m). The tax expense on underlying profits from continuing operations for the period is £1.3m (2023: £1.7m) representing an underlying effective tax rate of 29.5% (2023: 27.2%), with the Group incurring charges in Australia, Brazil and Norway.

The increase in the overall tax expense is primarily driven by the fact that a deferred tax credit cannot be imputed against the net UK accounting loss incurred in the period. Given the volume of cumulative UK tax losses at the December 2023 balance sheet date, which were mostly generated by the discontinued businesses and exceptional costs, it was decided not to recognise the UK deferred tax asset in respect of the UK losses carried forward. The Group still has the ability to recognise these losses in future periods as the turn-around strategy develops, and the UK group is able to demonstrate short to medium term future UK profitability against which the losses can be offset.

Dividends and earnings per share

The Board has not recommended dividends in 2024 or 2023, given the overall financial position of the Group. The Board remains committed to reintroducing a sustainable dividend policy at the right time.

Basic loss per share, on a statutory basis, reduced to 1.7 pence (2023: 19.0 pence) reflecting lower loss after tax. Underlying basic earnings per share decreased to 6.4 pence (2023: 21.5 pence) primarily due to higher interest and tax charges in the year, partially offset by an improvement in the underlying operating profit.

Cash flow and borrowings

	Six months ended	
	30.06.24	30.06.23
	£m	£m
Cash flow from operating activities	**28.0**	3.5
Cash flows (used in)/from investing activities	**(1.0)**	1.6
Cash flows used in financing activities	**(19.4)**	(7.4)
Net increase in cash and cash equivalents	**7.6**	(2.3)
Cash and cash equivalents at 1 January	**26.4**	22.8
Net foreign exchange differences	**0.1**	(0.7)
Cash transferred to assets held for sale	**(4.1)**	-
Cash and cash equivalents at 30 June	**30.0**	19.8

The Group generated £28.0m (2023: £3.5m) of cash from operating activities, with a working capital inflow of £12.2m (2023: outflow of £8.4m). The increase in operating profit for the period was the key driver of the improved cash flow. The working capital inflow arose due to an improvement in debtor days including advanced payments received from customers, partially offset by a modest reduction in creditor days. Debtor balances continued to show some positive progress during the year due to the business focus on collections. Creditor balances have increased since year end but are consistent with the balances at 1H 2023. Tax payments were slightly higher than last year at £6.0m (2023: £4.1m).

Cash outflows for investing activities during the year were £1.0m (2023: inflow of £1.6m). Capital expenditure, at £16.9m, was in line with the £16.8m invested in 2023. Key expenditure in 1H 2024 included investment in energy efficient compressors in the Energy Division, which is expected to yield attractive returns. Other capex investments included deposits on new build vessels, dry docking of the Group's vessels and equipment purchases. The Group realised £14.2m of proceeds from the disposal of property, plant and equipment (2023: £21.3m).

The Group's net borrowings at 30 June 2024, including all lease liabilities, was £186.6m (30 June 2023: £203.5m; 31 December 2023: £201.1m). During the period, bank borrowings increased by £0.5m and lease liabilities decreased by £7.3m.

On 30 June 2024, the Group had £183.0m of committed credit facilities (30 June 2023: £210.0m; 31 December 2023: £192.7m) and £15.0m of undrawn committed credit facilities (30 June 2023: £40.9m; 31 December 2023: £24.7m).

The Group's net debt for the purposes of its banking covenants consists of net bank borrowings, finance lease liabilities (on an IAS 17 basis), and bonds and guarantees, as summarised below.

	Six months ended	
	30.06.24	30.06.23
	£m	£m
Net borrowings	186.6	203.5
Less: right-of-use operating leases	(51.7)	(50.6)
Add: Guarantees and collateral deposits[1]	9.9	1.6
Net debt - covenant basis	144.8	154.5
Covenant EBITDA	54.7	55.4
Net Debt : EBITDA[2]	2.6x	2.8x

1 Includes one-time John Fisher Nuclear Limited settlement of £5.0m in 2024

2 Defined as leverage Alternative Performance Measure ("APM") in Note 2.3 of the Condensed Consolidated Financial Statements

On a covenant basis, net debt has decreased by £9.7m compared to 1H 2023. The ratio of Net Debt : EBITDA (defined as leverage APM, which is explained and reconciled in Note 2 of the Condensed Consolidated Financial Statements) has decreased to 2.6x (2023: 2.8x), which compares to banking covenants requiring the ratio to be less than 4.0x.

Following the disposal of RMSpumptools, net debt further decreased to c.£70m.

Liquidity

In June 2023, the Group agreed borrowing facilities with its lending banks of £209.9m, with a maturity date of March 2025. As at 30 June 2024, agreed amortisation had reduced the available facility amount to £198.0m. The continued access to liquidity has been included as a Group Principal Risk in the Annual Report and Accounts due to the relatively short-term nature of the new facilities.

With the current RCF maturing early next year, the Group will be refinancing its debt in 2024. We are underway with the deleveraging of our balance sheet with the sale of the entire issued share capital of RMSpumptools Limited (RMS) completing in July 2024 for proceeds of £82.8m of which £72.8m have been used to repay the RCF. Deleveraging will provide the Group with greater business resilience and greater headroom on its existing facilities, while reducing the Group's debt levels towards our mid-term target Net Debt : EBITDA range of 1.0x - 1.5x. The Group's refinancing is well progressed and will be completed in due course on more favourable terms in comparison to the current facility.

Balance sheet

The Group's net assets decreased by £3.8m in the period to £144.8m (30 June 2023: £200.1m; 31 December 2023: £148.6m). The loss for the period of £1.0m was increased by other comprehensive losses of £3.4m in relation to foreign exchange movements and hedging of £1.4m, net of tax, and an actuarial loss from the Group's defined benefit pension fund of £2.0m in the period, net of tax.

Non-current assets

Non-current assets decreased by £13.8m in the period from £295.3m at 31 December 2023 to £281.5m. Goodwill reduced by £9.5m to £68.8m (31 December 2023: £78.3m) as a result of a reclassification to held-for-sale assets of £8.3m and foreign exchange differences of £1.2m. Other intangible assets reduced to £6.2m from £6.3m, largely due to additions and transfers of £0.7m, which was offset by amortisation charges of £0.6m.

Within property, plant and equipment, the Group invested £17.8m in additions. These additions were offset by disposals with a net book value of £3.3m, depreciation of £9.9m, reclassifications to intangible assets and assets held for sale of £1.8m and foreign exchange differences of £0.8m.

Right-of-use assets decreased by £5.4m due to additions of £3.6m relating to property leases and leased vessel dry docks, which were partially offset by depreciation of £7.7m, reclassifications to held for sale assets of £1.0m and foreign exchange differences of £0.3m.

Investments in joint ventures has reduced by £1.0m to £7.4m due to the receipt of a dividend of £1.0m in the period.

The Group has recognised a £7.3m asset in relation to the James Fisher and Sons plc Pension Fund for Shore Staff defined benefit pension scheme in accordance with IFRIC 14 following movements in actuarial assumptions. The Group continues to make deficit repair payments in line with agreed profiles with £1.5m expected to be paid in contributions this year following the most recent triennial actuarial valuation for Merchant Navy Ratings Pension Fund.

Current assets and current liabilities

The Group has net current liabilities of £88.0m, a decrease of £162.2m from the £74.2m of net current assets at 31 December 2023. This decrease arose from the £186.0m increase in current liabilities to £374.7m, partially offset by a £23.8m increase in current assets to £286.7m.

The £23.8m increase in current assets in the period was mainly driven by a £35.6m increase in assets held for sale due to the reclassification of the RMSpumptools business to held for sale and a £4.4m increase in corporation tax receivable offset by a £6.6m decrease in inventories and £8.9m decrease in receivables.

The £186.0m increase in current liabilities in the period was mainly driven by a £162.8m increase in the amount of current borrowings which includes £166.6m of bank borrowings due to mature in March 2025 reclassified from non-current liabilities , a £13.3m increase in trade and other payables to £126.7m, a £12.2m increase in liabilities associated with assets held for sale and a £0.2m increase in provisions to £9.6m. This was partially offset by a £1.1m reduction in current tax liabilities to nil and a £1.4m reduction in lease liabilities to £11.6m.

Short-term bank borrowings (i.e. overdrafts) have reduced to £46.8m from £51.1m at 31 December 2023, with the net position of short-term cash and short-term borrowings increasing to £30.0m (31 December 2023: £26.4m).

Non-current liabilities

Long-term liabilities, at £48.7m, are £172.2m lower than at 31 December 2023. The change in the period is largely the result of the reclassification of bank borrowings to current liabilities of £166.6m, decrease of £5.9m in long-term lease liabilities and £0.7m reduction in provisions offset by a £1.0m increase in retirement benefit obligations.

Technical guidance for 2H 2024

The 2H 2024 results will reflect the following portfolio actions:

- The exit from Subtech Europe, which ceased operations in December 2023 (the business contributed c. £40.0m of revenue to continuing operations in 2023); and
- The sale of RMSpumptools (the business contributed revenue of £22.8m and £6.7m of EBITDA to continuing operations in 1H 2024).
- The sale of non-core Maritime Transport business Martek (the business contributed revenue of £5.6m and £0.5m of EBITDA to continuing operations in 1H 2024).

The net proceeds of the RMSpumptools and Martek disposals have been used to reduce the drawn balance under the RCF. As such, the net interest expense is expected to reduce.

The refinancing of facilities is expected to complete in due course on improved terms, with an interest cost improvement of c.150bps.

Capital expenditure in 2024 is expected to be at similar levels to 2023.

The underlying effective tax rate for the full year 2024 is 29.0% representing the Group operating in higher tax rate overseas territories.

Risks and uncertainties

The principal risks and uncertainties which may have the largest impact on performance in the second half of the year are the same as those disclosed in the 2023 Annual Report and Accounts on pages 56 - 66. The principal risks set out in the 2023 Annual Report and Accounts were:

- Operational - Group transformation programme, health and safety, cyber security, contractual risk, project delivery, recruitment and retention of staff, regulatory and compliance and product risk;
- Strategic - operating in emerging markets, climate change, acquisitions and disposals; and
- Financial - maintaining access to adequate funding, interest rate, foreign exchange and credit risks.

The Board considers that the principal risks and uncertainties set out in the 2023 Annual Report and Accounts remain unchanged. Emerging risks such as the macroeconomic financial environment and geopolitical tensions affecting global stability and commodity pricing continue to be monitored.

Directors' Responsibilities

We confirm that to the best of our knowledge:

(a) The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted for use in the United Kingdom;

(b) The interim management report includes a fair review of the information required by:

   a. DTR 4.2.7R of the 'Disclosure and Transparency Rules', being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

   b. DTR 4.2.8R of the 'Disclosure and Transparency Rules', being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during the period; and any changes in the related party transactions described in the last annual report and accounts that could do so.

Approved by the Board of Directors and signed on its behalf by:

J Vernet Chief Executive Officer	K Hayzen-Smith Chief Financial Officer

INDEPENDENT REVIEW REPORT TO JAMES FISHER AND SONS PLC

Conclusion

We have been engaged by James Fisher and Sons plc ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Material uncertainty related to going concern

We draw attention to note 1 of the condensed set of financial statements which describes the material uncertainty in respect of formal documentation and completion in relation to the refinancing of the existing RCF, which matures within the going concern assessment period, which is not in the direct control of the Group. These events and conditions, along with other matters explained in note 1, constitute a material uncertainty that may cast doubt on the Group's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) 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.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the Directors have inappropriately adopted the going concern basis of accounting, or that the Directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

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

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the Directors are responsible for assessing the Group'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 Company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

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

Andrew Campbell-Orde

for and on behalf of KPMG LLP

Chartered Accountants

1 St Peter's Square

Manchester

M2 3AE

10 September 2024

Condensed consolidated income statement

for the six months ended 30 June 2024

	Notes	Six months ended 30.06.24 £m	30.06.23[1] £m	31.12.23 £m
Continuing Operations				
Revenue	3	**221.5**	252.0	496.2
Cost of sales		**(155.5)**	(186.5)	(360.3)
Gross profit		**66.0**	65.5	135.9
Administrative expenses		**(51.3)**	(52.0)	(109.6)
Impairment charges		**-**	(0.1)	(28.4)
Refinancing costs		**(2.5)**	(9.3)	(12.2)
Restructuring costs		**(0.4)**	(1.4)	(5.7)
Share of post-tax results of associates		**0.9**	0.5	1.4
Operating profit/(loss)		**12.7**	3.2	(18.6)
Investment income	5	**1.5**	1.1	3.2
Finance expense	5	**(14.0)**	(8.7)	(24.5)
Profit/(loss) before taxation		**0.2**	(4.4)	(39.9)
Tax (expense)/income	6	**(1.2)**	1.2	(11.0)
Loss for the period from continuing operations		**(1.0)**	(3.2)	(50.9)
Loss for the period from discontinued operations, net of tax	4	**-**	(6.4)	(11.4)
Loss for the period		**(1.0)**	(9.6)	(62.3)
Attributable to:				
Owners of the Company		**(0.8)**	(9.6)	(62.4)
Non-controlling interests		**(0.2)**	-	0.1
		(1.0)	(9.6)	(62.3)
Loss per share		**pence**	pence	pence
Basic and diluted	7	**(1.7)**	(19.0)	(123.9)
Loss per share - continuing operations		**pence**	pence	pence
Basic and diluted	7	**(1.7)**	(6.3)	(101.2)

1 Refinancing costs (£9.3m), impairment credit (£0.3m) and restructuring costs (£1.4m) for the six months ended 30 June 2023 which were previously included within administrative expenses have been represented to conform with the current year presentation of these costs.

Condensed consolidated statement of other comprehensive income

for the six months ended 30 June 2024

	Six months ended		
	30.06.24	30.06.23	31.12.23
	£m	£m	£m
Loss for the period	**(1.0)**	(9.6)	(62.3)
Other comprehensive (expense) / income:			
Items that will not be classified to the income statement			
Actuarial (loss)/gain in defined benefit pension schemes	**(2.0)**	(1.1)	1.6
Tax on items that will not be reclassified	**-**	-	(0.3)
	(2.0)	(1.1)	1.3
Items that may be reclassified to the income statement			
Exchange differences on foreign currency net investments	**(2.4)**	(10.1)	(8.1)
Effective portion of changes in fair value of cash flow hedges	**0.8**	4.8	(0.3)
Effective portion of changes in fair value of cash flow hedges in joint ventures	**-**	(0.1)	(0.1)
Net changes in fair value of cash flow hedges transferred to income statement	**0.2**	(1.3)	(0.9)
Tax on items that may be reclassified	**-**	(1.3)	(0.3)
	(1.4)	(8.0)	(9.7)
Total other comprehensive expense for the period	**(3.4)**	(9.1)	(8.4)
Total comprehensive expense for the period	**(4.4)**	(18.7)	(70.7)
Attributable to:			
Owners of the Company	**(4.2)**	(18.7)	(70.8)
Non-controlling interests	**(0.2)**	-	0.1
	(4.4)	(18.7)	(70.7)

Condensed consolidated statement of financial position

at 30 June 2024

	Notes	**30.06.24 £m**	30.06.23 £m	31.12.23 £m
Non-current assets				
Goodwill	9	**68.8**	112.5	78.3
Other intangible assets		**6.2**	7.5	6.3
Property, plant and equipment		**120.0**	120.3	118.0
Right-of-use assets		**62.0**	61.6	67.4
Investment in joint ventures		**7.4**	8.5	8.4
Other investments		**1.4**	1.4	1.4
Retirement benefit surplus	12	**7.3**	5.3	7.4
Other receivables		**3.9**	1.4	4.0
Deferred tax assets		**4.5**	11.5	4.1
		281.5	330.0	295.3
Current assets				
Inventories		**40.1**	51.8	46.7
Trade and other receivables		**115.1**	162.1	124.0
Assets held for sale	10	**50.3**	2.2	14.7
Current tax assets		**4.4**	-	-
Cash and cash equivalents	13	**76.8**	90.3	77.5
		286.7	306.4	262.9
Current liabilities				
Trade and other payables		**(126.7)**	(127.2)	(113.4)
Provisions	11	**(9.6)**	(11.5)	(9.4)
Liabilities associated with assets held for sale	10	**(12.9)**	-	(0.7)
Taxation liabilities		**-**	(1.9)	(1.1)
Borrowings	13	**(213.9)**	(70.5)	(51.1)
Lease liabilities		**(11.6)**	(11.9)	(13.0)
		(374.7)	(223.0)	(188.7)
Net current (liabilities)/assets		**(88.0)**	83.4	74.2
Total assets less current liabilities		**193.5**	413.4	369.5
Non-current liabilities				
Provisions	11	**(3.6)**	(1.4)	(4.3)
Retirement benefit obligations	12	**(2.6)**	(0.5)	(1.6)
Cumulative preference shares		**(0.1)**	(0.1)	(0.1)
Borrowings	13	**-**	(167.0)	(166.6)
Lease liabilities		**(42.3)**	(44.3)	(48.2)
Deferred tax liabilities		**(0.1)**	-	(0.1)
		(48.7)	(213.3)	(220.9)
Net assets		**144.8**	200.1	148.6
Equity				
Called up share capital		**12.6**	12.6	12.6
Share premium		**26.8**	26.8	26.8
Treasury shares		**(0.5)**	(0.6)	(0.5)
Other reserves		**(17.8)**	(14.8)	(16.4)
Retained earnings		**123.3**	175.6	125.5
Total shareholders' equity		**144.4**	199.6	148.0
Non-controlling interests		**0.4**	0.5	0.6
Total equity		**144.8**	200.1	148.6

Condensed consolidated statement of changes in equity
for the six months ended 30 June 2024

	Share capital £m	Share premium £m	Retained earnings £m	Other reserves £m	Treasury shares £m	Total shareholders' equity £m	Non-controlling interests £m	Total equity £m
At 1 January 2023	12.6	26.8	185.8	(6.8)	(0.6)	217.8	0.5	218.3
Loss for the period	-	-	(9.6)	-	-	(9.6)	-	(9.6)
Other comprehensive expense	-	-	(1.1)	(8.0)	-	(9.1)	-	(9.1)
Total comprehensive expense for the period	-	-	(10.7)	(8.0)	-	(18.7)	-	(18.7)
Contributions by and distributions to owners:								
Share-based payments	-	-	0.5	-	-	0.5	-	0.5
At 30 June 2023	12.6	26.8	175.6	(14.8)	(0.6)	199.6	0.5	200.1
Loss for the period	-	-	(52.8)	-	-	(52.8)	0.1	(52.7)
Other comprehensive income/(expense)	-	-	2.4	(1.7)	-	0.7	-	0.7
Total comprehensive expense for the period	-	-	(50.4)	(1.7)	-	(52.1)	0.1	(52.0)
Contributions by and distributions to owners:								
Remeasurement of non-controlling interest put option	-	-	-	0.1	-	0.1	-	0.1
Share-based payments	-	-	0.5	-	-	0.5	-	0.5
Sale of shares by ESOT	-	-	(0.2)	-	0.1	(0.1)	-	(0.1)
At 31 December 2023	**12.6**	**26.8**	**125.5**	**(16.4)**	**(0.5)**	**148.0**	**0.6**	**148.6**
Loss for the period	**-**	**-**	**(0.8)**	**-**	**-**	**(0.8)**	**(0.2)**	**(1.0)**
Other comprehensive expense	**-**	**-**	**(2.0)**	**(1.4)**	**-**	**(3.4)**	**-**	**(3.4)**
Total comprehensive expense for the period	**-**	**-**	**(2.8)**	**(1.4)**	**-**	**(4.2)**	**(0.2)**	**(4.4)**
Contributions by and distributions to owners:								
Share-based payments	**-**	**-**	**0.6**	**-**	**-**	**0.6**	**-**	**0.6**
At 30 June 2024	**12.6**	**26.8**	123.3	(17.8)	(0.5)	144.4	0.4	144.8

Other reserve movements

Other reserves	Translation reserve £m	Hedging reserve £m	Put option liability £m	Total £m
At 1 January 2023	(8.2)	2.5	(1.1)	(6.8)
Other comprehensive (expense)/income	(10.1)	2.1	-	(8.0)
At 30 June 2023	(18.3)	4.6	(1.1)	(14.8)
Other comprehensive income/(expense)	2.0	(3.7)	-	(1.7)
Remeasurement of non-controlling interest put option	-	-	0.1	0.1
At 31 December 2023	**(16.3)**	**0.9**	**(1.0)**	**(16.4)**
Other comprehensive (expense)/income	**(2.4)**	**1.0**	**-**	**(1.4)**
At 30 June 2024	**(18.7)**	**1.9**	**(1.0)**	**(17.8)**

Condensed consolidated cash flow statement

for the six months ended 30 June 2024

	Notes	Six months ended 30.06.24 £m	30.06.23 £m	31.12.23 £m
Loss for the period		**(1.0)**	(9.6)	(62.3)
Tax expense/(income)		**1.2**	(1.2)	12.0
Adjustments for:				
Depreciation and amortisation		**18.3**	20.8	41.2
Impairments		-	(0.3)	28.1
Net finance expense		**12.5**	7.6	21.3
Net Loss on disposal of businesses		**-**	2.1	2.1
Gains on disposals of property, plant and equipment		**(8.3)**	-	(2.5)
Other non-cash items		**(0.1)**	(2.6)	(1.3)
(Increase)/decrease in inventories		**(5.2)**	(3.0)	0.1
(Increase)/decrease in trade and other receivables		**(1.2)**	(20.8)	10.7
Increase/(decrease) in trade and other payables		**18.6**	15.4	(4.1)
Defined benefit pension cash contributions less service cost		**(0.8)**	(0.8)	1.1
Cash generated from operations		**34.0**	7.6	46.4
Income taxes paid		**(6.0)**	(4.1)	(8.6)
Cash flow from operating activities		**28.0**	3.5	37.8
Investing activities				
Dividends from joint venture undertakings		**1.0**	-	1.2
Net proceeds from the disposal of a subsidiary		**-**	(3.2)	(3.2)
Proceeds from the disposal of property, plant and equipment[1]		**14.2**	21.3	25.6
Interest income		**1.4**	1.2	2.9
Acquisition of property, plant and equipment		**(16.9)**	(16.8)	(29.4)
Development expenditure		**(0.7)**	(0.9)	(1.8)
Cash flows (used in)/from investing activities		**(1.0)**	1.6	(4.7)
Financing activities				
Interest paid		**(9.5)**	(6.3)	(15.7)
Repayment of lease liabilities		**(9.9)**	(8.5)	(18.1)
Proceeds from borrowings		**4.0**	192.0	198.1
Repayment of borrowings		**(4.0)**	(184.6)	(191.7)
Cash flows used in financing activities		**(19.4)**	(7.4)	(27.4)
Net increase/(decrease) in cash and cash equivalents	13	**7.6**	(2.3)	5.7
Cash and cash equivalents at beginning of period		**26.4**	22.8	22.8
Net foreign exchange differences		**0.1**	(0.7)	(1.7)
Cash transferred to assets held for sale		**(4.1)**	-	(0.4)
Cash and cash equivalents at end of period		**30.0**	19.8	26.4

1 Proceeds from disposal of property, plant and equipment includes £3.3m (June 2023: £18.4m, December 2023: £19.8m) from assets held for sale.

Notes to the Preliminary results

1. General information

James Fisher and Sons plc ("the Company") is a public limited company registered and domiciled in England and Wales and listed on the London Stock Exchange. The condensed consolidated financial statements of the Company for the six months ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interests in jointly controlled entities.

Statement of compliance

These condensed consolidated interim financial statements, which have been reviewed and not audited, have been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted for use in the UK. As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, the condensed consolidated set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 31 December 2023 with the exceptions described below. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023.

The comparative figures for the financial year ended 31 December 2023 are not the Group's statutory accounts for that financial year. Those accounts which were prepared in accordance with UK-adopted International Financial Reporting Standards ("IFRS"), have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) included reference to a matter to which the auditor drew attention by way of emphasis without qualifying their report in respect of a material uncertainty in respect of going concern and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements of the Group for the year ended 31 December 2023 are available upon request from the Company's registered office at Fisher House, PO Box 4, Barrow-in-Furness, Cumbria LA14 1HR or at www.james-fisher.co.uk.

The half year financial information is presented in Sterling and all values are rounded to the nearest 0.1 million pounds (£0.1m) except where otherwise indicated.

New standards and amendments effective from 1 January 2024 have not had a material impact on the interim consolidated financial statements of the Group.

Going concern

In determining the appropriate basis of preparation of the condensed interim financial statements for the six months ended 30 June 2024, the Board is required to consider whether the Group can continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements. The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties and sensitivities, as set out below.

The Group signed a £209.9m secured revolving credit facility in June 2023, which matures on 31 March 2025 ("the RCF"). There are a number of mandatory repayments (both scheduled and where cash is generated from disposals) incorporated into the facility terms. At the time when the facility terms were negotiated, the timing of these repayments were intended to align with forecast cash inflows. However, as cash inflows can vary from forecast due to timings of projects and revenue receipts, prior to the December 2023 year end, the Group obtained appropriate waivers to alter the phasing and quantum of the December 2023 mandatory repayment. The quantum of this mandatory repayment was reduced, and repayment made in June 2024. As a result, the Group had £15.0m of undrawn committed facilities at 30 June 2024 (30 June 2023: £40.9m; 31 December 2023: £24.7m) and £183.0m of committed facilities (30 June 2023: £210.0m; 31 December 2023: £192.7m).

On 8 July 2024, the Group completed the sale of the entire issued share capital of RMSpumptools Limited (RMS) for £82.8m. These proceeds have been used to reduce facilities to £112.5m as at 15 July 2024 and deleverage the Group's balance sheet.

The RCF contains a restriction on capital expenditure spend as well as minimum liquidity requirements. It also contains reducing Net Debt : EBITDA covenants and increasing interest cover requirements throughout the facility and certain non-financial covenants. During the period, the Group has agreed with the banking syndicate to reset these to less onerous levels for the remaining duration of the facility. The testing requirement has also been altered from monthly to quarterly for the Net Debt : EBITDA covenant.

The Group's net debt for the purposes of banking covenants consists of net bank borrowings adjusted for finance lease liabilities (on a pre-IFRS 16 basis) and advance payment guarantees. The net debt for covenant purposes was £144.8m as at 30 June 2024 (30 June 2023: £154.5m; 31 December 2023: £149.8m) and the net debt/ EBITDA ratio of 2.6x (30 June 2023: 2.8x; 31 December 2023: 2.8x).

The Group, with the ongoing support of the banking syndicate, has remained in compliance with all covenants during the period and remained so at the 30 June 2024 measurement date.

Going concern assessment period

Accounting standards require the Directors to assess the Group's ability to continue to operate as a going concern for at least 12 months from the date of approval of the financial statements. The Board has considered an appropriate period for going concern assessment considering any known liquidity events that will occur after the 12-month period. Given that the RCF matures on 31 March 2025, the Directors concluded that the 12-month going concern assessment period to 30 September 2025 is appropriate with a realistic prospect that the RCF will be refinanced prior to 31 March 2025 based on discussions with participating banks and financial advisors.

Board assessment

Base case

The Group has prepared its base case based on the latest performance and forecasts for the period to 30 September 2025.

The base case also considers downside risks to business performance that could arise in the period and restricts capital expenditure in line with the revised limits for 2024 in the RCF. Given parts of the Group's business involves securing new contracts which can be delayed or cancelled, cash flows have been adjusted to take account of such risks materialising. Although the intention of the Group is to continue the disposals of non-strategic assets and businesses, the base case does not include such disposals or acquisitions as these are not in the direct control of the Group.

The forecasts also take account of the macro-economic environment such as potential inflationary pressures and shifts in market trends. The base case demonstrated the Company would have headroom against its facilities and would comply with financial covenants over the going concern assessment period.

Severe but plausible downside scenario

The Group also modelled severe but plausible downside scenarios in which the Board has taken account of the following:

- trading downside risks, which assume the Group is not successful in delivering the anticipated profitability levels due to risks associated with contract wins and/or delays and forecast margin achievement resulting in operating profit reduction of around 20% during the going concern period; and
- cash inflow disruptions that may result from late payments from customers or project delivery challenges.

Under a combination of all of the above downside scenarios ("the combined severe but plausible scenario"), prior to mitigating actions within the control of management, the forecasts indicate that until the end of the current RCF in March 2025, the Directors will not need to seek additional funding in order for the Group to continue to meet its liabilities as they fall due. The combined severe but plausible scenario also results in limited headroom on financial covenant compliance in the going concern assessment period, prior to mitigating actions.

In addition, due to the quarterly and monthly covenant testing requirements within the RCF, there is an inherent timing risk associated with both profits and large project related customer receipts. Therefore, there is a risk that should the combined severe but plausible scenario outlined above materialise, additional support from the lender group may be necessary to avoid any temporary non-compliance with covenants. The Group will continue to actively manage its cashflow to mitigate this risk and operate within the terms of the RCF.

As part of the RCF, there is a non-financial covenant that requires the Group to provide signed audited financial statements for all guarantors party to the banking arrangement within 180 days of the year end. As at 30 June 2024, the Group has obtained a waiver from the banks for certain guarantors where this covenant requirement has not been met in respect of 31 December 2022 and 2023 audited financial statements. The Board believe that they can meet the revised signing dates as outlined in this waiver however acknowledge that should the revised signing dates not be met then an additional waiver will need to be obtained to prevent a breach to the Group's banking facility.

Expiry of RCF during the going concern assessment period

As noted above, the RCF expires on 31 March 2025. As at the date of this report, the Group has been progressing with a refinance of the existing RCF and has received a draft agreement from the lenders to enter into a single three year RCF of £75m, alongside a five year £20m term loan facility. The terms of the new facilities are subject to formal agreement with completion and drawdown of the new facilities subject to legal documentation being finalised. The Directors expect to complete the refinancing in due course.

Assessment Conclusion

Based on their assessment, the Directors believe it remains appropriate to prepare the condensed interim financial statements on a going concern basis. However, the Directors recognise that the formal documentation and completion in relation to the refinancing of the existing RCF, which matures within the going concern assessment period, is not in the direct control of the Group and therefore indicates the existence of a material uncertainty, related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Accounting estimates and judgements

The preparation of half year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ materially from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the major sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2023.

An additional key judgement impacting the period is the classification of RMSpumptools as a continuing operation. The Directors considered the requirements of the accounting standard and assessed if RMSpumptools represents a separate major line of business for the Group. This determination required judgement due to the overall financial contribution of the business to the Group. The Directors concluded that based on the business operating as a product line within the wider Energy Division, rather than being a major line of business, it was appropriate to include within continuing operations. RMSpumptools generated £22.8m in revenue, and £6.8m in profit before tax during the period and consequently the Group's continuing results would have reduced by this amount had RMSpumptools been presented as a discontinued operation.

2. Alternative performance measures

The Group uses a number of alternative (non-Generally Accepted Accounting Practice ("non-GAAP")) performance measures which are not defined within International Financial Reporting Standards ("IFRS"). The alternative performance measures ("APMs") should be considered in addition to and not as a substitute or superior to the information presented in accordance with IFRS, as APMs may not be directly comparable with similar measures used by other companies.

The Group believes that APMs, when considered together with IFRS results, provide the readers of the financial statements with complementary information to better understand and compare the financial performance and position of the Group from period to period. The adjustments are usually items that are significant in size and/or non-recurring in nature. These measures are also used by management for planning, reporting and performance management purposes. Some of the measures form part of the covenant ratio calculations required under the terms of the Group's loan agreements.

As APMs include the benefits of restructuring programmes or use of the acquired intangible assets but exclude certain significant costs, such as amortisation of intangible assets, litigation, material restructuring and transaction items, they should not be regarded as a complete picture of the Group's financial performance, which is presented in its IFRS results. The exclusion of adjusting items may result in underlying profits/(losses) being materially higher or lower than IFRS earnings.

The following APMs are referred to in the Annual Report and Accounts and described in the following paragraphs.

2.1 Underlying operating profit

Underlying operating profit is defined as operating profit from continuing operations adjusted for acquisition related income and expense (amortisation or impairment of acquired intangible assets, acquisition expenses, adjustments to contingent consideration), the costs of a material restructuring, litigation, asset impairment and profit/loss relating to the sale of businesses or any other significant one-off adjustments to income or expenses (adjusting items).

Underlying operating profit is used as a basis for Net Debt : EBITDA and interest cover covenant calculations, required under the terms of the Group's loan agreements. This APM is also used internally to measure the Group's performance against previous years and budgets, as the adjusting items fluctuate year-on-year and may be unknown at the time of budgeting.

Six months ended 30 June 2024

	As reported £m	Refinancing £m	Restructuring £m	Disposal of businesses and assets £m	Other/Tax £m	Underlying results £m
Continuing operations						
Revenue	**221.5**	-	-	-	-	**221.5**
Cost of sales	**(155.5)**	-	-	-	-	**(155.5)**
Gross profit	**66.0**	-	-	-	-	**66.0**
Administrative expenses	**(51.3)**	-	-	**0.5**	**0.7**	**(50.1)**
Refinancing costs	**(2.5)**	**2.5**	-	-	-	-
Restructuring costs	**(0.4)**	-	**0.4**	-	-	-
Share of post-tax results of associates	**0.9**	-	-	-	-	**0.9**
Operating profit	**12.7**	**2.5**	**0.4**	**0.5**	**0.7**	**16.8**
Investment income	**1.5**	-	-	-	-	**1.5**
Finance expense	**(14.0)**	-	-	-	-	**(14.0)**
Profit before taxation	**0.2**	**2.5**	**0.4**	**0.5**	**0.7**	**4.3**
Tax expense	**(1.2)**	-	-	-	**(0.1)**	**(1.3)**
(Loss)/profit for the period from continuing operations	**(1.0)**	**2.5**	**0.4**	**0.5**	**0.6**	**3.0**
Discontinued operations						
(Loss)/profit for the period from discontinued operations, net of tax	-	-	-	-	-	-
(Loss)/profit for the period	**(1.0)**	**2.5**	**0.4**	**0.5**	**0.6**	**3.0**
Operating margin (%)	**5.7%**					**7.6%**
Segmental underlying operating profit is calculated as follows:						
Energy	**14.4**	-	**0.2**	**0.2**	**0.2**	**15.0**
Defence	**(0.5)**	-	**0.1**	-	-	**(0.4)**
Maritime Transport	**8.1**	-	**0.1**	-	-	**8.2**
Corporate	**(9.3)**	**2.5**	-	**0.3**	**0.5**	**(6.0)**
Continuing operations	**12.7**	**2.5**	**0.4**	**0.5**	**0.7**	**16.8**

The underlying results include £3.0m of operating profit from the sale of life of field rental related assets which occurred in the ordinary course of business.

During the six months ended 30 June 2024, adjusting items were in relation to:

- **Refinancing** - Costs associated with refinancing activities and completion of various requirements and conditions of the existing Revolving Credit Facility ("RCF").
- **Restructuring** - Costs related to the transformation programme aimed at simplification, rationalisation and integration of the Group's businesses across all Divisions.
- **Disposal of Businesses and Assets** - mainly comprises of a £3.6m PPE disposal gain arising on closure of the Subtech Europe business in the Energy Division, offset by £4.2m costs incurred during the period associated with the disposal of the RMSpumptools business which completed on 8 July 2024 (refer to note 16).
- **Other** - includes £0.3m amortisation of acquired intangibles.

Six months ended 30 June 2023

	As reported £m	Impairment reversals £m	Refinancing £m	Restructuring £m	Disposal of businesses and assets £m	Other/Tax £m	Underlying results £m
Continuing operations							
Revenue	252.0	-	-	-	-	-	252.0
Cost of sales	(186.5)	-	-	-	(1.1)	-	(187.6)
Gross profit	65.5	-	-	-	(1.1)	-	64.4
Administrative expenses	(52.0)	-	-	-	-	1.5	(50.5)
Impairment charges	(0.1)	(0.3)	-	-	-	-	(0.4)
Refinancing costs	(9.3)	-	9.3	-	-	-	-
Restructuring costs	(1.4)	-	-	1.4	-	-	-
Share of post-tax results of associates	0.5	-	-	-	-	-	0.5
Operating profit	3.2	(0.3)	9.3	1.4	(1.1)	1.5	14.0
Investment income	1.1	-	-	-	-	-	1.1
Finance expense	(8.7)	-	-	-	-	-	(8.7)
(Loss)/Profit before taxation	(4.4)	(0.3)	9.3	1.4	(1.1)	1.5	6.4
Tax income/(expense)	1.2	-	-	-	-	(2.9)	(1.7)
(Loss)/profit for the period from continuing operations	(3.2)	(0.3)	9.3	1.4	(1.1)	(1.4)	4.7
Discontinued operations							
Loss for the period from discontinued operations, net of tax	(6.4)	-	-	-	-	-	(6.4)
Loss for the period	(9.6)	(0.3)	9.3	1.4	(1.1)	(1.4)	(1.7)
Operating margin (%)	1.3%						5.6%
Segmental underlying operating profit is calculated as follows:							
Energy	6.9	(0.5)	-	0.4	0.4	0.3	7.5
Defence	0.7	(0.3)	-	0.2	-	-	0.6
Maritime Transport	10.0	0.5	-	0.8	(1.5)	0.2	10.0
Corporate	(14.4)	-	9.3	-	-	1.0	(4.1)
Continuing operations	3.2	(0.3)	9.3	1.4	(1.1)	1.5	14.0

During the six months ended 30 June 2023, adjusting items were in relation to:

- **Impairment Reversals** - Reversal of impairment charges on tangible assets and assets held for sale
- **Refinancing** - Costs of the refinancing strategy and obtaining a waiver from the Group's lenders.
- **Restructuring** - Costs related to the transformation programme aimed at simplification, rationalisation and integration of the Group's businesses across all Divisions.
- **Disposal of Businesses and Assets** - a gain of £1.1m on disposal of a vessel in the Maritime Transport Division.
- **Other** - Primarily £0.4m costs of litigation, £0.6m legal and advisory costs related to compliance with the new RCF and amortisation of acquired intangibles.

Year ended 31 December 2023

	As reported £m	Impairment charges £m	Refinancing £m	Restructuring £m	Disposal of businesses and assets £m	Other/Tax £m	Underlying results £m
Continuing operations							
Revenue	496.2	-	-	-	-	-	496.2
Cost of sales	(360.3)	-	-	-	(1.8)	-	(362.1)
Gross profit	135.9	-	-	-	(1.8)	-	134.1
Administrative expenses	(109.6)	-	-	-	0.1	3.9	(105.6)
Impairment charges	(28.4)	28.1	-	-	-	-	(0.3)
Refinancing costs	(12.2)	-	12.2	-	-	-	-
Restructuring costs	(5.7)	-	-	5.7	-	-	-
Share of post-tax results of associates	1.4	-	-	-	-	-	1.4
Operating (loss)/profit	(18.6)	28.1	12.2	5.7	(1.7)	3.9	29.6
Investment income	3.2	-	-	-	-	-	3.2
Finance expense	(24.5)	-	-	-	-	-	(24.5)
(Loss)/profit before taxation	(39.9)	28.1	12.2	5.7	(1.7)	3.9	8.3
Tax (expense)/income	(11.0)	-	-	-	-	5.0	(6.0)
(Loss)/profit for the year from continuing operations	(50.9)	28.1	12.2	5.7	(1.7)	8.9	2.3
Discontinued operations							
Loss for the year from discontinued operations, net of tax	(11.4)	-	-	-	-	-	(11.4)
Loss for the year	(62.3)	28.1	12.2	5.7	(1.7)	8.9	(9.1)
Operating margin (%)	(3.7%)						6.0%
Segmental underlying operating profit is calculated as follows:							
Energy	9.5	2.1	-	3.6	(0.4)	0.9	15.7
Defence	(23.7)	24.7	-	0.5	-	-	1.5
Maritime Transport	21.7	1.3	-	1.5	(1.4)	0.2	23.3
Corporate	(26.1)	-	12.2	0.1	0.1	2.8	(10.9)
Continuing operations	(18.6)	28.1	12.2	5.7	(1.7)	3.9	29.6

During the year ended 31 December 2023, adjusting items were in relation to:

- **Impairment Charges** - These relate to goodwill, right-of-use vessels, tangible assets and investments in associates.
- **Refinancing** - Costs of signing of the new RCF, refinancing strategy, obtaining a waiver from the Group's lenders and completion of various requirements and conditions of the RCF.
- **Restructuring** - Costs related to the transformation programme aimed at simplification, rationalisation and integration of the Group's businesses across all three Divisions and includes £3.0m in relation to the closure of the Subtech Europe business in December 2023 in the Energy Division.
- **Disposal of Businesses and Assets** - includes a gain of £1.4m on disposal of a vessel in the Maritime Transport Division.
- **Other** - Primarily relates to past service costs for the Merchant Navy Ratings Pension Fund ("MNRPF") scheme as part of a review of the Fund's administrative and benefit practices carried out by the Fund's lawyers. £4.7m of the tax charge relates to de-recognition of the brought forward net UK deferred tax asset as at 31 December 2022. An assessment was undertaken leading to de-recognition of a deferred tax asset which has a significant and non-recurring impact.

2.2 Covenant EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation)

Covenant EBITDA is calculated in line with the Group's banking covenants. It is defined as the continuing operations underlying operating profit before interest, tax, depreciation and amortisation, adjusted for the impacts of IFRS 16. The covenants require that EBITDA is calculated excluding the effects of IFRS 16. The IFRS 16 adjustment is calculated as the difference between ROU depreciation and operating lease payments.

	Six months ended		
	30.06.24	30.06.23	31.12.23
	£m	£m	£m
Underlying operating profit from continuing operations	**16.8**	14.0	29.6
Depreciation and amortisation	**18.3**	20.8	41.2
Less: Depreciation on right-of-use assets	**(7.7)**	(8.2)	(16.3)
Amortisation of acquired intangibles	**(0.3)**	(0.5)	(1.1)
IFRS 16 impact removed	**0.2**	0.9	1.0
Covenant EBITDA	**27.3**	27.0	54.4

2.3 Leverage

Leverage is calculated in line with the Group's banking covenants. It is defined as rolling 12 month Covenant EBITDA divided by underlying net borrowings. Underlying net borrowings are net borrowings including guarantees, and excluding right-of-use operating leases, which are the leases which would be considered operating leases under IAS 17, prior to the introduction of IFRS 16. Guarantees are those issued by a bank or financial institution to compensate a stakeholder in the event of a Group company not fulfilling its obligations in the ordinary course of business in relation to either advance payments or trade debtors.

	Six months ended		
	30.06.24	30.06.23	31.12.23
	£m	£m	£m
Net borrowings	**186.6**	203.5	201.1
Less: right-of-use operating leases[1]	**(51.7)**	(50.6)	(56.9)
Add: Guarantees and collateral deposits	**9.9**	1.6	5.6
Net debt - covenant basis	**144.8**	154.5	149.8
Covenant EBITDA	**54.7**	55.4	54.4
Net Debt : EBITDA	**2.6**	2.8	2.8

1 In accordance with IFRS 16 Leases, the Group has recognised total lease liabilities of £53.9m at 30 June 2024 (30 June 2023: £56.2m; 31 December 2023: £61.2m). Under the calculation of "net debt - covenant basis", only those leases which would be classified as finance leases under IAS 17 Leases, the standard superseded by IFRS 16, are considered to be debt. Of the £53.9m lease liability recognised under IFRS 16 (30 June 2023: £56.2m; 31 December 2023: £61.2m), only £2.2m would be classified as finance leases under IAS 17 (30 June 2023: £5.6m; 31 December 2023: £4.3m) and accordingly £51.7m is an adjustment in the net debt calculation (30 June 2023: £50.6m; 31 December 2023: £56.9m).

2.4 Underlying Capital employed and Return on Capital Employed ("ROCE")

Capital employed is defined as net assets less right-of-use assets, less cash and cash equivalents and after adding back borrowings. Average capital employed is adjusted for the timing of businesses acquired and after adding back cumulative amortisation of customer relationships. Segmental ROCE is defined as the rolling 12 month underlying operating profit from continuing activities, divided by average capital employed. Group ROCE is defined as the rolling 12 month underlying operating profit, less notional tax, calculated by multiplying the underlying effective tax rate by the underlying operating profit, divided by average capital employed, as calculated below. Group ROCE is a KPI that is used internally and externally and forms part of the performance conditions under the Group's long-term incentive plan (LTIP) scheme.

	Six months ended		
	30.06.24	30.06.23	31.12.23
	£m	£m	£m
Net assets	**144.8**	200.1	148.6
Less: right-of-use assets	**(62.0)**	(61.6)	(67.4)
Add: net borrowings	**186.6**	203.5	201.1
Capital employed	**269.4**	342.0	282.3
Add: amortisation of customer relationships	**0.3**	0.5	1.0
	269.7	342.5	283.3
Underlying operating profit	**32.8**	23.2	29.6
Notional tax at the underlying effective tax rate	**(9.8)**	(6.1)	(8.6)
Underlying operating profit less notional tax	**23.0**	17.1	21.0
Average capital employed	**306.1**	367.3	318.4
Return on capital employed	**7.5%**	4.7%	6.6%

Six months ended 30 June 2024

	Energy £m	**Defence £m**	**Maritime Transport £m**
Net assets	**153.5**	**54.5**	**85.5**
Less: right-of-use assets	**(12.8)**	**(4.4)**	**(44.1)**
Add: net borrowings	**13.0**	**4.6**	**35.6**
Capital employed	**153.7**	**54.7**	**77.0**
Add: amortisation of customer relationships	**0.3**	**-**	**-**
	154.0	**54.7**	**77.0**
Underlying operating profit	**23.5**	**0.4**	**21.6**
Average capital employed	**166.4**	**71.9**	**77.9**
Return on capital employed	**14.1%**	**0.6%**	**27.7%**

Six months ended 30 June 2023

	Energy £m	Defence £m	Maritime Transport £m
Net assets	175.2	88.9	87.7
Less: right-of-use assets	(8.3)	(2.5)	(49.9)
Add: net borrowings	11.8	2.6	40.6
Capital employed	178.7	89.0	78.4
Add: amortisation of customer relationships	0.3	-	0.2
	179.0	89.0	78.6
Underlying operating profit	15.2	1.6	20.1
Average capital employed	184.9	93.0	83.6
Return on capital employed	8.2%	1.7%	24.0%

Year ended 31 December 2023

	Energy £m	Defence £m	Maritime Transport £m
Net assets	156.6	51.6	83.8
Less: right-of-use assets	(14.3)	(3.8)	(48.7)
Add: net borrowings	16.4	3.9	39.7
Capital employed	158.7	51.7	74.8
Add: amortisation of customer relationships	0.5	-	0.4
	159.2	51.7	75.2
Underlying operating profit	15.7	1.5	23.3
Average capital employed	168.4	68.5	77.1
Return on capital employed	9.3%	2.1%	30.3%

2.5 Interest cover

Interest cover is calculated in line with the Group's banking covenants. It is defined as a ratio of the rolling 12 month underlying operating profit, adjusted for IFRS 16 impact, to rolling 12 month covenant interest.

	Six months ended		
	30.06.24	30.06.23	31.12.23
	£m	£m	£m
Interest payable on bank loans less interest receivable on short-term deposits	**22.1**	10.8	17.6
Finance lease interest	-	0.2	0.1
Loan arrangement and other financing fees	**(6.0)**	(1.7)	(4.4)
Covenant interest	**16.1**	9.3	13.3
Underlying operating profit	**32.4**	29.0	29.6
IFRS 16 impact removed	**(0.3)**	0.5	0.3
	32.1	29.5	29.9
Interest cover	**2.0**	3.2	2.2

2.6 Underlying earnings per share

Underlying earnings per share ("EPS") is calculated as the total of underlying profit before tax from continuing operations, less income tax, but excluding the tax impact on adjusting items and adjusted for deferred tax on finance charges, less profit attributable to non-controlling interests, divided by the weighted average number of ordinary shares in issue during the period. Underlying earnings per share is a performance condition used for the Long Term Incentive Plan schemes.

	Six months ended		
	30.06.24	30.06.23	31.12.23
	£m	£m	£m
Loss attributable to owners of the Company - continuing	**(0.8)**	(3.2)	(51.0)
Adjusting items	**4.1**	16.9	48.2
Tax on adjusted items	**(0.1)**	(2.9)	5.0
Deferred tax on finance charges	-	-	3.6
Underlying profit attributable to owners of the Company	**3.2**	10.8	5.8
Basic weighted average number of shares	**50,385,544**	50,347,663	50,358,388
Diluted weighted average number of shares	**51,109,257**	50,712,253	50,634,837
Underlying basic earnings per share	**6.4**	21.4	11.4
Underlying diluted earnings per share	**6.3**	21.3	11.4

3. Segmental information

The Group has three operating segments reviewed by the Board based on their core competencies: Energy, Defence, and Maritime Transport. The Board assesses the performance of the segments based on underlying operating profit, underlying operating margin and return on capital employed. It considers that this information is the most relevant in evaluating the performance of its segments relative to other entities which operate in similar markets. Inter-segmental sales are made using prices determined on an arm's length basis. Sector assets exclude cash, short-term deposits and corporate assets that cannot reasonably be allocated to operating segments. Sector liabilities exclude borrowings, retirement benefit obligations and corporate liabilities that cannot reasonably be allocated to operating segments.

Six months ended 30 June 2024

	Energy £m	Defence £m	Maritime Transport £m	Corporate £m	Continuing total £m	Discontinued total £m	Total £m
Segmental revenue	**110.2**	**36.6**	**74.8**	**-**	**221.6**	**-**	**221.6**
Inter-segmental sales	**-**	**(0.1)**	**-**	**-**	**(0.1)**	**-**	**(0.1)**
Revenue	**110.2**	**36.5**	**74.8**	**-**	**221.5**	**-**	**221.5**
Underlying operating profit/(loss)	**15.0**	**(0.4)**	**8.2**	**(6.0)**	**16.8**	**-**	**16.8**
APMs (see Note 2)	**(0.6)**	**(0.1)**	**(0.1)**	**(3.3)**	**(4.1)**	**-**	**(4.1)**
Operating profit/(loss)	**14.4**	**(0.5)**	**8.1**	**(9.3)**	**12.7**	**-**	**12.7**
Investment income							**1.5**
Finance expense							**(14.0)**
Profit before tax							**0.2**
Tax expense							**(1.2)**
Loss for the period							**(1.0)**
Assets and liabilities							
Segmental assets	**235.8**	**80.0**	**152.4**	**92.6**	**560.8**	**-**	**560.8**
Investment in joint ventures	**1.9**	**3.4**	**2.1**	**-**	**7.4**	**-**	**7.4**
Total assets	**237.7**	**83.4**	**154.5**	**92.6**	**568.2**	**-**	**568.2**
Segmental liabilities	**(84.2)**	**(28.9)**	**(69.0)**	**(241.3)**	**(423.4)**	**-**	**(423.4)**
	153.5	**54.5**	**85.5**	**(148.7)**	**144.8**	**-**	**144.8**
Other segmental information							
Capital expenditure	**11.4**	**3.2**	**7.2**	**0.3**	**22.1**	**-**	**22.1**
Depreciation and amortisation	**7.5**	**2.2**	**8.7**	**(0.1)**	**18.3**	**-**	**18.3**

Six months ended 30 June 2023

	Energy £m	Defence £m	Maritime Transport £m	Corporate £m	Continuing total £m	Discontinued total £m	Total £m
Segmental revenue	134.0	37.1	81.0	-	252.1	6.8	258.9
Inter-segmental sales	-	(0.1)	-	-	(0.1)	(0.1)	(0.2)
Revenue	134.0	37.0	81.0	-	252.0	6.7	258.7
Underlying operating profit/(loss)	7.5	0.6	10.0	(4.1)	14.0	(6.5)	7.5
APMs (see Note 2)	(0.6)	0.1	-	(10.3)	(10.8)	-	(10.8)
Operating profit/(loss)	6.9	0.7	10.0	(14.4)	3.2	(6.5)	(3.3)
Investment income							1.1
Finance expense							(8.7)
Loss before tax							(10.9)
Tax income							1.3
Loss for the period							(9.6)
Assets and liabilities							
Segmental assets	253.8	110.9	161.1	102.1	627.9	-	627.9
Investment in joint ventures	2.5	3.6	2.4	-	8.5	-	8.5
Total assets	256.3	114.5	163.5	102.1	636.4	-	636.4
Segmental liabilities	(81.1)	(25.6)	(75.8)	(253.8)	(436.3)	-	(436.3)
	175.2	88.9	87.7	(151.7)	200.1	-	200.1
Other segmental information							
Capital expenditure	13.0	0.7	2.5	0.2	16.4	-	16.4
Depreciation and amortisation	8.8	2.0	9.7	0.3	20.8	-	20.8

Year ended 31 December 2023

	Energy £m	Defence £m	Maritime Transport £m	Corporate £m	Continuing total £m	Discontinued total £m	Total £m
Segmental revenue	266.5	72.6	157.2	-	496.3	6.8	503.1
Inter-segmental sales	-	(0.1)	-	-	(0.1)	(0.1)	(0.2)
Revenue	266.5	72.5	157.2	-	496.2	6.7	502.9
Underlying operating profit/(loss)	15.7	1.5	23.3	(10.9)	29.6	(11.4)	18.2
APMs (see Note 2)	(6.2)	(25.2)	(1.6)	(15.2)	(48.2)	-	(48.2)
Operating profit/(loss)	9.5	(23.7)	21.7	(26.1)	(18.6)	(11.4)	(30.0)
Investment income							3.2
Finance expense							(24.5)
Loss before tax							(51.3)
Tax expense							(11.0)
Loss for the year							(62.3)
Assets and liabilities							
Segmental assets	226.8	80.0	154.5	88.5	549.8	-	549.8
Investment in joint ventures	2.6	3.3	2.5	-	8.4	-	8.4
Total assets	229.4	83.3	157.0	88.5	558.2	-	558.2
Segmental liabilities	(72.8)	(31.7)	(73.2)	(231.9)	(409.6)	-	(409.6)
	156.6	51.6	83.8	(143.4)	148.6	-	148.6
Other segmental information							
Capital expenditure	28.7	6.3	27.9	0.1	63.0	-	63.0
Depreciation and amortisation	17.4	4.2	19.3	0.4	41.3	-	41.3

4. Discontinued operations

On 6 March 2023, the Group announced that the entire share capital of James Fisher Nuclear Holdings Limited and related properties ("JFN") was sold to Myneration Limited, a wholly-owned investment vehicle of Rcapital Partners LLP for consideration of £3. The Group has retained certain parent company guarantees which historically were given to support the obligations of JFN.

No items have been presented as discontinued in 2024.

Discontinued operations	30.06.23 £m	31.12.23 £m
Revenue	6.8	6.8
Inter-segmental sales	(0.1)	(0.1)
	6.7	6.7
Expenses	(13.2)	(17.1)
Loss before taxation	(6.5)	(10.4)
Tax income/(expense)	0.1	(1.0)
Loss from operating activities after tax	(6.4)	(11.4)
Loss on remeasurement to fair value less costs to sell	-	-
Loss for the period from discontinued operations	(6.4)	(11.4)
Attributable to:		
Owners of the Company	(6.4)	(11.4)
Non-controlling interests	-	-
	(6.4)	(11.4)

Cash flows used in discontinued operations	30.06.23 £m	31.12.23 £m
Net cash from operating activities	(0.4)	(0.4)
Net cash from investing activities	-	-
Net cash from financing activities	-	-
Net cash flows for the period	(0.4)	(0.4)

5. Net finance expense

	Six months ended		
	30.06.24 £m	30.06.23 £m	31.12.23 £m
Investment income:			
Interest receivable on short-term deposits	**1.4**	1.0	2.9
Net interest on pension surplus	**0.1**	0.1	0.3
	1.5	1.1	3.2
Finance expense:			
Interest payable on bank loans and overdrafts	**(9.4)**	(5.8)	(15.8)
Loan arrangement and other financing fees	**(2.8)**	(1.5)	(4.4)
Unwind of discount on right-of-use lease liability	**(1.8)**	(1.4)	(4.0)
Other	**-**	-	(0.3)
	(14.0)	(8.7)	(24.5)
Net finance expense - continuing operations	**(12.5)**	(7.6)	(21.3)

6. Taxation

The Group's effective rate on profit before income tax is 600% (30 June 2023: 27.3%, 31 December 2023: (27.6)%). The effective income tax rate on underlying profit before income tax, based on an estimated rate for the year ending 31 December 2024, is 29.5% (30 June 2023: 27.2%, 31 December 2023: 29.0%). Of the total tax charge, £1.2m relates to overseas businesses (30 June 2023: £3.9m; 31 December 2023: £7.8m). Taxation on profit has been estimated based on rates of taxation applied to the profits forecast for the full year.

7. Earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year, after excluding 12,519 (June 2023: 47,855, December 2023: 12,519) ordinary shares held by the James Fisher and Sons plc Employee Share Ownership Trust ("ESOT") as treasury shares. Diluted earnings per share are calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares ("options") into ordinary shares.

At 30 June 2024, 4,119,172 options (30 June 2023: 3,168,869, 31 December 2023: 2,649,876) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would be anti-dilutive. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended 30.06.24 £m	30.06.23 £m	31.12.23 £m
Loss after tax attributable to shareholders	**(0.8)**	(9.6)	(62.4)
	Number of shares	Number of shares	Number of shares
Basic and diluted weighted average number of shares	**50,385,544**	50,347,663	50,358,388
	pence	pence	pence
Basic and diluted earnings per share	**(1.7)**	(19.0)	(123.9)
Basic and diluted earnings per share - continuing operations	**(1.7)**	(6.3)	(101.2)
Basic and diluted earnings per share - discontinued operations	-	(12.7)	(22.7)

8. Interim dividend

No interim dividend is proposed in respect of the period ended 30 June 2024 (2023: nil).

9. Goodwill

Movements during the period in the Group's goodwill are set out below:

	Six months ended 30.06.24 £m	30.06.23 £m	31.12.23 £m
At 1 January	**78.3**	116.3	116.3
Impairment	**-**	-	(28.0)
Reclassification to assets held for sale	**(8.3)**	-	(7.6)
Foreign exchange differences	**(1.2)**	(3.8)	(2.4)
At period end	**68.8**	112.5	78.3

At 31 December 2023, the Group impaired JFD's goodwill by £25m after factoring impact from delayed projects and considering management's decision not to pursue certain opportunities. A further £3m impairment was recognised in relation to three other cash generating units.

At 30 June 2024, the goodwill balance was reviewed for any indicators of impairment. Although impairment indicators were identified, there have not been any material changes to the forecasts and key assumptions from the 31 December 2023 assessment and therefore it was concluded that no impairments were required. Sensitivities associated to the 31 December 2023 assessment are disclosed on page 151 of the 2023 Annual Report and Accounts.

A full annual impairment test will be performed again at 31 December 2024.

10. Assets and liabilities held for sale

At 30 June 2024, £37.9m assets and £12.1m liabilities relates to the RMSpumptools business within the Energy Division, which was disposed of on 8 July 2024 (see Note 16 for further details).

At 30 June 2024, £12.4m assets and £0.8m liabilities relate to the Martek business within the Maritime Transport Division, which was disposed of on 6 September 2024 (see Note 16 for further details).

Year ended 31 December 2023

At 31 December 2023, £12.3m assets and £0.7m liabilities relate to the Martek business within the Maritime Transport Division, which was disposed of on 6 September 2024 (see Note 16 for further details).

At 31 December 2023, a vessel with net book value £0.6m in the Maritime Transport division was classified as held for sale.

At 31 December 2023, £1.1m of property in the Energy Division was classified as held for sale.

At 31 December 2023, a vessel with net book value of £0.7m in the Energy Division was classified as held for sale.

The sale of the vessel in the Maritime Transport Division and vessel and property in the Energy Division that were classified as held for sale at 31 December 2023 completed during 1H 2024.

11. Provisions

	Cost of material litigation £m	Warranty £m	Other £m	Total £m
At 01.01.24	**2.0**	**2.2**	**9.5**	**13.7**
Utilised during the year	-	**(0.4)**	**(0.1)**	**(0.5)**
At 30.06.24	**2.0**	**1.8**	**9.4**	**13.2**

Provisions due within one year were £9.6m (30 June 2023: £11.5m; 31 December 2023: £9.4m) and provisions due greater than one year were £3.6m (30 June 2023: £1.4m; 31 December 2023: £4.3m).

Following the sale of the entire issued share capital of James Fisher Nuclear Holdings Limited and related properties ("JFN") on 6 March 2023, a limited number of performance guarantees covering an event of default by JFN in performing its contractual duties and obligations remained within the Group. JFN subsequently entered administration on 9 August 2023. As at 30 June 2024, a provision of £6.4m (30 June 2023: £4.0m, 31 December 2023: £6.4m) has been recognised in line with the final settlement that has been agreed.

Within the Defence Division, some international customers require defence contractors to comply with their industrial co-operation regulations, often referred to as offset requirements. The intention of offset requirements is to enhance the social and economic environment of the foreign country by requiring the contractor to promote investment in the country. The offset requirements can be satisfied through purchasing supplies and services from in-country vendors, providing financial support for in-country projects, establishment of joint ventures with local companies (direct investment) and establishing facilities for in-country operations. It can also involve technology and technical knowledge transfer. In the event contractors fail to perform in accordance with offset requirements, penalties may arise unless a negotiated position can be reached with the respective authorities. Offset obligations are calculated based on regulations, normally a fixed percentage of the revenue contract value. Similarly, penalties are calculated on standard methodology, normally a fixed percentage of the unfulfilled offset obligation. Offset contractual compliance is monitored separately from the revenue contract counterparty.

The Group has entered into foreign offset agreements as part of securing some international business. As at 30 June 2024, a provision of £3.0m (30 June 2023: £2.5m, £31 December 2023: £3.1m) has been recognised in regard to offset agreement penalties. The liability is expected to be settled over the next one to two years (30 June 2023: one to two years,31 December 2023: one to two years).

12. Retirement benefit obligations

The Group defined benefit pension scheme obligations relate to the James Fisher and Sons plc Pension Fund for Shore Staff ("Shore Staff"), the Merchant Navy Officers Pension Fund ("MNOPF") and the Merchant Navy Ratings Pension Fund ("MNRPF") which are regulated under UK pension legislation. The financial statements incorporate the latest full actuarial valuations of the schemes which have been updated to 31 December 2023 by qualified actuaries using assumptions set out in the table below. These defined benefit schemes expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. In addition, by participating in certain multi-employer industry schemes, the Company can be exposed to a pro rata share of the credit risk of other participating employers. There are no plans to withdraw from the MNOPF or MNRPF schemes in the foreseeable future.

Movements during the period in the Group's defined benefit pension schemes are set out below:

	Six months ended		
	30.06.24	30.06.23	31.12.23
	£m	£m	£m
Net surplus as at 1 January	**5.8**	5.1	5.1
Expense recognised in the income statement	**(0.1)**	(0.2)	(2.4)
Contributions paid to schemes	**1.0**	1.0	1.5
Remeasurement (losses)/gains	**(2.0)**	(1.1)	1.6
Net surplus at period end	**4.7**	4.8	5.8

The Group's net surplus/(deficit) in respect of its pension schemes were as follows:

	Six months ended		
	30.06.24	30.06.23	31.12.23
	£m	£m	£m
Shore staff	**7.3**	5.3	7.4
MNOPF	**(0.1)**	(0.3)	-
MNRPF	**(2.5)**	(0.2)	(1.6)
	4.7	4.8	5.8

The principal assumptions in respect of these liabilities are disclosed in the December 2023 Annual Report and Accounts. The Group has not obtained an interim valuation for the period ended 30 June 2024. In the first half of 2024, the Group paid contributions to defined benefit schemes of £1.0m (June 2023: £1.0m; December 2023: £1.5m).

The Shore Staff plan assets and obligations have been updated to 30 June 2024 resulting in a surplus being recognised. A surplus, when calculated on an accounting basis, is recognised when the Group can realise the economic benefit at some point during the life of the plan or when the plan liabilities are all settled and there are no remaining beneficiaries. Based on a review of the plan's governing documentation, the Company has a right to a refund of surplus assuming the gradual settlement of the plan liabilities over time until all members have left. The Directors therefore take the view that it is appropriate to recognise the surplus.

The most recent triennial actuarial valuation of the MNRPF scheme as at 31 March 2023 was finalised during the period. The share of the Group in the net defined benefit obligation of the MNRPF has increased to 1.63% from 1.45% at 31 December 2023 resulting in an increase to the deficit and remeasurement loss within OCI.

In 2018, the Trustees became aware of historic legal uncertainties relating to changes to ill-health early retirement benefits payable from the MNRPF. In order to resolve the issue, the Trustee sought directions from the Court, and in February 2022, the High Court approved a settlement in principle.

During the period, nothing has been recognised within administrative expenses relating to the Group's share of additional liabilities which have been estimated to date (30 June 2023: £nil; 31 December 2023: £0.3m credit).

New issues were identified in 2021 in relation to the Fund's administrative and benefit practices as part of the benefit review carried out by the Fund's lawyers. The Trustee is undertaking further investigations, and the potential quantum of these issues is uncertain. During the year ended 31 December 2023, a £2.5m past service cost (30 June 2023: £nil) was recognised within administrative expenses relating to the Group's share of additional liabilities which have been estimated to date. This £2.5m combined with the £0.3m credit regarding ill-health early retirement represents a net £2.2m charge during the year ended 31 December 2023 (30 June 2023: £nil). No further amounts relating to these matters were charged to profit during the six months ended 30 June 2024.

13. Reconciliation of net borrowings

For the purposes of the cash flow statement and net borrowings, cash and cash equivalents comprise:

	Six months ended		
	30.06.24	30.06.23	31.12.23
	£m	£m	£m
Cash at bank and in hand	**76.8**	90.3	77.5
Bank overdrafts	**(46.8)**	(70.5)	(51.1)
	30.0	19.8	26.4

Net borrowings comprise interest bearing loans and borrowings (including cumulative preference shares) less cash and cash equivalents.

Six months ended 30 June 2024

	01.01.24 £m	**Cash flow £m**	**Other non-cash[1] £m**	**Transfers[2] £m**	**Foreign exchange differences £m**	**30.06.24 £m**
Cash and cash equivalents	**26.4**	**7.6**	-	**(4.1)**	**0.1**	**30.0**
Cash and cash equivalents included within assets held for sale	**0.4**	-	-	**4.1**	-	**4.5**
Debt due within one year	**-**	-	-	**(167.1)**	-	**(167.1)**
Debt due after one year	**(166.7)**	-	**(0.5)**	**167.1**	-	**(0.1)**
	(166.7)	-	**(0.5)**	-	-	**(167.2)**
Lease liabilities	**(61.2)**	**10.0**	**(2.6)**	-	**(0.1)**	**(53.9)**
Net borrowings	**(201.1)**	**17.6**	**(3.1)**	-	-	**(186.6)**

Six months ended 30 June 2023

	01.01.23 £m	Cash flow £m	Other non-cash[1] £m	Transfers[2] £m	Foreign exchange differences £m	30.06.23 £m
Cash and cash equivalents	22.8	(2.3)	-	-	(0.7)	19.8
Cash and cash equivalents included within assets held for sale	2.8	-	-	(2.8)	-	-
Debt due within one year	(36.6)	36.6	-	-	-	-
Debt due after one year	(121.9)	(44.0)	(1.1)	-	-	(167.0)
	(158.5)	(7.4)	(1.1)	-	-	(167.0)
Lease liabilities	(52.9)	8.5	(15.1)	-	3.2	(56.3)
Net borrowings	(185.8)	(1.2)	(16.2)	(2.8)	2.5	(203.5)

Year ended 31 December 2023

	01.01.23 £m	Cash flow £m	Other non-cash[1] £m	Transfers[2] £m	Foreign exchange differences £m	31.12.23 £m
Cash and cash equivalents	22.8	5.7	-	(0.4)	(1.7)	26.4
Cash and cash equivalents included within assets held for sale	2.8	-	-	(2.4)	-	0.4
Debt due within one year	(36.6)	36.6	-	-	-	-
Debt due after one year	(121.9)	(43.0)	(1.8)	-	-	(166.7)
	(158.5)	(6.4)	(1.8)	-	-	(166.7)
Lease liabilities	(52.9)	18.1	(28.9)	-	2.5	(61.2)
Net borrowings	(185.8)	17.4	(30.7)	(2.8)	0.8	(201.1)

1 Other non-cash includes lease additions and finance expense related to the unwind of discount on right-of-use lease liability and amortisation of financing fees.
2 Transfers during the period includes the reclassification of £4.1m cash and cash equivalent balances from cash and cash equivalents to assets held for sale (30 June 2023: £nil; 31 December 2023: £0.4m) and nothing in respect of cash disposed of from assets held for sale (30 June 2023: £2.8m; 31 December 2023: £2.8m).

14. Commitments and contingent liabilities

Capital commitments for which no provision has been made at 30 June 2024 amounted to £2.0m (30 June 2023: £4.1m; 31 December 2023: £16.4m).

Contingent liabilities

a) In the ordinary course of the Company's business, counter indemnities have been given to banks in respect of custom bonds, foreign exchange commitments and bank guarantees.

b) Subsidiaries of the Group have issued performance and payment guarantees to third parties with a total value of £25.4m (30 June 2023: £26.8m, 31 December 2023: £27.1m).

c) The Group is liable for further contributions in the future to the MNOPF and MNRPF if additional actuarial deficits arise or if other employers liable for contributions are not able to pay their share. The Group and Company remains jointly and severally liable for any future shortfall in recovery of the MNOPF deficit.

d) The Company and its subsidiaries may be parties to legal proceedings and claims which arise in the ordinary course of business and can be material in value. Disclosure of contingent liabilities or appropriate provision has been made in these accounts where, in the opinion of the Directors, liabilities may materialise.

e) The Group operates and has overseas investments in multinational and less developed markets which presents increased operational and financial risk in complying with regulation and legislation and where local practices in those markets may be inconsistent with laws and regulations that govern the Group. Given this risk, from time-to-time matters are raised and investigated regarding potential non-compliance with the legal and regulatory framework applicable to the Group. In preparing the financial statements, judgements and estimates were required to be made in respect of such potential regulatory matters. The Directors' judgement, relying on the findings of an independent audit as well as the Group's own investigations, is that the likelihood of adverse findings against the Company in respect of such matters is not probable albeit possible, and no provision has been included in the financial statements of the Group.

   As described in Note 11, the Group has entered into foreign offset arrangements as part of securing some international business. The remaining contractual offset obligation at 30 June 2024 is £20.7m (30 June 2023: £23.4m; 31 December 2023: £22.0m). The penalties which could be incurred if the fulfilment of the remaining offset obligation is similar to the historical spend profile, is estimated to be £3.0m (30 June 2023: £3.6m; 31 December 2023: £3.0m). The contingent liabilities disclosed assume no change from the current contractual obligations. However, contract time extensions have been requested and plans are in place to mitigate the penalty risk as far as possible.

In the normal course of business, the Company and certain subsidiaries have given parental and subsidiary guarantees in support of loan and banking arrangements and the following:

- A guarantee has been issued by the Group to charter parties in respect of obligations of a subsidiary, James Fisher Everard Limited, in respect of charters relating to 12 vessels. The charters expire between 2024 and 2033.
- The Group has given an unlimited performance guarantee to the Singapore Navy in the event of default by First Response Marine Pte Ltd (its Singapore joint venture), in providing submarine rescue and related services under its contract.

There have been no amounts recognised during the year in relation to these guarantees.

15. Related party transactions

Except the appointment of a new Non-Executive Director, there were no changes to related parties or the nature of associated transactions from those disclosed in the Annual Report and Accounts for the year ended 31 December 2023.

16. Post balance sheet events

On 8 July 2024, the Group disposed of its 100% shareholding in RMSpumptools Ltd from its Energy Division to ChampionX Corporation for £82.8m cash consideration.

The net assets of RMSpumptools on 8 July 2024 and provisional gain on disposal that will be recorded in the income statement in 2H 2024 were as follows:

	£m
Goodwill	8.3
Property, plant and equipment	1.3
Right-of-use assets	0.9
Inventories	12.1
Trade and other receivables	11.0
Cash and cash equivalents	3.3
Trade and other payables	(8.6)
Lease liabilities	(1.0)
Taxation liabilities	(1.2)
Net assets disposed	26.1
Costs in relation to businesses sold	7.1
Gain on disposal	49.6
Consideration received	82.8
Cash flow from the disposal of businesses	
Cash received	82.8
Cash and cash equivalents disposed of	(3.3)
Costs in relation to businesses sold	(7.1)[1]
	72.4

[1] £7.1m disposal costs of which £4.2m was incurred during the period (see Note 2).

On 6 September 2024, the Group disposed of its 100% shareholding in Martek Holdings Limited and its subsidiaries from its Maritime Transport Division to a regional fund managed by Foresight Group for £12.1m gross consideration, of which £1.5m is deferred consideration payable in equal instalments on the first and second anniversary of the disposal. Total costs of disposal are expected to be around £1.0m. Due to the timing of this disposal, it has not been possible to calculate the provisional gain or loss on disposal as at the date of this announcement.

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