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Fisher (James) & Sons plc
16 April 2024

James Fisher and Sons plc
Pioneering Sustainably

James Fisher and Sons plc
Preliminary results for the year ended 31 December 2023

16 April 2024

James Fisher and Sons plc (FSJ.L) ('James Fisher', 'the Group'), the leading marine service provider, announces its results for the year ended 31 December 2023.

Continued progress on deleveraging and turnaround plans

- Underlying results ahead of last year with underlying profit growth across all three Divisions
- Transformation programme driven by the three themes of 'focus, simplify and deliver' making good early progress
- New Executive Committee embedded, driving accountability for financial and operational performance
- Made good progress on our 2023 priorities which focus on improving safety, project management, employee engagement and financial performance
- Steps taken to strengthen the Group's financial position with the agreed sale of RMSpumptools for £90m

Continuing operations	Underlying results[1] Year ended 31 December			Reported results Year ended 31 December		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue (£m)	**496.2**	478.1	3.8%	**496.2**	478.1	3.8%
Operating profit/(loss) (£m)	**29.6**	26.4	12.1%	**(18.6)**	24.7	n/m
Profit/(loss) before tax (£m)	**8.3**	16.2	(48.8)%	**(39.9)**	14.5	n/m
Profit/(loss) for the year (£m)	**2.3**	11.5	(80.0)%	**(50.9)**	9.0	n/m
Operating margin	**6.0%**	5.5%	50 bps	**(3.7%)**	5.2%	(890) bps
Return on capital employed	**6.6%**	**5.3%**	**130 bps**			
Net debt - covenant basis	**149.8**	**142.1**	**5.4%**			
Earnings/(loss) per share	**11.4**	**22.3**	**(48.9)%**	**(101.2)**	**17.4**	**n/m**

Financial highlights

- Revenue up 3.8% to £496.2m driven by 9.9% revenue growth in the Energy Division
- Underlying operating profit from continuing operations up 12.1% with growth in all three Divisions
- 50 bps improvement in operating margin from continuing operations
- ROCE increased 130bps driven by underlying profitability and a focus on capital discipline
- Investment in a new management team, strengthening the compliance environment and commercial excellence to deliver efficiencies and improved business performance has increased corporate costs from £5.9m in 2022 to £10.9m
- Reported operating loss before tax of £39.9m reflecting goodwill impairments of £28.0m (predominantly in the Defence division), restructuring charges of £5.7m and refinancing costs of £12.2m
- Net debt (for covenant purposes) at £149.8m - net debt to EBITDA at 2.75x

Strategic highlights

- Embedded our One James Fisher business model, with new Divisional structures and Executive Team in place
- Rationalised our portfolio, divested JF Nuclear and closed Subtech Europe
- Sale of RMSpumptools, announced in March 2024, will significantly reduce debt and strengthen the Group's financial position bringing, enabling us to move towards a Net Debt / EBITDA range of 1.0-1.5x; expected to complete at the beginning of H2 2024
- Invested in compressors to support Bubble Curtain technologies in expanding offshore wind constructions services
- Business Excellence embedded within the Group, delivering strong results against the key company priorities
- Global talent development programme launched to leverage talent acquisition and enhance career development

Jean Vernet, Chief Executive Officer, commented:

"We are now one year into our transformation programme to build a stronger, more cohesive company. Despite a number of challenges early in the year, we have made good initial progress in building our

Despite a number of challenges early in the year, we have made good initial progress in building our leadership team, implementing our new operating model and deploying our focus and simplification agenda.

This includes significant progress to focus the Group's portfolio around our core as an engineering services company, operating in the Blue Economy. We have divested non-core businesses, and more recently, announced the sale of RMSpumptools, which will significantly reduce our debt and create a stronger financial foundation for growth.

I am proud of what we are achieving through Business Excellence. We are driving a step change in our safety culture, delivering greater efficiency through the deployment of Lean Six Sigma across our Product Lines, and we are launching a Project Management Office to improve operational execution. These initiatives will underpin our operational and financial performance and enable our Divisions to deliver the very best service to our customers.

In the current financial year to date, the Group's overall performance has been in line with the Boards's expectations, building on our early-stage progress in 2023. Looking forward, we continue to see supportive end markets in 2024 in the majority of our businesses and would also expect to deliver further benefits from our turnaround initiatives."

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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 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

A year ago, we launched a transformation programme that would move James Fisher from a portfolio of individual businesses to a stronger, more cohesive company. This turnaround is expected to take between two to three years and be driven by three themes: Focus, Simplify and Deliver.

To achieve **focus**, we have regrouped around our core as an engineering service company operating in the Blue Economy.

To **simplify** the business, we have reorganised James Fisher around three Divisions, aligned to the customer market verticals of Energy, Defence, and Maritime Transport led by the new Executive Team. Each Divisional Head has been given the responsibility to streamline reporting structures, standardise processes and practices and share Group resources. Divisions are now divided into Product Lines (PLs) and positioned as experts in their particular domain.

Our **delivery** is driven by a culture of accountability, with PLs in charge of meeting their underlying operating profit (UOP) and return on capital employed (ROCE) targets. Each business must earn its cost of capital, either by fixing the business model if they currently underperform, or by accelerating profitable growth if they are already above hurdle rates.

We established a Business Excellence Function and have driven standardisation across the Group, deployed through the common language of Lean Six Sigma and applied change management to deliver our 2023 priorities. These were to improve our safety, forecasting (through the deployment of project management), cash collection and employee engagement.

With much of this important work underway, it is clear that the Company has growth potential, but our focus needs to remain centred on delivering against our turnaround commitments.

One James Fisher

In 2023 we adopted the '**One James Fisher**' model and brought together our collective strength to achieve greater synergies for the business and its customers. We are already achieving good traction, particularly within the Energy Division across oil and gas, and offshore wind, as well as Defence and Maritime Transport, which share common customers. Over time, the One James Fisher model will also

drive greater efficiency and effectiveness.

For over 175 years, James Fisher has been innovative and responsive to its customers' needs. From coastal shipping, submarine rescue and saturation diving, through to bubble curtains, the Company has been first to market with innovative solutions. We recognise the importance of preserving our entrepreneurial character.

At heart, we are an asset-light engineering service company that thrives by bringing together innovative solutions that resolve complex problems. Our strategic growth will be driven through the expertise of our people, underpinned by applied technology, and amplified by expanding where the demand is - across our geographic markets.

We are confident that fostering this new model, will enable us to:

- Leverage talent acquisition, career development, and knowledge sharing to become the employer of choice
- Establish a new product development process that will enhance our differentiation, with streamlined manufacturing and supply chain activities to significantly enhance productivity
- Pool our mobile assets and field operators globally, in a service delivery model, anywhere in the world
- Drive standardisation and automation, with the potential realised through shared services
- Above all, prioritise our safety

Progress in a year of challenge

2023 was a mixed year, where we made good progress in building our leadership team, implementing our new operating model, and deploying our focus and simplification agenda. However, we faced some unexpected challenges that impacted progress, both financial and operational, including the difficult decision to close one of our non-core businesses.

As a service company, our people define us, and building a new Executive Team has allowed us to lead the transformation with one voice. Our senior leaders are the enablers of our Focus, Simplify and Deliver ambitions.

Focus

We divested non-core businesses and sold non-productive assets, which allowed us to begin the process of reducing our indebtedness and concentrate investments on our core portfolio.

To help align effort and resources across the organisation, we established five universal objectives to guide activity, cut complexity and reduce duplication.

We implemented a comprehensive upgrade of our health, safety, environment standards. Our top priority remains Exceptional Safety, deployed through a company-wide programme that adopts the highest standards from within our industries. In 2023, despite missing our overall target, two of our Divisions met their objectives and there has been a palpable, positive change with key lessons learnt in the third.

Simplify

Through the creation of our three Divisions, the One James Fisher culture has begun to embed. I am encouraged to see business units adopting similar standards, as they work together to pool assets, share resources and engage customers in a more co-ordinated way.

Our Investment Committee is a key control point and will provide discipline and consistent decision-making in matters such as large customer tenders and capital allocation.

Deliver

Led by our Business Excellence Function, all business owners were trained in the Lean Six Sigma methodology in 2023 and we achieved 38 Green Belts and 8 Black Belts - good progress towards our 2024 objectives.

Through these collective efforts, we have made progress towards our strategic target to deliver 10% UOP margin. We ended the year at 6.0% (2022: 5.5%).

Operational and market highlights

Energy

The Energy Division provides safe, sustainable products and services for two core markets: oil and gas and renewables. In 2023, the Division increased revenue c.10% to £266.5m with operating profit increasing by c.13% to £15.7m. Highlights included:

- Strong performance from well testing, bubble curtain and artificial lift products
- Expanded artificial lift products and service offerings from new manufacturing base in Saudi Arabia
- Awarded UK 'Innovation in Decommissioning Award' for SEABASS plug and abandonment solution
- Strong demand for our technologies, secured our first US contract for bubble curtains
- Joint collaboration agreement signed for offshore wind operation and maintenance (O&M) services in Japan to support Northeast Asia geographical expansion
- Launch of James Fisher Academy to deliver skills and competency for offshore wind services

Against the backdrop of heightening focus on energy security, demand for well testing and production optimisation services remained strong, particularly in the US, Middle East and Latin America. This was demonstrated through excellent performance in the well testing and artificial lift Product Lines. By contrast, the decommissioning market remained challenging, and the business will focus more on selective bidding, aligned to margin delivery and stronger operational performance. Renewable offshore wind market conditions improved from 2022 to 2023 and the business returned to break-even through a combination of selective bidding, technology differentiation and geographical expansion. Offshore wind market conditions are expected to remain flat in 2024 but are set to improve in 2025 and the Division will focus its core strengths on construction, operations and maintenance, data management and digital solutions. This includes geographic expansion through key strategic partnerships and collaborations.

Defence

The Defence Division provides underwater systems and life support capabilities for the defence and commercial diving markets. In 2023, revenue increased by 6.3% to £72.5m, with the Division returning to profitability delivering underlying operating profit of £1.5m. Highlights included:

- Successful transition of NATO submarine rescue system contract
- Initial trial of Shadow Seal special operations vehicle
- New General Manager appointed to drive US business market growth
- Early momentum in international markets, including services and training contracts in India and South Korea
- Strong growth pipeline in Australia, Singapore, Sweden, the US and Netherlands
- Further investment in new product development

As geopolitical and energy security trends continue, the demand for subsea and special operations capabilities is set to increase. While the business delivered effectively on its existing contract commitments, including submarine rescue, some projects were delayed by customer and government approvals. The Division continues to build a strong opportunity pipeline but order intake was impacted by delays in the award of new contracts. However, the commercial diving business has performed well, aligned to energy market conditions. Product innovation and development is also set to drive further growth, alongside the Shadow Seal special operations vehicle that was trialled in 2023, ahead of its delivery to customers in 2024.

Maritime Transport

Maritime Transport is a leading the way in targeted coastal shipping and global oil and natural gas ship-to-ship transfers. Although revenue declined by 6% in 2023, to £157.2m, the Division was focused on profitability and underlying operating profit was up c.23% to £23.3m. Highlights included:

- Delivery of two new, dual-fuel vessels, the Sir John Fisher and Lady Maria Fisher
- Secured largest UK tankships contract renewal with Phillips 66
- Strong LNG STS demand globally coupled with strong demand for oil STS in Brazil

The Division continues to play a key role in the critical supply of energy and petrochemicals, alongside alternative fuels, including liquefied natural gas (LNG). This resulted in a strong performance during the year, with high utilisation levels across tankships, alongside a key contract extension with a major UK customer. As part of the Company's fleet replacement programme, James Fisher took delivery of two new, dual-fuel vessels, which will underpin the company's ESG commitments. The STS business maintained its global market leading position in STS transfers and performed well in the first half of the year, particularly in Brazil. There is continued opportunity to integrate the business further and identify synergies from which to grow the customer base.

Lessons learned and strengthening our platform

Despite the potential in the business and the significant changes we have accomplished, the Group continued to face challenges in 2023. This included the complex divestiture of our nuclear business, which impacted the refinancing of our bank debt during the first quarter. Whilst this was the right strategic decision, it had a significant short-term impact on James Fisher in terms of resources, distraction, and costs.

These challenges led us to implement a more robust risk management and governance framework

These challenges led us to implement a more robust risk management and governance framework, delivered through a strengthened Legal Function with expert talent integrated across Group and Divisions. Our Functions are improving in both Finance and Human Resources (HR), and we are taking steps to integrate our business systems. Therefore, we are still in the "back-to-basics" phase of our journey in these two areas.

With the arrival of Karen Hayzen-Smith as our new Chief Financial Officer, I look forward to an accelerated strengthening of the team, and the upgrade of our control and risk management processes. This is a pre-requisite to the Company delivering on its strategic objectives.

In HR, we appointed experienced Business Partners in each Division and established clear Functional oversight. We implemented a more systematic performance review and succession planning process, and launched recruitment and development initiatives, such as the James Fisher Academy. We see the Academy as an engine to increase the expertise of our customer facing service colleagues and to reduce our dependence on third-party contractors.

In a period of considerable change, our employee engagement score remained level with last year (3.86 vs. 3.84 in 2022), falling short of our ambitions. Our people are integral to the services we provide, and this makes employee engagement an extremely important indicator for us. Nevertheless, there was progress in some Divisions, which showed the positive impact of our culture initiative.

Completing our foundation work

As the new organisation has settled in, our immediate priority is to ensure we have a strong financial base and get closer to our mid-term leverage targets of 1.0-1.5x Net Debt to EBITDA. This will provide a sustainable platform to deliver growth.

We will continue to build on the change management journey started in 2023, through several programmes:

1. ***Exceptional Safety***: is our number one priority. We will expand our approach into the supply chain and sub-contractors, building a collective culture across the full workforce

2. ***Employee Engagement***: improve two-way engagement with employees so we can inform, equip and empower them to deliver our Company's full potential

3. ***Foundations for Growth***: continue to strengthen our financial, governance and risk management foundations. Reinforce UOP and ROCE as the North Star to achieve financial improvement and build a more resilient business for the future

4. ***Pipeline of Talent***: attract, develop and inspire our employees to reach their full potential in a diverse and inclusive environment. At the heart of this is our five-year talent development framework

5. ***Strong Supply Chain***: work with employees, contractors and partners to build a stronger supply chain framework. This is centred around efficient execution and delivery, including the pooling of both assets and people

These priorities will underpin our customer focus, as we continue to prepare for the long-term strategic growth of James Fisher.

Positioning for growth

Against the backdrop of continued geopolitical instability and security of energy supply, all three Divisions should benefit from long term, structural demand tailwinds.

The Energy Division will support the energy transition through its innovative offshore wind solutions and help oil and gas customers to become more efficient and less carbon intensive.

Our Defence Division will continue to lead the industry in life support and lifesaving products and services, which includes innovative platforms to bridge defence gaps through close collaboration with our partner nations.

In Maritime Transport, we will ensure continuity of critical supply through coastal shipping both in the UK and in new geographical markets, and explore adjacent markets relevant to our capabilities. We will explore options in other regions, such as the Caribbean, where we have proven value. In ship-to-ship activities, we will lead in serving liquefied natural gas (LNG) demand, while providing world-class safety, reliability and compliance in crude oil.

Across all these verticals, James Fisher will be next to our customers, wherever they are - across the North Sea, the Middle East, Asia Pacific and the Americas.

Having hired our Chief Technology Officer, in January 2024, we will harness the innovation that I have witnessed across the Group and will embed technology as a major part of our growth plan. This includes a new product and service development process, that will accelerate the introduction of new offerings to market.

As we reduce our financial leverage, we will look to enrich our service offerings by adding differentiated activities to our divisional portfolio, either organically or through acquisitions. Any future acquisition must demonstrate some compelling contribution to our strategic goals and continue to be asset-light.

Outlook for the year ended 31 December 2024

In the current financial year to date, the Group's overall performance has been in line with the Boards's expectations, building on our early-stage progress in 2023. Looking forward, we continue to see supportive end markets in 2024 in the majority of our businesses and would also expect to deliver further benefits from our turnaround initiatives.

Our key focus for 2024 is to establish a robust and sustainable financial platform, with lower levels of debt as we work towards a mid-term leverage range of 1.0-1.5x (Net Debt to EBITDA). To achieve this we need to complete the disposal of non-core assets during 2024 and refinance our debt facilities which mature in March 2025. Delivering on this objective will strengthen our balance sheet, reduce our interest cost, make us a more resilient Group and provide greater ability to take advantage of growth opportunities.

Thanks

As I reflect on this year of transformation, I would like to thank the Board, shareholders, customers, and employees for their continued support through this time of change.

As we head into 2024, I am proud of the progress we have made in our journey of transformation with a recognition there is much more to be done. With a stronger platform for growth, I am confident that James Fisher will once again prosper thanks to the people and innovation that is the hallmark of this organisation.

Jean Vernet
Chief Executive Officer

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

Continuing operations	Underlying results[1] Year ended 31 December			Reported results Year ended 31 December		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue (£m)	**496.2**	478.1	3.8%	**496.2**	478.1	3.8%
Operating profit/(loss) (£m)	**29.6**	26.4	12.1%	**(18.6)**	24.7	n/m
Profit/(loss) before tax (£m)	**8.3**	16.2	(48.8)%	**(39.9)**	14.5	n/m
Profit/(loss) for the year (£m)	**2.3**	11.5	(80.0)%	**(50.9)**	9.0	n/m
Operating margin	**6.0%**	5.5%	50 bps	**(3.7%)**	5.2%	(890) bps
Return on capital employed	**6.6%**	**5.3%**	**130 bps**			
Net debt - covenant basis	**149.8**	**142.1**	**5.4%**			
Earnings/(loss) per share	**11.4**	**22.3**	**(48.9)%**	**(101.2)**	**17.4**	**n/m**

[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 financial statements.

Reported results from continuing operations

The Group generated revenue of £496.2m in 2023, an increase of 3.8% compared to £478.1m in 2022. The Energy and Defence Divisions showed growth against 2022, with Energy up 9.9% (2023: £266.5m; 2022: £242.6m) and Defence up 6.3% (2023: £72.5m; 2022: £68.2m). Maritime Transport revenue was down by 6.0% (2023: £157.2m; 2022: £167.3m) driven by a proactive decision to exit some lower margin contracts.

Gross margin was 27.4% similar to the 26.6% achieved in 2022.

The Group made an operating loss of £18.6m in 2023, an adverse movement of £43.3m compared to the £24.7m operating profit in 2022, reflecting net adjusting items of £48.2m (2022: £1.7m), offset by stronger underlying business performance. The adjusting items include an impairment of goodwill of £28.0m which is discussed below.

Loss before tax was £39.9m (2022: £14.5m profit). The decrease in profit before tax was driven by the statutory operating profit performance described above as well as a £11.1m 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, together with an estimate of deferred fees that would arise on exiting the facility. There was also an increase due to unwinding of discount on lease liabilities due to the Group entering into and extending a number of vessel and office leases in the year.

Loss per share from continuing activities was 101.2 pence compared to 17.4 pence earnings in 2022, reflecting the reduced operating profit performance and increased adjusted items.

Underlying operating results from continuing operations

Reconciliation of underlying operating profit to operating profit (continuing)	Year ended 31 December	
	2023 £m	**2022 £m**
Underlying operating profit (continuing)	**29.6**	26.4
Amortisation of acquired intangible assets	**(1.1)**	(2.1)
Impairment charges	**(28.1)**	**(0.7)**
Refinancing costs	**(12.2)**	-
Specific trade receivables provision	-	**1.1**
Restructuring costs	**(5.7)**	**(1.7)**

Restructuring costs	[illegible]	[illegible]
Disposal of businesses and assets	**1.7**	**3.4**
Other	**(2.8)**	**(1.7)**
Operating profit (continuing)	**(18.6)**	**24.7**

Underlying operating profit improved by 12.1% to £29.6m (2022: £26.4m). Each Division delivered growth in both underlying operating profit and margin. The Group's overall underlying operating profit margin improved by 50bps, from 5.5% in 2022 to 6.0% in 2023 even though the improved trading performance was delivered alongside the necessary investments the Group has made in strategic initiatives, including the establishment of the Business Excellence workstream and projects to strengthen internal controls and hiring for key senior management roles. Included in the underlying operating profit are £3.8m of losses generated by Subtech Europe, whose operations ceased in December 2023.

The adjusting items for 2023 amounted to £48.2m, with the largest adjustments related to £28.1m impairment charges and reversals, largely on goodwill balances, £12.2m costs associated with the new RCF and £5.7m restructuring costs. Of the goodwill impairment charge, £25.0m was recognised in relation to the Defence Division. Whilst the Division's performance improved in comparison to 2022, its contract win rate was not as strong as expected due to delays in customer procurement processes. In arriving at the value of goodwill impairment, we built in the risks associated with the potential delays and cancellations of future projects into cash forecasts. This, combined with a higher discount rate, led to the recognition of the impairment. However, the Division retains a solid pipeline, and a positive outlook for the business over the medium-term remains unchanged.

Summary of underlying operating results from continuing operations

Revenue (continuing)	**Year ended 31 December**		
	2023 £m	**2022 £m**	**Change %**
Energy	**266.5**	242.6	9.9
Defence	**72.5**	68.2	6.3
Maritime Transport	**157.2**	167.3	(6.0)
Revenue (continuing)	**496.2**	478.1	3.8

Underlying operating profit/(loss) (continuing)	**Year ended 31 December**		
	2023 £m	**2022 £m**	**Change%**
Energy	**15.7**	13.9	12.9
Defence	**1.5**	**(0.4)**	**n/m**
Maritime Transport	**23.3**	**18.8**	**23.9**
Corporate	**(10.9)**	**(5.9)**	**(84.7)**
Underlying operating profit	**29.6**	**26.4**	**12.1**

Full year operating performance by Division

As announced in April 2023, effective from 1 January 2023 the Group has reorganised into three divisions, representing the key markets within which the Group operates, namely Energy, Defence, and Maritime Transport. The Energy Division combines the Divisions that used to be called Marine Support and Offshore Oil, without Fendercare, which is added to the Tankships Division to create Maritime Transport. JFD is the only component of the Defence Division and was previously reported in the Specialist Technical Division.

Energy

Robust performance with strong demand in Well Testing and Bubble Curtain and Artificial Lift

The Energy Division provides products and services to the offshore wind and oil and gas markets, and mainly comprises of the Well Testing and Bubble Curtain (Scantech), Artificial Lift (RMSpumptools), Inspection Repair and Maintenance (JF Subtech), Offshore Wind (JF Renewables) and JF Decommissioning product lines.

	Year ended 31 December		
	2023 £m	**2022 £m**	**% change**
Total revenue	**266.5**	242.6	9.9%
Underlying operating profit (£m)	**15.7**	13.9	12.9%
Underlying operating profit margin	**5.9%**	5.7%	20 bps
Return on capital employed[1]	**9.3%**	8.0%	130 bps

The Energy Division delivered revenue growth of 9.9%, from £242.6m in 2022 to £266.5m, with good performances across the majority of the product lines. Revenue growth is 17% if adjusted for disposed business in 2022. Well Testing, Bubble Curtain and Artificial Lift, in particular, achieved strong growth with the supportive demand conditions. Underlying operating profit growth for the Division was 12.9%, which included a £3.8m loss generated by Subtech Europe, whose operations ceased in December 2023. Subtech Europe had been incurring losses over a number of years due to increased competition and a North Sea market that was both seasonal and required the supply of a vessel and services on a demand basis. This gave rise to a higher risk model and periods of lower utilisation which generated

losses.

Well Testing and Bubble Curtain revenue, which includes solutions in Taiwan and USA, increased by 26.8% to £58.2m (2022: £45.9m). This increase was driven by sustained demand for well-testing services, with a strong market backdrop and quick deployment of the Group's new fleet of more efficient air compressors onto bubble curtain projects on the US East Coast.

Artificial Lift product sales increased by 27.2% to £42.5m (2022: £33.4m), a new record high, continuing the strong market trend seen in the first half of 2023. In March 2024, the Group announced the conditional sale of RMSpumptools for an enterprise value of £90m (expected net proceeds of £83m), with the business set to exit the division at completion during the second half of 2024.

Inspection, Repair and Maintenance showed strong revenue growth, from £98.8m in 2022 to £107.6m, with growth in the Brazil and Middle East markets. The business performed well in the Middle East due to strong utilisation and day rates earned from Swordfish, which was leased back after it was sold in January 2023. The lease has now finished, and the vessel returned to the owner. However, the business experienced operating losses in South Africa and in Europe, which led to the decision to close Subtech Europe.

Offshore Wind delivered strong revenue growth of £29.5m over a weak comparative period (2022: £15.7m) and achieved a near break-even position compared to an operating loss in 2022. The market was up from 2023 to 2022 and is forecasted to be relatively flat in 2024. The Group continues to believe that its strong offerings of products and services into this market will deliver profitable growth in the future.

Continuing volatility in the market led to our Decommissioning business having a disappointing year, with a decrease in revenue of 18.7% to £22.2m (2022: £27.3m). The decommissioning markets remain challenging with the business experiencing volatility in demand during 2023. The business has a new management team in place who are focused on new contract wins, strong project management and margin delivery. The medium-term market growth drivers for this business remain attractive.

Defence

Contract delays impacted performance - solid growing revenue pipeline

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

	Year ended 31 December		
	2023 £m	**2022 £m**	**% change**
Total revenue	**72.5**	68.2	6.3
Underlying operating profit/(loss) (£m)	**1.5**	(0.4)	n/m
Underlying operating profit margin	**2.1%**	(0.6)%	270 bps
Return on capital employed[1]	**2.1%**	(0.4)%	250 bps

The Defence Division delivered revenue growth of 6.3%, increasing from £68.2m to £72.5m in 2023, and reversed a prior year underlying operating loss of £0.4m to deliver an underlying operating profit of £1.5m. This increased revenue was predominately due to delivery of additional services to existing defence customers and a strong performance for our commercial diving and hyperbaric systems, linked to a recovery in the energy sector. This is consistent with higher levels of activity seen in the Energy Division's diving activities.

Activity in the period focused on service and training contracts in India and South Korea with good progress, and the renewed NATO submarine rescue contract secured at the end of 2022, which went live in July 2023. Some projects were negatively impacted by client dependencies and government approvals that were outside our control, which led to increased cost and schedule impacts. We anticipate completing these projects in 2024, within our revised cost estimates.

Overall, while the defence market is buoyant and JFD's performance improved in comparison to 2022, the Division did not secure some of the projects that were anticipated in 2023, due to delays in government procurement processes. The Division is focused on securing new contract wins and converting its significant sales pipeline in 2024, as customers around the world are prioritising undersea defence and energy security. While the defence market has inherently long and often uncertain procurement timelines, the geo-political environment is leading to a change in customer behaviour, with more urgency being placed on procurement of critical undersea capabilities. We are investing in our long-term growth through an established new product development portfolio, which will bring some exciting next generation products to market. The forward order book on 31 December 2023 for the Division was £223m.

Maritime Transport

Solid performance focused on margin improvement and portfolio rationalisation

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

	Year ended 31 December		
	2023 £m	**2022 £m**	**% change**
Revenue			
JF Tankships (incl. Cattedown)	**76.1**	78.9	(3.5)
JF Fendercare (incl. Martek)	**81.1**	88.4	(8.3)

Total revenue	**157.2**	167.3	(6.0)
Underlying operating profit (£m)	**23.3**	18.8	23.9%
Underlying operating profit margin	**14.8%**	11.2%	360 bps
Return on capital employed[1]	**30.3%**	22.5%	780 bps

The Tankships business delivered a robust performance in the year. Revenue was marginally down year-on-year, from £78.9m to £76.1m, in part due to a reduction in fuel costs, which on certain contracts are passed to the charterer, but also due to the proactive decision to exit some lower margin contracts. However, margins were stronger due to the improved contract rates and the spot market rates averaging higher than in 2022. The tanker fleet utilisation during the year was 93% (2022: 88%). This was partially offset by revenue increase in Cattedown Wharves as a result of inflationary increase in quay dues across the port and increases in number of vessels through the port year-on-year.

Fleet improvements continued, with the Lady Maria Fisher joining the fleet during the period and the Mersey Fisher, which had reached the end of its commercial life, being sold. Tankships commenced the rebuild programme for its new fleet with contracts signed for four new vessels with delivery of all four vessels within 2026.

JF Fendercare experienced a £7.3m reduction in revenue year-on-year, but its operating profit saw a significant increase. The revenue shortfall was mainly as a result of the decision to exit Tanjung Pelepas, which is a port in Malaysia, which had minimal impact on profitability as margins were low. Fendercare experienced strong demand in Brazil on ship-to-ship transfers, which attract higher gross profit margins, thereby increasing profitability overall. Europe and Africa experienced a drop in transfers as a result of higher stock levels reducing demand. A fourth LNG STS kit was purchased in the period, as at the end of 2023 we have two LNG retainers in place. Martek's revenue was up from 2022, however, the change in product mix meant that the operating margins slightly deteriorated.

Corporate

Corporate costs were £10.9m compared to £5.9m in 2022. The increase reflects the necessary investment the Group has made in the business transformation programme, including the new executive and senior management team, strengthening of controls and compliance environment, roll out of lean, business and commercial excellence and other activities. Combined, these activities are focused on building a foundation for growth through stronger business performance and efficiencies leading to margin improvement.

Discontinued operations

In the period through to its disposal on 6 March 2023 for a nominal consideration of £3, the nuclear decommissioning business (JFN) generated revenue of £6.7m (2022: £42.8m) and a loss after tax of £11.4m (2022: £19.8m). Subsequent to the sale of the business, on 9 August 2023, the Group was notified that JFN had appointed administrators and is in the process of being liquidated. The Group is engaged with the administrators and certain key customers of JFN that held parent company guarantees with the intention of mitigating potential claims against the Group that may arise from the JFN administration. A provision of £6.4m has been included in the results for the year ended 31 December 2023, in relation to potential claims/settlements under parent company guarantees.

Items outside underlying operating profit

The Group has recognised a net operating loss of £48.2m in relation to adjusting items, significantly increased from £1.7m in 2022.

	Year ended 31 December	
	2023	**2022**
	£m	**£m**
Impairment charges, net	**28.1**	0.7
Refinancing costs	**12.2**	-
Restructuring costs	**5.7**	1.7
Amortisation of acquired intangible assets	**1.1**	2.1
Specific trade receivables provision release	**-**	(1.1)
Gain on disposal of businesses and assets	**(1.7)**	(3.4)
Other	**2.8**	1.7
Total	**48.2**	1.7

The £28.1m net impairment charge in 2023 relates to goodwill impairment charges of £28.0m, largely in the Defence Division and further vessel and assets impairments of £2.4m in Maritime Transport and Energy Divisions, partially offset by a £2.2m impairment reversal for impairments recognised in previous years. The 2022 impairment charge of £0.7m mainly comprises a reversal of impairment to Swordfish dive support vessel and a non-cash goodwill impairment charge in relation to a business in Energy Division.

During 2023, the Group incurred £12.2m legal and advisory costs relating to the new revolving credit facility (RCF), refinancing strategy, obtaining a waiver from the Group's lenders and completion of various requirements and conditions of the RCF.

Restructuring costs of £5.7m in 2023 relate to the transformation programme aimed at simplification, rationalisation and integration of the Group's businesses. This also includes £3.0m of costs associated with Subtech Europe closure. In 2022, people and property costs of £1.7m were incurred for restructuring programme within the Fendercare and JFD businesses.

Amortisation of acquired intangibles relate to customer relationships acquired through business combinations which are amortised over their estimated useful economic life.

£1.1m of debts previously provided for were collected during 2022 and we continue to pursue other amounts, for which provisions have been made, through legal and commercial discussions

Disposal of businesses and assets in 2023 largely relates to a gain of £1.4m on disposal of a vessel in the Maritime Transport Division. In 2022, the Group sold three businesses and one tanker for profits on sale of £2.5m and £0.9m, respectively.

Other includes £2.2m past service cost recognised for the MNRPF scheme in respect of past administrative and benefit practices). In 2022, the Group also recognised a £1.5m charge in relation to its share (approximately 2%) of the obligations under a defined benefit pension fund, following a settlement in relation to benefits payable by the scheme to past members.

The tax charge relating to non-underlying items is £5.0m which includes a charge of £4.7m in relation to de-recognition of the brought forward UK deferred tax.

Capital expenditure

Capital expenditure in the year was £28.5m and £1.7m on development expenditure. Capital expenditure to depreciation ratio was 1.3 (excluding intangibles additions and amortisation). The majority of growth expenditure was in the Energy Division including spend on a new fleet of compressors to support expansion in the "bubble curtain" product line.

Finance charges

The Group's net finance charges increased by £11.1m to £21.3m (2022: £10.2m).
Finance charges in 2023 primarily comprise £15.8m of interest expense on loans and overdrafts (2022: £7.4m), £2.7m for deferred financing fees to be paid under the terms of the new credit facilities (2022: £nil), £1.7m of loan arrangement fees (2022: £1.0m), including the write-off of previously capitalised loan arrangement fees relating to the former credit facilities and £4.0m interest expense on lease liabilities (2022: £2.2m), partially offset by £3.2m (2022: £0.7m) 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 interest rates. Interest expense on lease liabilities increased during the year mainly due to new vessel leases and extensions made 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 financial statements, and is calculated by dividing underlying operating profit by net finance charges (excluding IFRS 16 finance charges), is 2.2 times (2022: 3.5 times), which compares to banking covenants that require the ratio to be greater than 1.75 times (2022: 3.0 times).

Taxation

The Group has recognised an overall net tax expense in respect of continuing operations of £11.0m in the year (2022: £5.5m). The increase in tax expense is primarily driven by the de-recognition of the deferred tax asset. The tax expense on underlying profits from continuing operations for the year is £2.4m (2022: £4.7m) representing an underlying effective tax rate of 29.0% (2022: 28.4%), which has been adjusted for £3.6m deferred tax impacts on finance charges.

Given the volume of the cumulative UK tax losses, 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 incurred in the year and £4.7m brought forward losses. The Group still has the ability to recognise these losses in future periods against chargeable profits.

Dividends and earnings per share

The Board has not recommended dividends in 2023 or 2022, 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, increased to 123.9 pence (2022: 22.1 pence) reflecting lower profit after tax. Underlying earnings per share decreased to 11.4 pence (2022: 22.3 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

	2023 £m	**2022 £m**
Cash flow from operating activities	**37.8**	44.5
Cash flows (used in)/from investing activities	**(4.7)**	(15.8)
Cash flows used in financing activities	**(27.4)**	(40.1)
Net increase in cash and cash equivalents	**5.7**	(11.4)
Cash and cash equivalents at 1 January	**22.8**	34.5
Net foreign exchange differences	**(1.7)**	2.5
Cash transferred to asset held for sale	**(0.4)**	(2.8)
Cash and cash equivalents at 31 December	**26.4**	22.8

The Group generated £37.8m (2022: £44.5m) cash from operating activities, with a working capital inflow

of £6.7m (2022: £2.6m working capital outflow). The increase in the loss for the year was the key driver for the reduction. The working capital inflow arose due to a reduction in debtor days, partially offset by a reduction in creditor days. In 2022, the Group also built inventory to satisfy the higher demand for its product which was not repeated in the current year. Debtor balances continued to show some positive progress during the year due to the business focus on collections. Creditor balances have also reduced as the Group rebalanced its working capital throughout the year. Tax payments were slightly higher than last year at £8.6m (2022: £8.1m).

Cash flows used in investing activities during the year were £4.7m (2022: £15.8m). Capital expenditure, at £29.4m, was lower than the £31.7m in 2022. Key expenditure in 2023 included investment in energy efficient compressors for Scantech product line in the Energy Division, which is expected to yield attractive returns. Other capex investments included dry docking of the Group's vessels and equipment purchases. The Group generated £25.6m in asset disposals (2022: £2.2m) mainly consisting of the proceeds from the sale of Swordfish Dive Support Vessel as well as other vessels and tugs in the Energy and Maritime Transport Divisions. The Group also incurred costs of £3.2m in 2023 from the sale of JFN.

The Group's net borrowings at 31 December 2023, including all lease liabilities, was £201.1m, a £15.3m increase in borrowings from 31 December 2022. Bank borrowings increased by £8.2m and additional lease liabilities increased by £8.3m following the delivery of Lady Maria Fisher tanker into our fleet and extensions of other vessel and property leases.

On 31 December 2023, the Group had £192.7m of committed credit facilities (2022: £247.5m) and £24.7m of undrawn committed credit facilities (2022: £88.0m).

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.

	2023 £m	2022 £m
Net borrowings	**201.1**	185.8
Less: right-of-use operating leases	**(56.9)**	(46.0)
Add: bonds and guarantees	**5.6**	2.3
Net debt - covenant basis	**149.8**	142.1
Underlying operating profit	**29.6**	26.4
Depreciation and amortisation	**41.2**	40.3
Less: Depreciation on right-of-use assets	**(16.3)**	(12.2)
Less: Amortisation of acquired intangibles	**(1.1)**	(2.1)
IFRS 16 impact removed	**1.0**	0.2
Covenant EBITDA	**54.4**	52.6
Net debt : EBITDA[1]	**2.75**	2.70

[1]Defined as leverage APM in note 2.3.

On a covenant basis, net debt has increased by £7.7m in the period. The ratio of net debt: EBITDA (defined as leverage APM, which is explained and reconciled in Note 2 of the financial statements) has increased slightly to 2.75 times (2022: 2.70 times), which compares to banking covenants requiring the ratio to be less than 3.25 times.

Liquidity

In June 2023, the Group agreed new borrowing facilities with its lending banks of £209.9m, with a maturity date of March 2025. As at 31 December 2023, agreed amortisation had reduced the available facility amount to £192.7m. 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 agreement for sale of the entire issued share capital of RMSpumptools Limited (RMS) announced in March 2024, which is expected to bring in net proceeds of £83m. The disposal is expected to complete early in H2 2024, subject to certain conditions. 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 1.0-1.5x. In turn this should enhance the Group's ability to execute a successful refinancing, and put in place new facilities during 2024 that provide the liquidity to support investment in growth whilst also being on more favourable terms than the current facility.

Balance sheet

The Group's net assets decreased by £69.7m in the year to £148.6m (2022: £218.3m). The loss for the year of £62.3m was increased by other comprehensive losses of £8.4m in relation to foreign exchange movements and hedging of £9.7m, net of tax, and an actuarial gain from the Group's defined benefit pension fund of £1.3m in the year, net of tax.

Non-current assets

Non-current assets decreased by £25.9m in the year from £321.2m to £295.3m. Goodwill reduced by £38.0m to £78.3m (31 December 2022: £116.3m) as a result of impairment charges of £28.0m, a reclassification to held-for-sale assets of £7.6m and foreign exchange differences of £2.4m. Other intangible assets reduced to £6.3m from £8.2m, largely due to additions and transfers of £2.8m, which was offset by amortisation and impairment charges of £4.8m.

Within property, plant and equipment, the Group invested £28.5m in additions. These additions were offset by disposals with a net book value of £2.6m, depreciation of £22.0m, reclassifications to intangible assets and assets held for sale of £3.1m, a small impairment charge of £0.5m and foreign exchange differences of £2.0m.

Right-of-use assets increased by £15.1m, due to the additions of £32.8m relating to the delivery of Lady Maria Fisher tanker into our fleet and extensions on other vessel and property leases as well as a reversal of impairment of £1.9m previously recorded on vessels in the Energy Division, which were partially offset by depreciation of £16.3m, disposals with a net book value of £2.0m, reclassifications to held for sale assets of £0.7m and foreign exchange differences of £0.6m.

The Group has recognised a £7.4m asset in relation to the Group's Shore Staff defined benefit pension scheme in accordance with IFRIC14 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 in 2024 following the most recent triennial actuarial valuation.

Current assets and current liabilities

The Group's net current assets increased by £12.9m from £61.3m at 31 December 2022 to £74.2m at 31 December 2023. This increase arose from the £37.8m reduction in current liabilities in 2023 to £188.7m, which was partially offset by a £24.9m reduction in current assets in 2023 to £262.9m.

The £24.9m decrease in current assets in 2023 was mainly driven by a £24.2m reduction in trade and other receivables to £124.0m and a £21.5m reduction in assets held for sale to £14.7m, which have been partially offset by an £23.9m increase in cash and cash equivalents.

The £37.8m decrease in current liabilities in 2023 was mainly driven by a £9.0m reduction in trade and other payables to £113.4m, a £15.6m reduction in liabilities associated with assets held for sale and a £16.3m reduction in short-term borrowings to £51.1m, which were partially offset by a £4.1m increase in provisions to £9.4m. The increase in provisions in 2023 largely relates to a £6.4m charge relating to potential liabilities on parent company guarantees for JFN.

Short-term bank borrowings (i.e. overdrafts) have reduced to £51.1m from £67.4m at 31 December 2022, with the net position of short-term cash and short-term borrowings increasing to £26.4m (31 December 2022: £22.8m).

Non-current liabilities

Long-term liabilities, at £220.9m, are £56.7m higher than at 31 December 2022. The change in 2023 is largely the result of increase of £44.8m in long-term borrowings, £8.5m in long-term lease liabilities, £2.9m in provisions and £1.2m in retirement benefit obligations.

The £44.8m increase in long-term borrowings was largely due to £36.6m borrowed under the revolving credit facility in December 2022, which was classified as a current liability in the prior year, whereas, following the completion of the refinancing in June 2023, all amounts drawn under the current banking facilities have all been classified as non-current liabilities.

Technical guidance for 2024

The 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, which is expected, subject to the satisfaction of various conditions, to complete in H2 2024 (the business contributed revenue of £42.5m and £12.1m of EBITDA to continuing operations in 2023).

The net proceeds of the RMSpumptools disposal, which are expected to be c.£83m, will be used to reduce the drawn balance under the RCF. As such, the net interest expense is expected to reduce post-completion.

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

The adjusted effective tax rate for 2024 is 29% representing the Group operating in higher tax rate overseas territories.

Principal risks and uncertainties

The principal risks and uncertainties affecting the Group are listed below and are set out in more detail in the Company's Annual Report and Financial Statements 2023, which should be read in conjunction with this announcement when published. This list is not a substitute for reading the Company's Annual Report and Financial Statements 2023 in full. The Group's principal risks and uncertainties are:

1. **Group transformation:** The Group is undertaking a transformation including a new strategy, operating model and initiatives such as supply chain, technology improvements and a people strategy as well as aligning the business portfolio. Additionally, new opportunities that the Group may pursue in new geographies may stretch Group and management resources.

2. **Maintaining access to adequate funding:** The Group has experienced difficult trading conditions over the last few years and currently has a revolving credit facility which matures in 2025 and net debt / EBITDA ranges which are currently outside our target range. To minimise this risk the Group has to strengthen its balance sheet and obtain and retain adequate committed facilities. The Group has recognised the adverse effects of the financial resilience risk on our balance sheet and will actively manage this risk via its capital allocation policy.

3. **Health and safety:** Our operations entail the potential risk of significant harm to people and property, wherever we operate across the world. Our operations entail the potential risk of significant harm to people and property, wherever we operate across the world. For both moral, financial and reputational reasons we would wish to keep the risk as low as possible.

4. **Cyber security:** A key factor for our customers is our ability to deliver secure IT and other information assurance systems to maintain the confidentiality of sensitive information. IT and Cyber Security are fundamental components to our operations, and we continually review the emergence of cyber threats in an effort to eradicate and mitigate the risk as far as possible.

5. **Operating in emerging markets:** We rely on winning and retaining contracts in both existing and new markets with a variety of customers including major energy customers and customers owned and controlled by national governments. Operating in emerging markets can expose the Group to risks such legislative restrictions, sanctions, exchange controls and working with joint venture partners. Projects will be undertaken where we are confident that risks can be managed.

6. **Climate change:** Sustainability is an integral part of our corporate strategy, and our global business employs short, medium, and long terms control measures to manage climate risks.

7. **Contractual risk:** We execute contracts which often require us to price for the long term and for risk transfer. Our contracts can include fixed prices. This reflects the complex nature of the work within the defence and energy services sectors and the complexity in how we operate with customers and suppliers. We seek to mitigate this risk by applying our contracting principles where possible and ensuring robust contract approval processes.

8. **Project delivery:** We operate contracts in hazardous environments with contracts that could be subject to change and require robust project management. Given the nature of the contracts in multiple geographies and customers with a variety of contractual and macro risks. We accept delivery risks but manage these to ensure adequate project management skills, the necessary engineering and technical capabilities and robust contractual provisions.

9. **Recruitment and retention of staff:** We operate in many specialised engineering and technical domains which require appropriate skills and experience. Risks have to be accepted and managed to avoid the risk of increase costs and minimising a potential negative workforce engagement and retention. Some risk is accepted given by sharing capability across our business and compensating for skills shortages in particular areas and developing talent in-house.
10. **Financial risk:** The Group is exposed to a number of financial risks, some of which are of a macroeconomic nature (for example, foreign currency, interest rates) and some of which are more specific to the Group (for example credit risks).

11. **Acquisitions and disposals (NEW):** The Group has been formed organically and through acquisitions. Transactions are complex, time-consuming, and expensive. If we believe that a business does not fit with the Group's strategic direction we may decide to sell that business. Transactions will be undertaken where the risk is considered manageable.

12. **Regulatory and compliance (NEW):** Our businesses are subject to the laws, regulations and restrictions of the many jurisdictions in which they operate. The Group seeks to ensure compliance with best practices and regulatory requirements. JFS has zero tolerance for regulatory risk around risks such as anti-bribery and corruption and modern slavery.

13. **Product risk (NEW):** The Group designs innovative products for use in the Energy, Defence and Maritime Transport markets. With any new product development there are risks of warranty claims or identification of issues to be remediated. The Group seeks to minimise such risks by rigorous testing and quality review processes. There is also the risk of failing to innovate to ensure a pipeline of product development. The Group seeks to invest to strengthen capabilities in this area including

the appointment of the Group's Chief Technology Officer and ensure the development of products to meet customer requirements.

Consolidated income statement

for the year ended 31 December 2023

	Notes	**Year ended 31 December 2023 Total £m**	Year ended 31 December 2022[1] Total £m
Continuing operations			
Revenue	3	**496.2**	478.1
Cost of sales		**(360.3)**	(350.9)
Gross profit		**135.9**	127.2
Administrative expenses		**(109.6)**	(97.5)
Impairment charges		**(28.4)**	(4.9)
Refinancing costs		**(12.2)**	-
Restructuring costs		**(5.7)**	(1.7)
Share of post-tax results of associates		**1.4**	1.6
Operating (loss)/profit		**(18.6)**	24.7
Finance income	3	**3.2**	0.7
Finance expense	3	**(24.5)**	(10.9)
(Loss)/profit before taxation		**(39.9)**	14.5
Income tax	5	**(11.0)**	(5.5)
(Loss)/profit for the year from continuing operations		**(50.9)**	9.0
Loss for the year from discontinued operations, net of tax	4	**(11.4)**	(19.8)
Loss for the year		**(62.3)**	(10.8)
Attributable to:			
Owners of the Company		**(62.4)**	(11.1)
Non-controlling interests		**0.1**	0.3
		(62.3)	(10.8)
Loss per share		**pence**	pence
Basic	6	**(123.9)**	(22.1)
Diluted	6	**(123.9)**	(22.1)
(Loss)/profit per share - continuing activities		**pence**	pence
Basic	6	**(101.2)**	17.4
Diluted	6	**(101.2)**	17.4

[1]Impairment costs (£4.9m) and restructuring costs (£1.7m) for the year ended 31 December 2022 which were previously included within administrative expenses have been represented to conform with the current year presentation of these costs.

Consolidated statement of other comprehensive income

for the year ended 31 December 2023

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Loss for the year	**(62.3)**	(10.8)
Other comprehensive income:		
Items that will not be classified to the income statement		
Actuarial gain in defined benefit pension schemes	**1.6**	7.1
Tax on items that will not be reclassified	**(0.3)**	(1.3)
	1.3	5.8
Items that may be reclassified to the income statement		
Exchange differences on foreign currency net investments	**(8.1)**	8.8
Effective portion of changes in fair value of cash flow hedges	**(0.3)**	3.6
Effective portion of changes in fair value of cash flow hedges in joint ventures	**(0.1)**	0.4
Net changes in fair value of cash flow hedges transferred to income statement	**(0.9)**	0.6
Tax on items that may be reclassified	**(0.3)**	(1.1)
	(9.7)	12.3
Total other comprehensive income for the year	**(8.4)**	18.1
Total comprehensive income for the year	**(70.7)**	7.3
Attributable to:		
Owners of the Company	**(70.8)**	6.9
Non-controlling interests	**0.1**	0.4
	(70.7)	7.3

Consolidated statement of financial position

Consolidated statement of financial position

at 31 December 2023

	Notes	Group 31 December 2023 £m	Group 31 December 2022 £m	Company 31 December 2023 £m	Company 31 December 2022 £m
Non-current assets					
Goodwill		78.3	116.3	-	-
Other intangible assets		6.3	8.2	-	-
Property, plant and equipment		118.0	119.7	1.0	1.1
Right-of-use assets		67.4	52.3	0.8	1.0
Investment in joint ventures		8.4	8.7	-	-
Investments and loans to subsidiaries		-	-	376.7	456.5
Other investments		1.4	1.4	1.4	1.4
Retirement benefit surplus	9	7.4	5.5	7.4	5.5
Other receivables		4.0	0.7	-	-
Deferred tax assets		4.1	8.4	0.1	-
		295.3	321.2	387.4	465.5
Current assets					
Inventories		46.7	49.8	-	-
Trade and other receivables		124.0	148.2	14.2	22.2
Assets held for sale	8	14.7	36.2	-	-
Cash and cash equivalents	10	77.5	53.6	10.9	0.4
		262.9	287.8	25.1	22.6
Current liabilities					
Trade and other payables		(113.4)	(122.4)	(33.9)	(27.2)
Provisions		(9.4)	(5.3)	(8.4)	-
Liabilities associated with assets held for sale		(0.7)	(16.3)	-	-
Current tax		(1.1)	(1.9)	(2.8)	-
Borrowings	10	(51.1)	(67.4)	(13.7)	(45.3)
Lease liabilities		(13.0)	(13.2)	(0.6)	(0.2)
		(188.7)	(226.5)	(59.4)	(72.7)
Net current assets		74.2	61.3	(34.3)	(50.1)
Total assets less current liabilities		369.5	382.5	353.1	415.4
Non-current liabilities					
Other payables		-	(0.5)	-	-
Provisions		(4.3)	(1.4)	-	-
Retirement benefit obligations	9	(1.6)	(0.4)	(0.5)	(0.2)
Cumulative preference shares		(0.1)	(0.1)	(0.1)	(0.1)
Borrowings		(166.6)	(121.8)	(166.6)	(121.8)
Lease liabilities		(48.2)	(39.7)	(0.7)	(1.3)
Deferred tax liabilities		(0.1)	(0.3)	-	(0.8)
		(220.9)	(164.2)	(167.9)	(124.2)
Net assets		148.6	218.3	185.2	291.2
Equity					
Called up share capital	11	12.6	12.6	12.6	12.6
Share premium		26.8	26.8	26.8	26.8
Treasury shares		(0.5)	(0.6)	(0.5)	(0.6)
Other reserves		(16.4)	(6.8)	2.5	3.6
Retained earnings		125.5	185.8	143.8	248.8
Total shareholders' equity		148.0	217.8	185.2	291.2
Non-controlling interests		0.6	0.5	-	-
Total equity		148.6	218.3	185.2	291.2

Consolidated cash flow statement

for the year ended 31 December 2023

	Notes	Group 31 December 2023 £m	Group 31 December 2022 £m	Company 31 December 2023 £m	Company 31 December 2022 £m
Loss for the year		(62.3)	(10.8)	(106.5)	(11.6)
Tax (credit)/charge		12.0	4.7	2.8	(0.5)
Adjustments to reconcile (loss)/profit before tax to net cash flows					
Depreciation and amortisation		41.2	41.1	0.6	0.8
Impairments		28.1	0.7	75.6	27.7
Loss on remeasurement to fair value less costs to sell		-	13.3	-	-
Net finance expense/(income)		21.3	10.3	(7.2)	(6.1)
Loss/(gain) on disposal of businesses, net of disposal costs		2.1	(2.5)	2.1	-
Gains on disposals of property, plant and equipment		(2.5)	(1.1)	-	-
Other non-cash items		(1.3)	(0.6)	(0.6)	0.1
Decrease/(increase) in inventories		0.1	(3.2)	-	-
Decrease/(increase) in trade and other receivables		10.7	2.5	(0.4)	(3.9)
(Decrease)/increase in trade and other payables		(4.1)	(1.9)	14.9	5.2
Defined benefit pension cash contributions less service cost		1.1	0.1	(0.2)	0.3
Cash generated from operations		46.4	52.6	(18.9)	12.0
Income tax payments		(8.6)	(8.1)	-	(0.1)
Cash flow from operating activities		37.8	44.5	(18.9)	11.9

Cash flow from operating activities		**37.8**	44.5	**(18.9)**	11.9
Investing activities					
Dividends from joint venture undertakings		**1.2**	1.7	**-**	-
Proceeds from the disposal of a subsidiary, net of cash disposed		**(3.2)**	15.1	**(3.2)**	-
Proceeds from the disposal of property, plant and equipment*		**25.6**	2.2	**-**	-
Finance income		**2.9**	0.8	**27.6**	14.7
Acquisition of subsidiaries, net of cash acquired		**-**	(2.6)	**-**	-
Loans advanced to subsidiaries		**-**	-	**(15.3)**	(34.8)
Loans repaid from subsidiaries		**-**	-	**26.3**	32.8
Acquisition of property, plant and equipment		**(29.4)**	(31.7)	**(0.2)**	(0.4)
Development expenditure		**(1.8)**	(1.3)	**-**	-
Cash flows (used in)/from investing activities		**(4.7)**	(15.8)	**35.2**	12.3
Financing activities					
Finance costs		**(15.7)**	(7.5)	**(15.9)**	(7.2)
Acquisition of non-controlling interests (NCI)		**-**	(1.5)	**-**	-
Capital element of lease repayments		**(18.1)**	(14.5)	**(0.4)**	(0.2)
Proceeds from borrowings		**198.1**	166.0	**198.1**	166.0
Repayment of borrowings		**(191.7)**	(182.6)	**(191.7)**	(182.5)
Cash flows used in financing activities		**(27.4)**	(40.1)	**(9.9)**	(23.9)
Net increase in cash and cash equivalents	10	**5.7**	(11.4)	**6.4**	0.3
Cash and cash equivalents at 1 January		**22.8**	34.5	**(8.3)**	(8.6)
Net foreign exchange differences		**(1.7)**	2.5	**(0.9)**	-
Cash transferred to asset held for sale		**(0.4)**	(2.8)	**-**	-
Cash and cash equivalents at 31 December		**26.4**	22.8	**(2.8)**	(8.3)

* Proceeds from disposal of property plant and equipment includes £19.8m (2022: £nil) from assets held for sale (see Note 8).

Consolidated statement of changes in equity

for the year ended 31 December 2023

	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 2022	12.6	26.8	191.5	(20.4)	(0.6)	209.9	0.7	210.6
Loss for the year	-	-	(11.1)	-	-	(11.1)	0.3	(10.8)
Other comprehensive income	-	-	5.8	12.2	-	18.0	0.1	18.1
Contributions by and distributions to owners:								
Remeasurement of non-controlling interest put option	-	-	-	1.4	-	1.4	-	1.4
Changes in ownership interest without a change in control	-	-	(0.9)	-	-	(0.9)	(0.6)	(1.5)
Share-based payments	-	-	0.5	-	-	0.5	-	0.5
At 31 December 2022	**12.6**	**26.8**	**185.8**	**(6.8)**	**(0.6)**	**217.8**	**0.5**	**218.3**
Loss for the year	-	-	(62.4)	-	-	(62.4)	0.1	(62.3)
Other comprehensive income	-	-	1.3	(9.7)	-	(8.4)	-	(8.4)
Contributions by and distributions to owners:								
Remeasurement of non-controlling interest put option	-	-	-	0.1	-	0.1	-	0.1
Share-based payments	-	-	1.0	-	-	1.0	-	1.0
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**

Other reserve movements

Other reserves	Translation reserve £m	Hedging reserve £m	Put option liability £m	Total £m
At 1 January 2022	(16.9)	(1.0)	(2.5)	(20.4)
Other comprehensive income	8.7	3.5	-	12.2
Remeasurement of non-controlling interest put option	-	-	1.4	1.4
At 31 December 2022	**(8.2)**	**2.5**	**(1.1)**	**(6.8)**
Other comprehensive loss	(8.1)	(1.6)	-	(9.7)
Remeasurement of non-controlling interest put option	-	-	0.1	0.1
At 31 December 2023	**(16.3)**	**0.9**	**(1.0)**	**(16.4)**

Notes to the Preliminary results

1. General information

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 consolidated financial statements comprise the financial statements of the Company, its subsidiary undertakings and its interest in associates and jointly controlled entities (together the Group), The Company's shares are listed on the London Stock Exchange. The Company and consolidated financial statements were approved for publication by the Directors on 16 April 2024.

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2023 or 2022 but is derived from those accounts. Statutory accounts for 2022 have been delivered to the registrar of companies, and those for 2023 will be delivered in due course. The auditor has reported on those accounts; their reports were (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 (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Going concern

In determining the appropriate basis of preparation of the financial statements ended 31 December 2023, 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.

On 6 June 2023, the Group signed a £209.9m secured revolving credit facility, maturing in March 2025 (the "RCF"), which was provided by the six pre-existing lenders to the Group.

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 year end, the Group obtained appropriate waivers to alter the phasing and quantum of the December 2023 mandatory repayment. This quantum of this mandatory repayment has been reduced and is now due in June 2024. As a result, the facility was reduced by the debt repayments leaving committed facilities at 31 December 2023 of £192.7m (2022: £247.5m) and undrawn committed facilities of £24.7m (2022: £88.0m).

The facility 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. The Group, with the ongoing support of the banking syndicate, has remained in compliance with all covenants and remained so at the 31 December 2023 measurement date.

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 £149.7m as at 31 December 2023 and the net debt/ EBITDA ratio of 2.75 times (2022 2.7 times). This remains above the Group's target range of 1-1.5 times. The Group was in compliance with all financial covenants for the year ended 31 December 2023.

In anticipation of covenant compliance throughout the going concern assessment period being challenging based on the original requirements of the RCF, subsequent to the year end the Group has agreed with the banking syndicate to reset the covenant levels on the net debt/EBITDA and interest cover ratios, and minimum liquidity, under the RCF 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.

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 twelve-month period. Given that the RCF matures in March 2025, the directors concluded that the twelve-month going concern assessment period to 30 April 2025 is appropriate.

Board assessment

Base case

The Group has prepared its base case based on the budget/plan for the period to 30 April 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 limit for FY24 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 increases in interest rates, 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 margins achievement resulting in operating profit reduction of 21% in the full year to December 2024 from the adjusted base budget and a reduction of 23% January 2025 to April 2025;
- cash inflow disruptions that may result from late payments from customers or project delivery challenges; and
- further short term increases in interest rates from the current rate of 5.25% to 5.5% SONIA rate between June 2024 and December 24.

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 the Directors would potentially need to request a waiver from the lenders in relation to the mandatory repayment of £3.5m that is required in June 2024, and 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. However, the Directors are confident that they have a number of controllable mitigating actions that could be implemented regardless of whether a waiver for the mandatory repayment from the lenders is obtained, including reducing discretionary spend on certain projects and hiring freezes. After the effect of these mitigations the combined severe but plausible scenario indicates that the Group can make the June repayment and would remain cash positive and in compliance will all financial covenants, albeit with limited headroom. In addition, whilst not a controllable mitigation, the Directors will also seek to negotiate an extension of creditor terms with certain suppliers if required.

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 31 December 2023, 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 audited financial statements. The Board believe that they are able to 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. The ability to refinance is not fully within the control of the Directors, however the Group has successfully negotiated facilities in the past and is also looking to deleverage its balance sheet within the next 12 months with various planned disposals of non-strategic businesses together with asset sales. On 22 March 2024, the Group announced that it entered into an agreement for sale of the entire issued share capital of RMSpumptools Limited (RMS) the estimated net proceeds of which are approximately £83m. These proceeds will be used to reduce leverage and strengthen the Group's balance sheet. The disposal is expected to complete early in H2 2024, subject to certain conditions. Demonstrating the ability of the Group to reduce debt levels to within our target net debt / EBITDA range of 1-1.5x before a refinancing is undertaken should make it easier to execute the Group's refinancing plan and put in place new facilities during 2024 on more favourable terms than the current facility. The Directors acknowledge that within the existing terms of the RCF upon completion of disposals amounts borrowed under the RCF are required to be repaid but these amounts are not specified. Should the disposal of RMS occur the Directors are confident that this would not result in a scenario worse than the combined severe but plausible scenario for liquidity however there would be a breach of the interest cover covenant in December 2024 under the current RCF as the covenant is calculated on a twelve-month rolling basis. The Directors also expect that the new facilities on more favourable terms will be in place prior to December 2024. Should the RMS disposal or alternative planned disposals not successfully complete, the Directors may need to consider other refinancing alternatives when the existing RCF expires.

Assessment Conclusion
Based on their assessment, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, the Directors recognise that the reliance on successful mitigating actions and, potentially, a waiver of the June 2024 mandatory repayment under the combined severe but plausible scenario, and the ability to refinance the RCF, which matures within the going concern assessment period, indicate the existence of a material uncertainty, related to events or conditions that may cast significant doubt on the Group's and the company's ability to continue as a going concern and, therefore, that the group and company may be unable and to realise their assets and discharge their 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.

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 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 ratios calculation 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.

During the year a review of the measures was undertaken and as a consequence the ROCE measure (2.4 below) and the Underlying EPS measure (2.6 below) have been updated to reflect earnings from continuing operations, thereby excluding the results of discontinued operations which is non-recurring and thereby improves comparability between periods and peers'.

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 calculation, 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.

	Continuing operations							
2023 Continuing operations	As reported £m	Amortisation of acquired intangible assets £m	Impairment charges/ (reversals) £m	Refinancing £m	Re-structuring £m	Disposal of businesses and assets £m	Other/Tax £m	Underlying results £m
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)**	**1.1**	**-**	**-**	**-**	**0.1**	**2.8**	**(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 profit/(loss)	**(18.6)**	**1.1**	**28.1**	**12.2**	**5.7**	**(1.7)**	**2.8**	**29.6**
Finance income	**3.2**	**-**	**-**	**-**	**-**	**-**	**-**	**3.2**
Finance expense	**(24.5)**	**-**	**-**	**-**	**-**	**-**	**-**	**(24.5)**
(Loss)/profit before taxation	**(39.9)**	**1.1**	**28.1**	**12.2**	**5.7**	**(1.7)**	**2.8**	**8.3**
Income tax	**(11.0)**	**(0.3)**	**-**	**-**	**-**	**-**	**5.3**	**(6.0)**
(Loss)/profit for the year from continuing operations	**(50.9)**	**0.8**	**28.1**	**12.2**	**5.7**	**(1.7)**	**8.1**	**2.3**
Discontinued operations								
(Loss)/profit for the year from discontinued operations, net of tax	**(11.4)**	**-**	**-**	**-**	**-**	**-**	**-**	**(11.4)**
(Loss)/profit for the year	**(62.3)**	**0.8**	**28.1**	**12.2**	**5.7**	**(1.7)**	**8.1**	**(9.1)**
Operating margin (%)	**(3.7)%**							**6.0%**
Segmental underlying operating profit is calculated as follows:								
Energy	**9.5**	**0.6**	**2.1**	**-**	**3.6**	**(0.4)**	**0.3**	**15.7**
Defence	**(23.7)**	**-**	**24.7**	**-**	**0.5**	**-**	**-**	**1.5**
Maritime Transport	**21.7**	**0.5**	**1.3**	**-**	**1.5**	**(1.4)**	**(0.3)**	**23.3**
Corporate	**(26.1)**	**-**	**-**	**12.2**	**0.1**	**0.1**	**2.8**	**(10.9)**
Continuing operations	**(18.6)**	**1.1**	**28.1**	**12.2**	**5.7**	**(1.7)**	**2.8**	**29.6**

During the year, adjusting items were in relation to the following matters:
The amortisation of acquired intangibles.

The impairment charges/(reversals) relate to goodwill, right-of-use vessels, tangible assets and investments.

Refinancing is related to the 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 relates to the transformation programme aimed at simplification, rationalisation and integration of the Group's businesses across all three Divisions and includes £3.1m in relation to the closure of the Subtech Europe business in the Energy Division.

Disposal of businesses and assets primarily relates to a gain of £1.4m on disposal of a vessel in the Maritime Transport Division.
Other primarily relates to £2.2m past service costs recognised for the MNRPF scheme as part of the 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 in the current year.

	Continuing operations							
2022 **Continuing operations**	As reported £m	Amortisation of acquired intangible assets £m	Impairment charges/ (reversals) £m	Specific trade receivables provision £m	Re-structuring £m	Disposal of businesses and assets £m	Other/Tax £m	Underlying results £m
Revenue	478.1	-	-	-	-	-	-	478.1
Cost of sales	(350.9)	-	(4.5)	-	-	(0.9)	-	(356.3)
Gross profit	127.2	-	(4.5)	-	-	(0.9)	-	121.8
Administrative expenses	(97.5)	2.1	-	-	-	(2.5)	1.7	(96.2)
Impairment charges	(4.9)	-	5.2	(1.1)	-	-	-	(0.8)
Restructuring costs	(1.7)	-	-	-	1.7	-	-	-
Share of post-tax results of associates	1.6	-	-	-	-	-	-	1.6
Operating profit/(loss)	24.7	2.1	0.7	(1.1)	1.7	(3.4)	1.7	26.4
Finance income	0.7	-	-	-	-	-	-	0.7
Finance expense	(10.9)	-	-	-	-	-	-	(10.9)
Profit/(loss) before taxation	14.5	2.1	0.7	(1.1)	1.7	(3.4)	1.7	16.2
Income tax	(5.5)	-	-	-	-	-	0.8	(4.7)
Profit/(loss) for the year from continuing operations	9.0	2.1	0.7	(1.1)	1.7	(3.4)	2.5	11.5
Discontinued operations								
(Loss)/profit for the year from discontinued operations, net of tax	(19.8)	-	-	-	-	-	-	(19.8)
(Loss)/profit for the year	(10.8)	2.1	0.7	(1.1)	1.7	(3.4)	2.5	(8.3)
Operating margin (%)	5.2%							5.5%
Segmental underlying operating profit is calculated as follows:								
Energy	16.4	1.6	(0.8)	(1.1)	-	(2.5)	0.2	13.8
Defence	(3.5)	0.1	1.8	-	1.3	-	-	(0.3)
Maritime Transport	19.2	0.4	(0.3)	-	0.4	(0.9)	-	18.8
Corporate	(7.4)	-	-	-	-	-	1.5	(5.9)
Continuing operations	24.7	2.1	0.7	(1.1)	1.7	(3.4)	1.7	26.4

Continuing operations	24.7	2.1	0.7	(1.1)	1.7	(3.4)	1.7	26.4

During 2022, adjusting items were in relation to the following matters:

Amortisation of acquired intangibles.

The impairment charges/(reversals) relate to goodwill, intangible and tangible assets, and assets held for sale.

Specific trade receivables provision relates to a recovery of amounts provided for in 2021 in relation to specific counterparty risk and receivables billed over 12 months ago in relation to certain projects.

Restructuring costs relates to restructuring programmes completed during the year by the Fendercare and JFD businesses.

Disposal of businesses and assets relates to the disposal during 2022 of James Fisher Mimic Ltd, Prolec Ltd and Strainstall UK Ltd for £18.5m proceeds with £4.3m gains less £1.8m costs of disposal. In addition, the Group has recognised a gain of £0.9m on disposal of one of its vessels in the Maritime Transport Division.

Other includes £1.5m past service cost recognised for the MNRPF scheme in respect of ill health early retirement benefits.

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 underlying operating profit before interest, tax, depreciation and amortisation, adjusted for impacts of IFRS 16. The covenants require that EBITDA is calculated excluding the effects of IFRS 16. The IFRS 16 adjustment is calculated as a difference between ROU depreciation and operating lease payments.

	2023 £m*	2022 £m*
Underlying operating profit	**29.6**	26.4
Depreciation and amortisation	**41.2**	40.3
Less: Depreciation on right-of-use assets	**(16.3)**	(12.2)
Amortisation of acquired intangibles	**(1.1)**	(2.1)
IFRS 16 impact removed	**1.0**	0.2
Covenant EBITDA	**54.4**	52.6

* Excludes discontinued operations.

2.3 Leverage

Leverage is calculated in line with the Group's banking covenants. It is defined as Covenant EBITDA divided by underlying net borrowings. Underlying net borrowings is net borrowings including guarantees, and excluding right-of-use operating leases, which are the leases which would be considered operating leases under IAS17, 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.

	2023 £m	2022 £m
Net borrowings	**201.1**	185.8
Less: right-of-use operating leases[1]	**(56.9)**	(46.0)
Guarantees and collateral deposits	**5.6**	2.3
Underlying net borrowings	**149.8**	142.1
Covenant EBITDA	**54.4**	52.6
Net debt:EBITDA	**2.75**	2.70

[1] In accordance with IFRS 16 Leases, the Group has recognised a lease liability of £61.2m at 31 December 2023. Under the calculation of "net debt - covenant basis", only those leases which would be classified as finance leases under IAS 17 Leases, the standard superceded by IFRS 16, are considered to be debt. Of the £61.2m lease liability recognised under IFRS 16, only £4.3m would be classified as finance leases under IAS 17 and accordingly £56.9m is adjustment in the net debt calculation.

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 underlying operating profit from continuing activities, divided by average capital employed. Group ROCE is defined as 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 performance conditions under the Group's LTIP scheme.

	2023 £m	2022 £m
Net assets	**148.6**	218.3
Less right-of-use assets	**(67.4)**	(52.3)
Plus net borrowings	**201.1**	185.8
Capital employed	**282.3**	351.8
Add: amortisation of customer relationships	**1.0**	1.6
	283.3	353.4
Underlying operating profit	**29.6**	26.4
Notional tax at the underlying effective tax rate	**(8.6)**	(7.5)
	21.0	18.9
Average capital employed	**318.4**	355.1
Return on average capital employed	**6.6%**	5.3%

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)**
Plus 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 average capital employed	**9.3%**	**2.1%**	**30.3%**

Year ended 31 December 2022	Energy £m	Defence £m	Maritime Transport £m
Net assets	172.3	84.9	82.8
Less right-of-use assets	(9.2)	(3.0)	(39.0)
Plus net borrowings	13.4	3.3	34.8
Capital employed	176.5	85.2	78.6
Add: amortisation of customer relationships	1.1	0.1	0.4
	177.6	85.3	79.0
Underlying operating profit	13.9	(0.4)	18.8
Average capital employed	173.6	84.7	83.2
Return on average capital employed	8.0%	(0.4%)	22.5%

2.5 Interest cover

Interest cover is calculated in line with the Group's banking covenants. It is defined as a ratio of underlying net operating profit, adjusted for IFRS16 impact, to covenant interest.

	2023 £m	2022 £m
Interest payable on bank loans less interest receivable on short-term deposits	**17.6**	8.1
Finance lease interest	**0.1**	0.1
Loan arrangement and other financing fees	**(4.4)**	(1.0)
Covenant interest	**13.3**	7.2
Underlying net operating profit	**29.6**	26.4
IFRS 16 impact removed	**0.3**	(0.7)
	29.9	25.7
Interest cover	**2.2**	3.5

2.6 Underlying earnings per share

Underlying earnings per share (EPS) is calculated as the total of underlying profit before tax from continuing activities, 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 year. Underlying earnings per share is a performance condition used for the LTIP schemes.

	2023 £m	2022 £m
Loss attributable to owners of the Company	**(51.0)**	8.7
Adjusting items	**48.2**	1.7
Tax on adjusted items	**5.0**	0.8
Deferred tax on finance charges	**3.6**	-
Underlying loss attributable to owners of the Company	**5.8**	11.2
Basic weighted average number of shares	**50,358,388**	50,345,989
Diluted weighted average number of shares	**50,634,837**	50,367,147
Underlying basic earnings per share	**11.4**	22.3
Underlying diluted earnings per share	**11.4**	22.3

3. Segmental information

From 1 January 2023, the Group has been re-organised into three operating segments reviewed by the Board: Energy, Defence, and Maritime Transport. The Energy Division combines the old Marine Support and Offshore Oil Divisions, minus Fendercare, which is added to the Tankships Division to create Maritime Transport. Specialist Technical (JFD business) is the only component of the Defence Division. The comparative segmental information for 2022 has been restated accordingly. Energy and Defence are differentiated by markets and industries which they serve. The Maritime Transport Division is differentiated by the services which they provide. 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.

The Group's principal products and services by division are disclosed in the table below, together with information regarding performance obligations and revenue recognition. Revenue is recognised by the Group as contractual performance obligations to customers are completed.

Division	Principal products and services	Performance obligations	Revenue recognition
Energy	**Products** - Artificial lift special completion technology and software	Point in time Over time	- On despatch or delivery, depending on contract terms. - Customer acceptance of goods - Based on right of use/ right of access Based on costs incurred or straight-line over licence term
	Services - Blade repairs, high voltage cable laying well testing, hire of air compressors, steam generators, heat suppression equipment (including personnel)	Over time	- Acceptance from customer - Customer approved timesheets - Time based monthly billing - Stage of completion, input/output measure based on costs incurred as a proportion of total costs/ achievement of KPIs or milestones.
	Specialist subsea services, site preparation asset management, offshore wind control room services, inspection, repair, and maintenance services	Point in time	- Acceptance from customer

	Engineering and design solutions, production, installation, and commissioning services, nanobubble oxygenation service, full project support for offshore and subsea operations, decommissioning services		
Defence	**Products** - General diving equipment, spares, breathing machines, and subsea equipment for commercial and defence applications.	Point in time	- On despatch or delivery, depending on contract terms
	Services - Submarine rescue services (Ad hoc Tasks), Military diving equipment servicing (Taskings)	Point in time	- Acceptance from customer - Completion of test
	Submarine Rescue Services, Military diving equipment servicing (Core - In Service Support)	Over time	- Output basis/ achievement of Key performance indicators (KPI's)
	Submarine Rescue Services (Training Exercises/ Mid Life Refits)	Over time	- Stage of completion, input measure based on costs incurred as a proportion of total expected costs
	Construction contracts - Dive support vessels, submarine platform equipment, components and assemblies, tactical diving vehicles and carrier seals (subsea/surface craft) and recompression chambers	Over time	- Stage of completion, input measure based on costs incurred as a proportion of total costs.
Maritime Transport	**Products** - Fenders, safety, and monitoring equipment	Point in time	- On despatch or delivery, depending on contract terms
	Services - Transport, storage of chemicals and petroleum, ship to ship transfer and port services	Over time	- Stage of completion output measure based on specific milestones in process. - Vessel tendering notice of readiness to enter the port

Year ended 31 December 2023	**Energy £m**	**Defence £m**	**Maritime Transport £m**	**Continuing total £m**	**Discontinued total £m**	**Total £m**
Revenue recognised at a point in time	**195.4**	**52.4**	**35.3**	**283.1**	**1.1**	**284.3**
Revenue recognised over time	**71.1**	**20.1**	**121.9**	**213.1**	**5.6**	**218.6**
Revenue	**266.5**	**72.5**	**157.2**	**496.2**	**6.7**	**502.9**

Year ended 31 December 2022	**Energy £m**	**Defence £m**	**Maritime Transport £m**	**Continuing total £m**	**Discontinued total £m**	**Total £m**
Revenue recognised at a point in time	168.4	52.1	33.4	253.9	4.1	258.0
Revenue recognised over time	74.2	16.1	133.9	224.2	38.7	262.9
Revenue	242.6	68.2	167.3	478.1	42.8	520.9

Year ended 31 December 2023	**Products £m**	**Services £m**	**Construction contracts £m**	**Continuing total £m**	**Discontinued total £m**	**Total £m**
Energy	**53.5**	**201.9**	**11.1**	**266.5**	**6.7**	**273.2**
Defence	**20.9**	**47.7**	**3.9**	**72.5**	**-**	**72.5**
Maritime Transport	**35.3**	**121.9**	**-**	**157.2**	**-**	**157.2**
Revenue	**109.7**	**371.5**	**15.0**	**496.2**	**6.7**	**502.9**

Year ended 31 December 2022	**Products £m**	**Services £m**	**Construction contracts £m**	**Continuing total £m**	**Discontinued total £m**	**Total £m**
Energy	51.0	180.2	11.4	242.6	42.8	285.4
Defence	17.2	47.8	3.2	68.2	-	68.2
Maritime Transport	33.4	133.9	-	167.3	-	167.3
Revenue	101.6	361.9	14.6	478.1	42.8	520.9

Included in services revenue, is revenue from operating lease rental income of £7.9m (2022: £10.3m) which is accounted for under IFRS 16: Leases. Property, plant and equipment which is used to generate operating lease rental income is detailed in Note 14. The nature of the leasing activities in the period are various short-term equipment leases in Energy and Maritime Transport Divisions.

Within the Energy Division, there are specific maintenance contracts which include variable consideration related to performance-based achievements over a number of years. Reflecting on the contract terms, the susceptibility of factors outside of the entity's control that would impact the consideration and the limited experience history management has on these specific maintenance contracts, management have concluded that the variable consideration should be constrained. On this basis £nil of the £5.0m variable consideration within these contracts has been recognised in the period, otherwise there is a risk of subsequent reversal when the uncertainty is subsequently resolved.

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)**
Finance income					**3.2**	**-**	**3.2**
Finance expense					**(24.5)**	**-**	**(24.5)**
Loss before tax					**(39.9)**	**(11.4)**	**(51.3)**
Income tax					**(11.0)**	**-**	**(11.0)**
Loss for the year					**(50.9)**	**(11.4)**	**(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**	**-**	**552.2**
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**

* Capital expenditure relates to additions within other intangible assets, property, plant and equipment and right of use assets.

At 31 December 2023, there is £3.6m (2022: £6.1m) consideration allocated to performance obligations that were unsatisfied and expected to be recognised as revenue within 12 months.

Revenue from discontinued activities disclosed in the income statement is comprised of products £0.6m (2022: £4.1m) services of £3.7m (2022: £23.6m) and construction contract income of £2.3m (2022: £15.0m).

For details of the amount of impairment losses and reversals of impairment losses recognised in profit or loss during the period, see Note 2.1.

The following table shows the maturity profile of operating lease receivables using the undiscounted payments:

	Within 1 year £m	1 - 2 years £m	2 - 3 years £m	3 - 4 years £m	4 - 5 years £m	>5 years £m
Operating lease receivables	8.1	0.9	0.9	-	-	-

Year ended 31 December 2022	Energy £m	Defence £m	Maritime Transport £m	Corporate £m	Continuing total £m	Discontinued total £m	Total £m
Segmental revenue	242.8	68.3	167.3	-	478.4	43.9	522.3
Inter-segmental sales	(0.2)	(0.1)	-	-	(0.3)	(1.1)	(1.4)
Revenue	242.6	68.2	167.3	-	478.1	42.8	520.9
Underlying operating profit/(loss)	13.9	(0.4)	18.8	(5.9)	26.4	(7.3)	19.1
APMs (see Note 2)	2.5	(3.1)	0.4	(1.5)	(1.7)	(13.3)	(15.0)
Operating profit/(loss)	16.4	(3.5)	19.2	(7.4)	24.7	(20.6)	4.1
Finance income					0.7	-	0.7
Finance expense					(10.9)	-	(10.9)
Profit/(loss) before tax					14.5	(20.6)	(6.1)
Income tax					(5.5)	0.8	(4.7)
Profit/(loss) for the year					9.0	(19.8)	(10.8)
Assets and liabilities							
Segmental assets	250.8	114.5	155.1	63.6	584.0	16.3	600.3
Investment in joint ventures	3.0	3.4	2.3	-	8.7	-	8.7
Total assets	253.8	117.9	157.4	63.6	592.7	16.3	609.0
Segmental liabilities	(81.5)	(33.0)	(74.6)	(185.3)	(374.4)	(16.3)	(390.7)
	172.3	84.9	82.8	(121.7)	218.3	-	218.3
Other segmental information							
Capital expenditure*	16.7	5.4	31.2	0.2	53.5	0.4	53.9
Depreciation and amortisation	19.5	5.3	15.1	0.4	40.3	0.8	41.1

* Capital expenditure relates to additions within other intangible assets, property, plant and equipment and right of use assets.

Geographic information

Geographical revenue is determined by the location in which the product or service is provided. Where customers receive the product or service in one geographical location for use or shipment to another it is not practicable for the Group to identify this, and the revenue is attributed to the location of the initial shipment. The geographical allocation of segmental assets and liabilities is determined by the location of the attributable business unit.

	United Kingdom		Rest of Europe		Middle East, Africa & Americas		Asia Pacific		Total	
	2023 £m	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Continuing										
Revenue										
Segmental revenue	**157.6**	165.1	**66.1**	65.3	**180.1**	155.5	**92.5**	92.5	**496.3**	478.4
Inter-segmental sales	**(0.1)**	(0.3)	**-**	-	**-**	-	**-**	-	**(0.1)**	(0.3)
Group revenue	**157.5**	164.8	**66.1**	65.3	**180.1**	155.5	**92.5**	92.5	**496.2**	478.1
Discontinued										
Revenue										
Segmental revenue	**6.8**	43.6	**-**	-	**-**	-	**-**	0.3	**6.8**	43.9
Inter-segmental sales	**(0.1)**	(1.1)	**-**	-	**-**	-	**-**	-	**(0.1)**	(1.1)
Group revenue	**6.7**	42.5	**-**	-	**-**	-	**-**	0.3	**6.7**	42.8

Continuing

Segmental non-current assets	**203.2**	209.9	**38.7**	40.9	**26.3**	26.8	**18.7**	34.9	**286.9**	312.5
Segmental current assets	**191.5**	177.0	**8.8**	7.1	**37.0**	53.2	**25.6**	34.2	**263.9**	271.5
Segmental assets	**395.7**	386.9	**47.5**	48.0	**63.3**	80.0	**44.3**	69.1	**549.8**	584.0
Investment in joint ventures	**1.0**	0.3	**2.5**	3.1	**1.2**	0.2	**3.7**	5.1	**8.4**	8.7
Segmental liabilities	**(350.9)**	(314.1)	**(14.3)**	(8.0)	**(31.5)**	(36.1)	**(12.9)**	(16.2)	**(409.6)**	(374.4)
	44.8	73.1	**35.7**	43.0	**33.0**	44.1	**35.1**	58.0	**148.6**	218.3
Discontinued										
Segmental non-current assets	-	-	-	-	-	-	-	-	-	-
Segmental current assets	-	16.3	-	-	-	-	-	-	-	16.3
Segmental assets	-	16.3	-	-	-	-	-	-	-	16.3
Investment in joint ventures	-	-	-	-	-	-	-	-	-	-
Segmental liabilities	-	(16.3)	-	-	-	-	-	-	-	(16.3)
	-	-	-	-	-	-	-	-	-	-

Major customer - No single customer generates revenue greater than 10% of the consolidated revenue.

4. Discontinued operations

In December 2022, management agreed a plan to sell the nuclear business as a result of a strategic decision to rationalise and focus the portfolio of businesses within the Group. At 31 December 2022, the business had been classified as held for sale and is part of a single co-ordinated plan to dispose of a separate major line of business. It had been classified as a discontinued operation.

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

Results of discontinued operations	**2023 £m**	2022 £m
Revenue	**6.8**	43.9
Inter-segmental sales	**(0.1)**	(1.1)
	6.7	42.8
Expenses	**(17.1)**	(50.1)
Loss before taxation	**(10.4)**	(7.3)
Income tax	**(1.0)**	0.8
Loss from operating activities after tax	**(11.4)**	(6.5)
Loss on remeasurement to fair value less costs to sell	**-**	(13.3)
Loss for the year from discontinued operations	**(11.4)**	(19.8)
Attributable to:		
Owners of the Company	**(11.4)**	(19.8)
Non-controlling interests	**-**	-
	(11.4)	(19.8)

Cash flows used in discontinued operations	**2023 £m**	2022 £m
Net cash from operating activities	**(0.4)**	(3.1)
Net cash from investing activities	**-**	(5.0)
Net cash from financing activities	**-**	-
Net cash flows for the year	**(0.4)**	(8.1)

At 31 December 2022, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	2022 £m
Property, plant and equipment	**2.3**
Inventories	**0.7**
Trade and other receivables	**10.5**
Cash and cash equivalents	**2.8**
Assets held for sale	**16.3**
Trade and other payables	**(13.8)**
Lease liabilities	**(2.2)**
Taxation	**(0.3)**
Liabilities associated with assets held for sale	**(16.3)**

On transfer of assets to held for sale a £13.3m loss was recognised in 2022 on remeasurement to fair value less cost to sell, consisting of impairments of goodwill (£8.1m), property, plant and equipment (£3.9m) and anticipated costs of disposal (£1.3m).

The non-recurring fair value measurement for the disposal group before £1.3m costs to sell had been categorised as a Level 3 fair value based on the present value of cash flows.

5. Taxation

(a) The tax charge is based on profit for the year and comprises:

	2023 £m	2022 £m
Current tax:		
UK corporation tax	**(0.1)**	(1.2)
Overseas tax	**(9.0)**	(6.3)
Adjustment in respect of prior years:		
UK corporation tax	**-**	0.5
Overseas tax	**0.1**	0.2
Total current tax	**(9.0)**	(6.8)
Deferred tax:		
Origination and reversal of temporary differences:		
Current year		

	2023	2022
UK corporation tax - current year	**1.9**	0.7
UK - write off of brought forward deferred tax asset	**(4.7)**	-
Overseas tax	**1.0**	(0.3)
Prior year		
UK corporation tax	**(0.3)**	0.9
Overseas tax	**0.1**	-
Tax expense on continuing operations	**(11.0)**	(5.5)

The tax expense excludes a tax charge from discontinued operations of £1.0m (2022: credit £0.8m).

The total tax charge in the income statement includes a further £0.2m (2022: £0.1m) which is stated within the share of post-tax results of joint ventures.

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, after excluding 12,519 (2022: 47,855) 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 attributable to shareholders by the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

At 31 December 2023, 2,649,876 options (2022: 1,759,740) 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:

	2023 £m	2022 £m
Loss after tax attributable to shareholders	**(62.4)**	(11.1)

Weighted average number of shares

	2023 Number of shares	2022 Number of shares
Basic weighted average number of shares	**50,358,388**	50,345,989
Potential exercise of share-based payment schemes	**-**	21,158
Diluted weighted average number of shares	**50,358,388**	50,367,147

Earnings per share	**pence**	pence
Basic earnings per share	**(123.9)**	(22.1)
Diluted earnings per share	**(123.9)**	(22.1)

Earnings per share - continuing operations	**pence**	pence
Basic earnings per share	**(101.2)**	17.4
Diluted earnings per share	**(101.2)**	17.4

Earnings per share - discontinued operations	**pence**	pence
Basic earnings per share	**(22.7)**	(39.5)
Diluted earnings per share	**(22.7)**	(39.5)

7. Dividends paid and proposed

There were no dividends paid or proposed in either 2023 or 2022.

8. Assets and liabilities held for sale

At 31 December 2023, £12.3m assets and £0.7m liabilities relate to a non-core business which has been classified as held for sale.

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

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

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

The vessel in the Maritime Transport division completed during January and the remaining disposals are expected to complete during 2024.

In June 2021, Management agreed a plan to sell the Dive Support Vessel (DSV) known as the Swordfish within the Energy Division. During January 2023, the vessel was sold for £18.4m being proceeds less selling costs. A gain of £0.3m is included within administrative expenses. During 2022, a £5.4m reversal of impairment loss has been recorded in cost of sales.

At 31 December 2022, £16.3m assets and £16.3m liabilities relates to the nuclear business, which was classified as a discontinued operation.

In the prior year £1.5m of assets related to land and buildings for a business within the Defence Division.

9. Retirement benefit obligations

The Group and Company 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. The Group's

employers. There are no plans to withdraw from the MNOPF or MNRPF schemes in the foreseeable future. The Group's obligations in respect of its pension schemes at 31 December 2023 were as follows:

	Group		**Company**	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Shore staff	**7.4**	5.5	**7.4**	5.5
MNOPF	**-**	(0.4)	**-**	(0.2)
MNRPF	**(1.6)**	-	**(0.5)**	-
	5.8	5.1	**6.9**	5.3

10. Reconciliation of net borrowings

Net debt comprises interest bearing loans and borrowings less cash and cash equivalents.

	31 December 2022 £m	Cash flow £m	Other non-cash* £m	Transfers £m	Exchange movement £m	31 December 2023 £m
Cash and cash equivalents	**22.8**	**5.7**	**-**	**(0.4)**	**(1.7)**	**26.4**
Cash - classified 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)**

	31 December 2021 £m	Cash flow £m	Other non-cash** £m	Transfers £m	Exchange movement £m	31 December 2022 £m
Cash and cash equivalents*	34.5	(11.4)	-	(2.8)	2.5	22.8
Cash - classified within assets held for sale	-	-	-	2.8	-	2.8
Debt due within one year	(0.1)	-	-	(36.5)	-	(36.6)
Debt due after one year	(174.0)	16.6	(1.0)	36.5	-	(121.9)
	(174.1)	16.6	(1.0)	-	-	(158.5)
Lease liabilities	(46.0)	14.5	(17.8)	-	(3.6)	(52.9)
Net borrowings	(185.6)	19.7	(18.8)	-	(1.1)	(185.8)

* Other non-cash includes lease additions and finance expense related to the unwind of discount on right-of-use lease liability.

Transfers comprise £0.4m and (£2.8m) of cash and cash equivalents which relate to a business classified as held for sale and the disposal of a business classified as discontinued operations in the prior year.

11. Share capital

Allotted, called up and fully paid

	25p Ordinary shares		**£1 Cumulative Preference shares**	
In millions of shares	**2023**	2022	**2023**	2022
In issue at 1 January and at 31 December	**50.4**	50.4	**0.1**	0.1

	2023 £m	2022 £m	**2023 £m**	2022 £m
Issued share capital	**12.6**	12.6	**0.1**	0.1

The preference shareholders are entitled to receive 3.5% cumulatively per annum, payable in priority to any dividend on the ordinary shares. The ordinary shareholders are entitled to receive dividends as declared from time to time by the Directors.

Shares all carry equal voting rights of one vote per share held. They also have the right to attend and speak at general meetings, exercise voting rights and appoint proxies. Neither type of share is redeemable. In the event of a winding-up order the amount receivable in respect of the cumulative preference shares is limited to their nominal value. The ordinary shareholders are entitled to an unlimited share of the surplus after distribution to the cumulative preference shareholders.

Treasury shares	**2023 £m**	2022 £m
12,519 (2022: 47,855) ordinary shares of 25p	**0.5**	0.6

The Company has an established Employee Share Ownership Trust, the James Fisher and Sons plc Employee Share Ownership Trust, to meet potential obligations under share option and long-term incentive schemes awarded to employees. The historic cost of these shares at 31 December 2023 was £0.5m (2022: £0.6m). The trust has not waived its right to receive dividends.

In the year ended 31 December 2023, 35,337 ordinary shares with an aggregate nominal value of £8,834 were issued to satisfy awards made under the restricted share award made to Mr Vernet (CEO). No shares were issued during the prior year.

The Trust purchased no shares during 2023 or 2022.

12. Related party transactions

Excepting the change of Directors, there were no material changes to related parties or associated transactions from those disclosed in the 2022 Annual Report.

13. Post balance sheet events

On 22 March 2024, the Group agreed to sell its RMSpumptools business to ChampionX UK Limited, a wholly owned subsidiary of ChampionX Corporation. RMSpumptools did not meet the highly probable criteria to be recognised as a held for sale business as at 31 December 2023, primarily due to uncertainty associated with the disposal plan.

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