7 September 2021

James Fisher and Sons plc
Half year results for the six months ended 30 June 2021

James Fisher and Sons plc (FSJ.L) ('James Fisher', 'the Group'), the leading marine service provider, announces its unaudited results for the six months ended 30 June 2021 ('the period').

	H1 2021	H1 2020	% change
Revenue	**£233.7m**	£258.1m	(9.5)%
Underlying operating profit margin	**5.7%**	7.6%	(190)bps
Return on capital employed	**5.4%**	6.6%	(120)bps
Underlying operating profit *	**£13.3m**	£19.5m	(31.8)%
Underlying profit before tax *	**£9.2m**	£15.1m	(39.1)%
Underlying diluted earnings per share **	**12.8p**	23.6p	(45.8)%
Statutory operating profit	**£12.2m**	£11.5m	6.1%
Statutory profit before tax	**£8.1m**	£7.1m	14.1%
Statutory diluted earnings per share	**26.8p**	9.9p	170.7%
Interim dividend per share	**Nil**	8.0p	-

* excludes separately disclosed items of £1.1m loss (2020: £8.0m loss) (note 5)
** excludes separately disclosed items of £7.1m (2020: £6.9m loss) (note 5)

Highlights:
- First half results in line with the Board's expectations against the backdrop of end markets that remain impacted by Covid-19
- Q2 performance showed a marked improvement over Q1
- Strengthening order books, particularly in decommissioning and offshore wind, following high tender wins in H1
- New strategy to deliver sustainable profitable growth announced in June 2021
- Sale of the Paladin dive support vessel completed in the period for $17.3m
- £130m of revolving credit facilities renewed for three-year term, providing access to facilities of £287.5m in total and £247.5m through to at least 2024

Commenting on the results, Chief Executive Officer, Eoghan O'Lionaird, said:
"Our first half result was in line with the Board's expectations, with Q2 showing a marked improvement over Q1. The Group is expecting performance to improve during the second half of the year as our end markets recover from the disruption caused by the effects of the global pandemic.

However, we experienced weaker than anticipated trading in Fendercare and lower short-cycle order intake at JFD during the important summer period and this, combined with project suspensions in Mozambique, lead the Board to now expect underlying operating profit for 2021 to be around the same level as that achieved in 2020.

Looking beyond 2021, forward-looking order books in our long-cycle businesses are strengthening following high levels of tendering activity and contract wins year-to-date which gives the Board confidence in the Group's future prospects.

James Fisher's new strategy to deliver sustainable profitable growth is progressing well. The Group is focused on capitalising on its leading market positions within the marine, energy and defence markets and is well placed to benefit from the market recovery and meet its mid-term financial targets."

For further information:

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Notes:
1. James Fisher uses alternative performance measures (APMs) as key financial indicators to assess the underlying performance of the business. APMs are used by management as they are considered to better reflect business performance and provide useful additional information. APMs include underlying operating profit, underlying profit before tax, underlying diluted earnings per share, underlying return on capital employed and cash conversion. An explanation of APMs is set out in note 3 in these half year results.
2. Certain statements contained in this announcement constitute forward-looking statements. Forward-looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievements of James Fisher to be materially different from future results, performance or achievements expressed or implied by such statements. Such risks, uncertainties and other factors include exchange rates, general economic conditions and the business environment.

Review of the six months ended 30 June 2021

Overview

The Group's performance in the first half of 2021 was in line with the Board's expectations with Q2 showing a marked improvement on Q1 across the Group. The end-markets in which we operate are recovering as the world continues to manage the global pandemic. We have seen encouraging levels of tendering in the offshore wind and decommissioning markets in particular, for projects starting later in 2021 and into 2022 and beyond, and Group tender wins in the first half were at a record level within Marine Contracting.

Strategic progress

The Group announced its new strategy to deliver sustainable profitable growth at a Capital Markets Event held on 29 June 2021. The new strategy aims to refocus the Group and reinforce its competitive advantages in attractive niches within the Energy, Defence and Marine markets and to deliver stronger sustainable returns.

A full portfolio review has been undertaken and the Group is committed to addressing underperforming assets and businesses and accelerating investments into the energy transition. To that end the Paladin dive support vessel, against which a significant impairment charge was taken last year, was sold for $17.3m during the period. The Group is in discussions with regard to the potential sale of the Swordfish dive support vessel, which has the benefit of a long-term framework agreement for its use with a major contractor.

Good progress has been made within the rapidly growing global renewables sector, with the Group winning a number of offshore wind projects in France and the UK, including St. Brieuc and Fecamp off the French coast and the Sofia wind farm in the Dogger Bank. The Group has also seen increased usage of its 'bubble curtains' product offering, which uses compressed air to create a wall of bubbles around noisy subsea works, protecting local wildlife and reducing the environmental impact of such activity. The Group's decommissioning activities, supporting the safe and environmentally-friendly deconstruction of oil wells, is also seeing growing momentum in an area of growing global demand.

Over the last 18 months the Group has created a solid platform from which James Fisher will benefit as our markets continue to recover, and the Board remains confident of meeting its mid-term financial targets of underlying operating profit margin in excess of 10% and return on capital employed in excess of 15%.

Financial performance

Revenue in the first half of 2021, at £233.7m, was 9.5% below H1 2020 and 7.2% below at constant currency. Performance in Q1 2021 was particularly affected by the return of the UK to a Covid-driven lockdown. Revenue in Q2 was 14% higher than Q1 and showed a much-reduced variance to prior year (Q2 2021: 3% adverse to Q2 2020; Q1 2021: 16% adverse to Q1 2020).

At a divisional level, Specialist Technical and Offshore Oil both provided constant currency revenue growth compared to H1 2020 and Tankships is now trading broadly in line with 2020 following an improved performance in Q2. Marine Support experienced a more challenging half year, with ship-to-ship transfers significantly below the record performance achieved in H1 2020. This division was also affected by the suspension of projects in Mozambique following an insurgency in the region.

Statutory operating profit of £12.2m was £0.7m ahead of prior year, with a significant reduction in separately disclosed items (2021: £1.1m loss; 2020: £8.0m loss). Within separately disclosed items in H1 2021 the Group recognised a profit on sale of the Paladin dive support vessel of £0.3m (2020: nil) offset by amortisation of acquired intangible assets of £1.4m (2020: £1.5m). Included in 2020 were impairment charges, restructuring costs and acquisition costs of £6.5m (2021: nil).

Underlying operating profit excludes separately disclosed items, and at £13.3m was £6.2m below prior year. In line with the improvement in revenue, Q2 showed a much-improved profit performance compared to Q1. Underlying operating profit margin was 5.7% for the period compared to 7.6% in H1 2020, reflecting the reduced overall levels of profit. Encouragingly, the Group achieved an underlying operating profit margin of 9% in Q2 2021.

Statutory profit before tax, profit after tax and earnings per share all showed improvement over 2020. Statutory profit before tax increased by 14% to £8.1m. Statutory profit after tax increased by £8.5m, which included a benefit of £7.9m arising on the recognition of a deferred tax asset. This is shown as a separately disclosed item. Statutory earnings per share increased to 26.8 pence per share, up 170%, also reflecting the separately disclosed deferred tax asset recognition.

Dividends

The Board is committed to reintroducing a sustainable and progressive dividend policy at the appropriate time. Given our markets are still recovering from Covid-19 and taking into account our current absolute levels of net debt and the resulting leverage ratio, the Board has not declared an interim dividend for 2021 (2020: 8.0 pence per share).

Environmental, Social and Governance

The Group continued to prioritise the health and safety of its employees in the period. Additional Covid-19 safety measures have remained in place throughout the first half, including quarantining, regular testing of employees at all sites and the continuation of social distancing and hygiene measures. The safety of our staff was of primary concern when terrorist attacks hit Mozambique during the period and we were pleased to evacuate everyone safely.

Through its stakeholder strategy, the Group continues to recognise the importance of the contribution that employees, customers and suppliers, the environment and local communities all make towards supporting shareholder value. The first draft of the formal sustainability strategy will be published with the Annual Report. To date we have completed an initial materiality assessment and revamped the Sustainability Committee.

As a group of businesses that is closely affiliated with the energy transition, the environmental elements of the sustainability strategy will be prominent, underpinned by robust social and governance processes and commitments. We continue to work towards meaningful environmental targets through our commitment to the Science Based Targets Initiative, while improving our reporting for the Carbon Disclosure Project and have joined the Council for Inclusive Capitalism.

James Fisher continues to focus on diversity and inclusion. In the first half of 2021, women represented 29% of our Board membership and 33% of our Executive Committee.

Liquidity

Underlying net borrowings at 30 June 2021 was £178.7m, showing a marginal increase of £3.7m compared to 31 December 2020 (£175.0m). On an IFRS16 basis, including the Group's operating lease liabilities, net debt has increased from £198.1m at 31 December 2020 to £211.0m at 30 June 2021.

Revolving credit facilities totalling £130m have been refinanced in the period on a three year term, with options to extend by up to two years. In aggregate, the Group has £287.5m of committed facilities, of which £247.5m is now secured through to at least 2024.

At 30 June 2021, the Group had headroom against its committed revolving credit facilities of £117.0m (2020: £115.6m). The ratio of net debt (including bonds and guarantees) to Ebitda was 2.9 times (31 December 2020: 2.8 times; 30 June 2020: 2.5 times). The covenant requirement at 30 June 2021 was 3.75 times, which reduces to 3.5 times at 31 December 2021.

Board changes

The Group has seen two changes to the Board during the period. Angus Cockburn replaced Malcolm Paul as Chairman and Duncan Kennedy joined as Chief Financial Officer, replacing Stuart Kilpatrick. The Board would like to express its sincere thanks to both Malcolm and Stuart for their outstanding contributions to the Group's strategy and growth over the course of the last decade.

Outlook

The Group is expecting performance to improve during the second half of the year as our end markets recover from the disruption caused by the effects of the global pandemic.

However, we experienced weaker than anticipated trading in Fendercare and lower short-cycle order intake at JFD during the important summer period and this, combined with project suspensions in Mozambique, lead the Board to now expect underlying operating profit for 2021 to be around the same level as that achieved in 2020.

Looking beyond 2021, forward-looking order books in our long-cycle businesses are strengthening following high levels of tendering activity and contract wins year-to-date which gives the Board confidence in the Group's future prospects.

James Fisher's new strategy to deliver sustainable profitable growth is progressing well. The Group is focused on capitalising on its leading market positions within the marine, energy and defence markets and is well placed to benefit from the market recovery and meet its mid-term financial targets.

Business review

Marine Support

	H1 2021	H1 2020	change
Revenue (£m)	**97.7**	122.5	(20.2)%
Underlying operating profit (£m)	**2.1**	4.8	(56.3)%
Underlying operating margin	**2.1%**	3.9%	
Return on capital employed	**3.7%**	4.4%	

Revenue was 20% below prior year at £97.7m. The £24.8m revenue shortfall resulted in a £2.7m reduction in underlying operating profit to £2.1m (2020: £4.8m).

The Marine Support division has seen mixed results across its businesses. The ship-to-ship transfer market has seen volumes well below prior year, and although we believe that Fendercare has maintained its market share, H1 revenues were 39% below the record performance in H1 2020, when significant volatility in the oil price led to the highest volumes of ship-to-ship transfers that the business had ever experienced. The market recovery in ship-to-ship transfers during 2021 has been slow and revenues in July and August remained lower than anticipated.

The Marine Contracting and Digital & Data Services businesses are broadly in line with last year, although the suspension of projects in Mozambique due to an insurgency in the local area has adversely affected performance. We expect to continue to benefit from this contract when the suspension is lifted on the major LNG project. In the meantime, there are on-going dispute resolution discussions with our clients to seek recovery of amounts contractually due for work completed to date, and this could provide some variability to 2021 performance.

There have been a number of contract wins in the period in the renewables space, which is showing encouraging growth and continued high levels of tenders. EDS, the provider of specialist high voltage cabling and related services, delivered strong revenue and profit growth in the period and has a strong order book for 2022 and beyond.

Specialist Technical

	H1 2021	H1 2020	change
Revenue (£m)	**67.8**	65.7	3.2%
Underlying operating profit (£m)	**5.6**	7.5	(25.3)%
Underlying operating margin	**8.3%**	11.4%	
Return on capital employed	**11.2%**	13.4%	

Revenue increased by 3.2% in the period to £67.8m (2020: £65.7m). JFD, our defence and diving equipment provider, is approaching significant milestones in a number of major projects, including the final milestone on the 500m saturation diving system and the delivery of a submarine rescue vessel. Recent contract wins include a £20m, four-year contract with the UK Ministry of Defence to provide life support services for the Astute class of submarines. The business has a sales pipeline in excess of £400m across both its long and short cycle business lines. However, order intake in the diving equipment and services sector has been weaker than anticipated over recent months as customers continue to delay spending decisions as a result of Covid-19.

JFN, our nuclear decommissioning business, has remained resilient. It has progressed all of its major projects including the on-going decommissioning work at Sellafield where it recently secured two new contracts. One being a multi-million pound project for the mechanical and electrical design and commissioning of the New Civil Nuclear Constabulary Operational Unit at Sellafield and the other being the renewal of its contract for the provision and management of ROVs targeted at the clean-up of legacy ponds on site. These legacy ponds provide some of the most complex decommissioning challenges in the world.

Underlying operating profit was £1.9m below H1 2020 at £5.6m, principally a result of an increase in project-based equipment revenues within the JFN projects, which carry lower margins.

Offshore Oil

	H1 2021	H1 2020	change
Revenue (£m)	**39.6**	40.0	(1.0)%
Underlying operating profit (£m)	**5.3**	5.4	(1.8)%
Underlying operating margin	**13.4%**	13.1%	
Return on capital employed	**9.2%**	8.6%	

The Offshore Oil division performed well in the period, with revenue of £39.6m broadly in line with 2020 and 4% higher at constant currency. This reflects strong growth in both our Scantech and Fisher Offshore businesses, partially offset by RMSpumptools, where the comparator period in 2020 saw the completion of a number of projects that had been started prior to Covid-19 disruptions. The RMSpumptools order book going into the second half is robust and in line with that of 2020 and ordering activity early in H2 has provided the business with confidence for the second half.

The Scantech businesses saw strong demand for their air compressors, principally because of increased usage in the generation of 'bubble curtains', which reduce subsea noise around construction and protect marine life. Such measures are legal requirements in most jurisdictions around the world and represent an exciting mid-term growth opportunity for the Group. The combined forward order books of the Scantech businesses, at approximately £16m, are more than 40% higher than at this point in 2020.

Fisher Offshore saw a continuation of the strong demand for its specialist cutting tools, which are used in the decommissioning of existing oil platforms and wells, tendering for £31m of business in the period, which compares to £26m for the whole of 2020. The Group further strengthened its customer offering with the purchase of Subsea Engenuity during the period for a consideration of up to £0.75m. Subsea Engenuity's innovative technology significantly reduces risk in well abandonment operations and is expected to be launched commercially in early 2022.

Tankships

	H1 2021	H1 2020	change
Revenue (£m)	**28.6**	29.9	(4.3)%
Underlying operating profit (£m)	**2.1**	3.6	(41.7)%
Underlying operating margin	**7.3%**	12.0%	
Return on capital employed	**20.1%**	24.3%	

The Tankships division saw challenging trading conditions in Q1 as the UK was placed back into lockdown. Following the gradual easing of restrictions in Q2, we saw an improvement in demand and revenue ended the period only 4% below 2020 at £28.6m. Volumes are now approaching pre-pandemic levels.

Underlying operating profit was £1.5m below 2020 at £2.1m for the period, which reflects both the largely fixed cost nature of the business and an increase in operating costs due to Covid quarantining and enhanced safety measures put in place as we continue to prioritise the safety and wellbeing of our staff.

Cashflow and borrowings

Underlying net borrowings at 30 June 2021 was £178.7m, showing a marginal increase of £3.7m compared to 31 December 2020 (£175.0m). On an IFRS16 basis, including the Group's operating lease liabilities, net debt increased from £198.1m at 31 December 2020 to £211.0m at 30 June 2021.

As anticipated, the Group saw a working capital outflow during the period. A number of projects across the Group have not yet met invoicing milestones, resulting in an increase in accrued income of £17.1m in the period. Debtor days, at 87, showed some improvement over H1 2020 and creditor days are in line at 97 (30 June 2020: 98).

Capital expenditure was much reduced at £6.5m (2020: £11.8m) as the business continues to prioritise its capital investments. The sale of the Paladin was completed in the period and proceeds of $17.3m (£12.6m) were received prior to the period end. Acquisition spend was lower at £0.4m (2020: £4.5m).

Tax and interest payments were broadly in line with prior year at £7.6m (2020: £8.8m).

At 30 June 2021 the Group had headroom against its committed revolving credit facilities of £117.0m (2020: £115.6m). The ratio of net debt (including bonds and guarantees) to Ebitda was 2.9 times (31 December 2020: 2.8 times; 30 June 2020: 2.5 times). The covenant requirement at 30 June 2021 was 3.75 times, which reduces to 3.5 times at 31 December 2021.

Balance sheet

Non-current assets reduced from £389.6m at 31 December to £369.7m at 30 June 2021, due principally to a reduction in tangible fixed assets of £31.5m offset by an increase in right-of-use assets of £8.3m.

Current assets increased from £302.5m at 31 December 2020 (restated – see note 12) to £313.3m at 30 June 2021. This reflects an increase in receivables of £20.8m, principally in accrued income as major long-term contracts work towards invoicing milestones in the second half of the year. In addition, £15.2m assets held for sale have been recognised at 30 June 2021 (refer to note 13 for details), offset by lower cash at bank and in hand balances (see note 12).

Current and non-current liabilities decreased by £21.0m in the period, from £456.2m at 31 December 2020 (restated – see note 12) to £435.2m at 30 June 2021. The principal movement is a decrease in bank overdrafts (refer note 12), offset by an increase of £8.2m in lease liabilities, which broadly matches against the increase in right-of-use assets of £8.3m.

Risks and uncertainties

The principal risks and uncertainties which may have the largest impact on performance in the second half of the year are the same as disclosed in the 2020 Annual Report and Accounts on pages 43-48. The principal risks set out in the 2020 Annual Report and Accounts were:

- Operational – project delivery, recruitment and retention of key staff, health, safety and environment, contractual risk, cyber security and pandemic risk;
- Strategic – climate change, operating in emerging markets; and
- Financial – foreign currency and interest rates.

The Board considers that the principal risks and uncertainties set out in the 2020 Annual Report and Accounts remain the same.

Directors' Responsibilities

We confirm that to the best of our knowledge:

(a) The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

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

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

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

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

E P O'Lionaird
Chief Executive Officer

D Kennedy
Chief Financial Officer

6 September 2021

CONDENSED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2021

	Note	**Six months ended 30 June 2021 £m**	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
Revenue	4	**233.7**	258.1	518.2
Cost of sales		**(177.6)**	(187.2)	(423.8)
Gross profit		**56.1**	70.9	94.4
Administrative expenses		**(44.9)**	(60.1)	(139.5)
Share of post-tax results of joint ventures		**1.0**	0.7	1.6
Operating profit/(loss)	4	**12.2**	11.5	(43.5)
Analysis of operating profit:				
Underlying operating profit		**13.3**	19.5	40.5
Separately disclosed items		**(1.1)**	(8.0)	(84.0)
Net finance expense	6	**(4.1)**	(4.4)	(9.0)
Profit/(loss) before taxation		**8.1**	7.1	(52.5)
Analysis of profit before tax:				
Underlying profit before taxation		**9.2**	15.1	31.5
Separately disclosed items	5	**(1.1)**	(8.0)	(84.0)
Income tax	7	**5.5**	(2.0)	(4.8)
Profit/(loss) for the period		**13.6**	5.1	(57.3)
Attributable to:				
Owners of the Company		**13.5**	5.0	(57.5)
Non-controlling interests		**0.1**	0.1	0.2
		13.6	5.1	(57.3)
Earnings/(loss) per share		**pence**	pence	pence
Basic	8	**26.8**	9.9	(114.2)
Diluted	8	**26.8**	9.9	(114.2)
Underlying earnings per share				
Basic	8	**12.8**	23.6	48.0
Diluted	8	**12.8**	23.6	47.9

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 June 2021

	Note	**Six months ended 30 June 2021 £m**	Six months ended 30 June 2020 £m	Year ended 31 December 2020 £m
Profit/(loss) for the period		**13.6**	5.1	(57.3)
Items that will not be reclassified to the income statement				
Actuarial gain/(loss) in defined benefit pension schemes	10	**2.8**	(0.4)	(9.3)
Tax on items that will not be reclassified		**-**	0.1	1.1
		2.8	(0.3)	(8.2)
Items that may be reclassified subsequently to the income statement				
Exchange differences on foreign currency net investments		**(2.3)**	1.8	(7.8)
Effective portion of changes in fair value of cash flow hedges		**(1.2)**	(3.6)	0.6
Effective portion of changes in fair value of cash flow hedges in joint ventures		**0.1**	(0.3)	(0.2)
Net change in fair value of cash flow hedges transferred to income statement		**(0.6)**	0.6	(0.1)
Deferred tax on items that may be reclassified		**0.1**	0.7	1.1
		(3.9)	(0.8)	(6.4)
Total comprehensive income for the period		**12.5**	4.0	(71.9)
Attributable to:				
Owners of the Company		**12.4**	3.9	(72.0)
Non-controlling interests		**0.1**	0.1	0.1
		12.5	4.0	(71.9)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2021

	Note	**30 June 2021 £m**	30 June 2020 £m restated*	31 December 2020 £m restated*
Non-current assets				
Goodwill	11	**165.8**	182.8	166.5
Other intangible assets		**18.2**	25.6	20.1
Property, plant and equipment		**126.7**	208.2	158.2
Right-of-use assets		**39.0**	24.4	30.7
Investment in joint ventures		**7.7**	8.9	7.5
Other investments		**1.4**	1.4	1.4
Deferred tax assets		**10.9**	5.6	5.2
		369.7	456.9	389.6
Current assets				
Inventories		**51.5**	52.3	46.6
Trade and other receivables		**183.6**	201.2	162.8
Assets held for sale	13	**15.2**	-	-
Cash and cash equivalents	12	**63.0**	70.1	93.1
		313.3	323.6	302.5
Current liabilities				
Trade and other payables		**(142.3)**	(173.6)	(140.1)
Provisions for liabilities and charges		**(0.6)**	(0.9)	-
Liabilities associated with assets held for sale	13	**(1.7)**	-	-
Current tax		**(4.8)**	(7.1)	(7.6)
Borrowings		**(51.2)**	(57.5)	(79.8)
Lease liabilities		**(8.9)**	(8.4)	(7.2)
		(209.5)	(247.5)	(234.7)
Net current assets		**103.8**	76.1	67.8
Total assets less current liabilities		**473.5**	533.0	457.4
Non-current liabilities				
Other payables		**(3.3)**	(3.7)	(3.6)
Provisions		**(1.4)**	-	(1.6)
Retirement benefit obligations	10	**(6.6)**	(5.2)	(10.3)
Cumulative preference shares		**(0.1)**	(0.1)	(0.1)
Borrowings		**(182.0)**	(182.8)	(178.8)
Lease liabilities		**(31.8)**	(19.8)	(25.3)
Deferred tax liabilities		**(0.5)**	(5.2)	(1.8)
		(225.7)	(216.8)	(221.5)
Net assets		**247.8**	316.2	235.9
Equity				
Called up share capital		**12.6**	12.6	12.6
Share premium		**26.8**	26.6	26.7
Treasury shares		**(0.6)**	(0.3)	(0.2)
Other reserves		**(20.5)**	(11.0)	(16.5)
Retained earnings		**228.7**	287.4	212.6
Equity attributable to owners of the Company		**247.0**	315.3	235.2
Non-controlling interests		**0.8**	0.9	0.7
Total equity		**247.8**	316.2	235.9

* cash and cash equivalents and borrowings (current) have been restated for the 2020 comparative periods to reflect a gross up of cash at bank and in hand and overdraft balances (see note 12).

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2021

	Share capital £m	Share premium £m	Retained earnings £m	Other reserves £m	Treasury shares £m	Shareholders' equity £m	Non-controlling interests £m	Total equity £m
At 1 January 2021	**12.6**	**26.7**	**212.6**	**(16.5)**	**(0.2)**	**235.2**	**0.7**	**235.9**
Profit for the year	**-**	**-**	**13.5**	**-**	**-**	**13.5**	**0.1**	**13.6**
Other comprehensive income	**-**	**-**	**2.8**	**(3.9)**	**-**	**(1.1)**	**-**	**(1.1)**
Contributions by and distributions to owners:								
Remeasurement of non-controlling interest put option	**-**	**-**	**-**	**(0.1)**	**-**	**(0.1)**	**-**	**(0.1)**
Share based payments	**-**	**-**	**0.3**	**-**	**-**	**0.3**	**-**	**0.3**
Tax effect of share based payments	**-**	**-**	**0.1**	**-**	**-**	**0.1**	**-**	**0.1**
Purchase of shares by ESOT	**-**	**-**	**-**	**-**	**(0.5)**	**(0.5)**	**-**	**(0.5)**
Notional purchase of own shares	**-**	**-**	**(0.5)**	**-**	**-**	**(0.5)**	**-**	**(0.5)**
Arising on the issue of shares	**-**	**0.1**	**-**	**-**	**-**	**0.1**	**-**	**0.1**
Transfer	**-**	**-**	**(0.1)**	**-**	**0.1**	**-**	**-**	**-**
At 30 June 2021	**12.6**	**26.8**	**228.7**	**(20.5)**	**(0.6)**	**247.0**	**0.8**	**247.8**

	Share capital £m	Share premium £m	Retained earnings £m	Other reserves £m	Treasury shares £m	Shareholders' equity £m	Non-controlling interests £m	Total equity £m
At 1 January 2020	12.6	26.5	284.7	(10.6)	-	313.2	0.8	314.0
Profit for the year	-	-	5.0	-	-	5.0	0.1	5.1
Other comprehensive income	-	-	(0.8)	(0.3)	-	(1.1)	-	(1.1)
Contributions by and distributions to owners:								
Remeasurement of non-controlling interest put option	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Share based payments	-	-	0.2	-	-	0.2	-	0.2
Tax effect of share based payments	-	-	(0.3)	-	-	(0.3)	-	(0.3)
Purchase of shares by ESOT	-	-	-	-	(0.9)	(0.9)	-	(0.9)
Notional purchase of own shares	-	-	(0.8)	-	-	(0.8)	-	(0.8)
Arising on the issue of shares	-	0.1	-	-	-	0.1	-	0.1
Transfer	-	-	(0.6)	-	0.6	-	-	-
At 30 June 2020	12.6	26.6	287.4	(11.0)	(0.3)	315.3	0.9	316.2

Other reserve movements

Other reserves	Translation reserve £m	Hedging reserve £m	Put option liability £m	Total £m
At 1 January 2020	(7.8)	(0.2)	(2.6)	(10.6)
Other comprehensive income	(6.5)	0.7	-	(5.8)
Remeasurement of non-controlling interest put option	-	-	(0.1)	(0.1)
At 31 December 2020	(14.3)	0.5	(2.7)	(16.5)
Other comprehensive income	(2.3)	(1.6)	-	(3.9)
Remeasurement of non-controlling interest put option	-	-	(0.1)	(0.1)
At 30 June 2021	(16.6)	(1.1)	(2.8)	(20.5)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2021

	Note	**Six months ended 30 June 2021**	Six months ended 30 June 2020 restated*	Year ended 31 December 2020
		£m	£m	£m
Profit/(loss) before tax for the period		**8.1**	7.1	(52.5)
Adjustments to reconcile profit/(loss) before tax to net cash flows				
Depreciation and amortisation		**21.1**	23.3	48.0
Separately disclosed items (excluding amortisation)		**(0.3)**	6.5	81.1
Other non cash items		**3.0**	6.0	7.1
(Increase)/decrease in inventories		**(5.3)**	(3.4)	2.0
(Increase)/decrease in trade and other receivables		**(24.8)**	14.5	30.9
Increase/(decrease) in trade and other payables		**2.8**	13.6	(13.4)
Defined benefit pension cash contributions less service cost		**(1.0)**	(1.2)	(4.8)
Cash generated from operations		**3.6**	66.4	98.4
Cash outflow from separately disclosed items		**-**	(1.1)	(3.9)
Income tax payments		**(4.5)**	(5.2)	(7.9)
Cash flow (used in)/from operating activities		**(0.9)**	60.1	86.6
Investing activities				
Dividends from joint venture undertakings		**0.7**	0.6	1.8
Proceeds from the disposal of a subsidiary		**-**	-	1.3
Proceeds from the disposal of property, plant and equipment		**14.3**	0.6	2.6
Finance income		**0.2**	0.1	0.3
Acquisition of subsidiaries, net of cash acquired		**(0.4)**	(4.0)	(7.9)
Investment in joint ventures and other investments		**-**	(0.5)	(0.5)
Acquisition of property, plant and equipment		**(6.5)**	(11.8)	(17.5)
Development expenditure		**(0.8)**	(1.5)	(2.9)
Cash flows from/(used in) investing activities		**7.5**	(16.5)	(22.8)
Financing activities				
Proceeds from the issue of share capital		**0.1**	0.1	0.2
Finance costs		**(3.3)**	(3.7)	(7.0)
Purchase of own shares by Employee Share Ownership Trust		**(0.5)**	(0.9)	(0.9)
Notional purchase of own shares for LTIP vesting		**(0.5)**	(0.8)	(1.0)
Capital element of lease repayments		**(6.6)**	(6.2)	(13.0)
Proceeds from borrowings		**10.5**	43.9	34.3
Repayment of borrowings		**(7.9)**	(70.1)	(64.5)
Dividends paid		**-**	-	(4.0)
Dividend paid to non-controlling interest		**-**	-	(0.2)
Cash flows used in financing activities		**(8.2)**	(37.7)	(56.1)
Net decrease in cash and cash equivalents		**(1.6)**	5.9	7.7
Cash and cash equivalents at beginning of period		**13.5**	7.5	7.5
Net foreign exchange differences		**-**	(0.6)	(1.7)
Cash and cash equivalents at end of period	12	**11.9**	12.8	13.5

* Cash and cash equivalents restated for the period ended 30 June 2020.

NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR STATEMENTS

1 Basis of preparation

James Fisher and Sons Plc (the Company) is a public limited company registered and domiciled in England and Wales and listed on the London Stock Exchange. The condensed consolidated half year financial statements of the Company for the six months ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interests in jointly controlled entities.

Statement of compliance

The condensed consolidated financial statements, which have been reviewed and not audited, have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting" as adopted by the European Union (EU). As required by the Disclosure and Transparency Rules of the Financial Services Authority, the condensed consolidated set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 31 December 2020 with the exceptions described below. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2020.

The comparative figures for the financial year ended 31 December 2020 are not the Group's statutory accounts for that financial year. Those accounts which were prepared under International Financial Reporting Standards (IFRS) as adopted by the EU (adopted IFRS), have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements of the Group for the year ended 31 December 2020 are available upon request from the Company's registered office at Fisher House, PO Box 4, Barrow-in-Furness, Cumbria LA14 1HR or at www.james-fisher.co.uk.

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

Going concern

In light of the Covid-19 global pandemic experienced in 2020 and subsequent uncertainty, the Group has undertaken a detailed viability review and taken appropriate mitigating actions to protect the business and liquidity. Operations have been impacted by travel restrictions, supply chain logistics and actions to protect employees to ensure safe working conditions. The Group’s quick response to Covid-19 has mitigated some of the impact on financial performance, however the potential impact of a post pandemic recession gives on-going risk to future financial performance. Liquidity is monitored through daily balance reporting, quarterly forecasting and monthly cashflow forecasting.

The Directors base case forecast reflected financial performance in the year ended 31 December 2020 and the associated impacts of Covid-19. A number of severe but plausible downside scenarios were calculated compared to the base case forecast of profit and cash flow to assess headroom and covenants against facilities for the going concern assessment period of the next 12 months from the date of this report. Against these negative scenarios, which reduced operating profit by £10m in 2021 and £20m in 2022, adjusted projections showed no breach of covenants. Additional sensitivities which reduced cash receipts by £10m in 2021 and £20m in 2022 and delayed project delivery reducing profit by £10m in 2021 and £20m in 2022 and deferring debtor collection by £3m in 2021 and by £6m in 2022 were also run separately in combination with the severe but plausible downside and adjusted projections showed no breach of covenants and headroom against committed facilities throughout the 12 month going concern assessment period. Further controllable mitigating actions could also be taken in such scenarios should it be required, including reducing capital expenditure, reducing dividend payments and not carrying out any acquisitions.

The Directors are of the opinion that the Group has sufficient financial resources to continue trading for at least 12 months from the date of this report. Accordingly, the Directors believe it remains appropriate to prepare the interim condensed financial statements on a going concern basis.

The Group meets its day to day working capital requirements through operating cash flows with borrowings in place to fund acquisitions and capital expenditure. The Group had £117.0m of undrawn committed facilities at 30 June 2021 (2020: £115.6m). During September, revolving credit facilities totalling £130m have been refinanced on a three year term with options to extend by up to two years.

Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2020.

2 Accounting estimates and judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2020.

3 Alternative performance measures

The Group presents a number of alternative (non-Generally Accepted Accounting Practice (non-GAAP)) performance measures which are not defined within IFRS. These measures are presented to assist investors in gaining a clear and balanced view of the underlying operational performance of the Group and are consistent year on year with how business performance is measured internally. The adjustments are separately disclosed (note 5) and are usually items that are significant in size or non-recurring in nature. The following non-GAAP measures are referred to in the half year results.

3.1 Underlying operating profit and underlying profit before taxation

Underlying operating profit is defined as operating profit before 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, or asset impairment and the profit or loss relating to the sale of businesses. As acquisition related income and expense fluctuates with activity and to provide a better comparison to businesses that are not acquisitive, the Directors consider that these items should be separately disclosed to give a better understanding of operating performance. Underlying profit before taxation is defined as underlying operating profit less net finance expense.

	2021 Six months ended 30 June £m	2020 Six months ended 30 June £m	2020 Year ended 31 December £m
Operating profit/(loss)	**12.2**	11.5	(43.5)
Separately disclosed items before taxation	**1.1**	8.0	84.0
Underlying operating profit	**13.3**	19.5	40.5
Net finance expense	**(4.1)**	(4.4)	(9.0)
Underlying profit before taxation	**9.2**	15.1	31.5

3.2 Underlying earnings per share

Underlying earnings per share (EPS) is calculated as the total of underlying profit before tax, less income tax, but excluding the tax impact on separately disclosed items included in the calculation of underlying profit 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 set out in note 8.

3.3 Capital employed and Return on Capital Employed (ROCE)

Capital employed is defined as net assets less right-of-use assets, less cash and short-term deposits 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, divided by average capital employed. The key performance indicator, Group post-tax ROCE, is defined as underlying operating profit, less notional tax, calculated by multiplying the effective tax rate by the underlying operating profit, divided by average capital employed.

	2021 Six months ended 30 June £m	2020 Six months ended 30 June £m	2020 Year ended 31 December £m
Net assets	**247.8**	316.2	235.9
Less right-of-use assets	**(39.0)**	(24.4)	(30.7)
Plus net borrowings	**211.0**	198.5	198.1
Capital employed	**419.8**	490.3	403.3
Underlying operating profit	**13.3**	19.5	40.5
Notional tax at the effective tax rate	**(3.9)**	(4.1)	(9.2)
	9.4	15.4	31.3
Average capital employed	**459.2**	471.9	467.6
Return on average capital employed	**5.4%**	6.6%	6.7%

3.4 Cash conversion

Cash conversion is defined as the ratio of operating cash flow to underlying operating profit. Operating cash flow comprises:

	2021 Six months ended 30 June £m	2020 Six months ended 30 June £m	2020 Year ended 31 December £m
Cash generated from operations	**3.6**	66.4	98.4
Dividends from joint venture undertakings	**0.7**	0.6	1.8
Capital element of lease repayments	**(6.6)**	(6.2)	(13.0)
Other	**1.0**	0.1	0.5
Operating cash flow	**(1.3)**	60.9	87.7
Underlying operating profit	**13.3**	19.5	40.5
Cash conversion	**(10)%**	312%	217%

3.5 Underlying earnings before interest, tax, depreciation and amortisation (Ebitda)

Underlying Ebitda is defined as the underlying operating profit before interest, tax, depreciation and amortisation.

	2021 Six months ended 30 June £m	2020 Six months ended 30 June £m	2020 Year ended 31 December £m
Underlying operating profit	**13.3**	19.5	40.5
Depreciation and amortisation	**21.1**	23.3	48.0
Less: Deprecation on right-of-use assets	**(5.6)**	(5.3)	(10.9)
Amortisation of acquired intangibles (note 5)	**(1.4)**	(1.5)	(2.9)
Underlying Ebitda	**27.4**	36.0	74.7

3.6 Underlying dividend cover

Underlying dividend cover is the ratio of the underlying diluted earnings per share to the dividend per share.

	pence	pence	pence
Underlying earnings per share	**12.8**	23.6	47.9
Dividends per share	**-**	8.0	8.0
Underlying dividend cover (times)	**-**	3.0	6.0

3.7 Organic constant currency

Organic constant currency growth represents absolute growth, adjusted for current and prior year acquisitions and for constant currency. Constant currency takes the non-sterling results of the prior year and re-translates them at the average exchange rate of the current year.

3.8 Underlying net borrowings

Underlying net borrowings is net borrowings as set out in note 12, excluding right-of-use operating leases. The Group's banking arrangements are based on underlying net borrowings.

	2021 Six months ended 30 June £m	2020 Six months ended 30 June £m	2020 Year ended 31 December £m
Net borrowings (note 12)	**211.0**	198.5	198.1
Less: right-of-use operating leases	**(32.3)**	(25.4)	(23.1)
	178.7	173.1	175.0

4 Segmental information

Management has determined that the Group has four operating segments reviewed by the Board; Marine Support, Specialist Technical, Offshore Oil and Tankships. Their principal activities are set out in the Strategic Report within the consolidated financial statements of the Group for the year ended 31 December 2020.

The Board assesses the performance of the segments based on underlying operating profit. The Board believes that such information is the most relevant in evaluating the results of certain segments relative to other entities which operate within these industries. Inter-segmental sales are made using prices determined on an arms-length basis. Sector assets exclude cash, short-term deposits and corporate assets that cannot reasonably be allocated to operating segments. Sector liabilities exclude borrowings, retirement benefit obligations and corporate liabilities that cannot reasonably be allocated to operating segments.

Six months ended 30 June 2021

	Marine Support £m	**Specialist Technical £m**	**Offshore Oil £m**	**Tankships £m**	**Corporate £m**	**Total £m**
Revenue						
Segmental revenue reported						
- point in time	**81.7**	**22.9**	**39.7**	**-**	**-**	**144.3**
- over time	**16.1**	**45.4**	**-**	**28.6**	**-**	**90.1**
Inter-segmental sales	**(0.1)**	**(0.5)**	**(0.1)**	**-**	**-**	**(0.7)**
	97.7	**67.8**	**39.6**	**28.6**	**-**	**233.7**
Underlying operating profit	**2.1**	**5.6**	**5.3**	**2.1**	**(1.8)**	**13.3**
Separately disclosed items	**(0.7)**	**-**	**(0.4)**	**-**	**-**	**(1.1)**
Operating profit	**1.4**	**5.6**	**4.9**	**2.1**	**(1.8)**	**12.2**
Net finance expense						**(4.1)**
Profit before tax						**8.1**
Income tax						**5.5**
Profit for the period						**13.6**
Assets & liabilities						
Segmental assets	**238.1**	**165.7**	**141.2**	**65.9**	**64.4**	**675.3**
Investment in joint ventures	**2.1**	**3.3**	**2.3**	**-**	**-**	**7.7**
Total assets	**240.2**	**169.0**	**143.5**	**65.9**	**64.4**	**683.0**
Segmental liabilities	**(77.3)**	**(62.4)**	**(27.6)**	**(31.7)**	**(236.2)**	**(435.2)**
	162.9	**106.6**	**115.9**	**34.2**	**(171.8)**	**247.8**
Other segmental information						
Capital expenditure	**2.3**	**0.8**	**2.3**	**0.9**	**0.2**	**6.5**
Depreciation and amortisation	**6.7**	**3.4**	**5.8**	**5.1**	**0.1**	**21.1**

Six months ended 30 June 2020

	Marine Support £m	Specialist Technical £m	Offshore Oil £m	Tankships £m	Corporate £m	Total £m
Revenue						
Segmental revenue reported						
- point in time	106.0	18.7	40.2	-	-	164.9
- over time	16.6	47.5	-	29.9	-	94.0
Inter-segmental sales	(0.1)	(0.5)	(0.2)	-	-	(0.8)
	122.5	65.7	40.0	29.9	-	258.1
Underlying operating profit reported	4.8	7.5	5.4	3.6	(1.8)	19.5
Separately disclosed items	(4.3)	(1.1)	(2.6)	-	-	(8.0)
Operating profit	0.5	6.4	2.8	3.6	(1.8)	11.5
Net finance expense						(4.4)
Profit before tax						7.1
Income tax						(2.0)
Profit for the period						5.1
Assets & liabilities						
Segmental assets	320.7	163.5	153.4	58.6	75.4	771.6
Investment in joint ventures	3.5	3.0	2.4	-	-	8.9
Total assets	324.2	166.5	155.8	58.6	75.4	780.5
Segmental liabilities	(101.5)	(55.6)	(30.4)	(28.8)	(248.0)	(464.3)
	222.7	110.9	125.4	29.8	(172.6)	316.2
Other segment information						
Capital expenditure	4.9	1.3	3.2	2.4	-	11.8
Depreciation and amortisation	8.0	3.3	6.5	5.3	0.2	23.3

Year ended 31 December 2020

	Marine Support £m	Specialist Technical £m	Offshore Oil £m	Tankships £m	Corporate £m	Total £m
Revenue						
Segmental revenue reported						
- point in time	225.3	42.2	80.1	-	-	347.6
- over time	24.5	89.2	-	60.4	-	174.1
Inter-segmental sales	(0.4)	(1.0)	(2.1)	-	-	(3.5)
	249.4	130.4	78.0	60.4	-	518.2
Underlying operating profit/(loss)	10.1	14.0	11.2	8.0	(2.8)	40.5
Separately disclosed items	(79.6)	(1.6)	(2.8)	-	-	(84.0)
Operating (loss)/profit	(69.5)	12.4	8.4	8.0	(2.8)	(43.5)
Net finance expense						(9.0)
Loss before tax						(52.5)
Income tax						(4.8)
Loss for the year						(57.3)
Assets & liabilities						
Segmental assets	246.7	156.0	139.4	53.5	89.0	684.6
Investment in joint ventures	2.1	3.0	2.4	-	-	7.5
Total assets	248.8	159.0	141.8	53.5	89.0	692.1
Segmental liabilities	(90.5)	(57.6)	(24.9)	(22.2)	(261.0)	(456.2)
	158.3	101.4	116.9	31.3	(172.0)	235.9
Other segment information						
Capital expenditure	7.1	1.9	5.4	3.1	-	17.5
Depreciation and amortisation	17.8	6.7	12.7	10.5	0.3	48.0

5 Separately disclosed items

Certain items are disclosed separately in the financial statements to provide a clearer understanding of the underlying financial performance of the Group, referred to in note 3. They are items that are non-recurring and significant by virtue of their size and include acquisition related income or charges, costs of material litigation, restructure or material impairment and related items. Separately disclosed items comprise:

	2021 Six months ended 30 June £m	2020 Six months ended 30 June £m	2020 Year ended 31 December £m
Acquisition related income and (expense):			
Costs incurred on acquiring businesses	**-**	(0.2)	(1.0)
Amortisation of acquired intangibles	**(1.4)**	(1.5)	(2.9)
	(1.4)	(1.7)	(3.9)
Marine Support restructure	**-**	(1.5)	(3.9)
Disposal of businesses	**-**	-	(3.5)
Disposal of dive support vessel	**0.3**	-	-
Impairment charges	**-**	(4.8)	(72.7)
Separately disclosed items before taxation	**(1.1)**	(8.0)	(84.0)
Taxation	**8.2**	1.1	2.4
Separately disclosed items after taxation	**7.1**	(6.9)	(81.6)

During the six months ended 30 June 2021, the Group has recognised a gain of £0.3m on disposal of one of its dive support vessels, the Paladin. The vessel had operated in the Marine Support division. Tax on separately disclosed items includes a credit of £7.9m, which represents deferred tax recognised on the timing differences created following the impairment of dive support vessels during the year ended 31 December 2020 and the Group's current expectations regarding Dive Support operations.

During 2020, following the impact of Covid-19 combined with a sharp fall in energy prices, project work with Marine Support sharply declined and the Group commenced a material restructure of the division. A charge of £1.5m was recognised at June 2020 and £3.9m at December 2020 in respect of this. There has been no equivalent charge in 2021.

6 Net finance expense

	2021 Six months ended 30 June £m	2020 Six months ended 30 June £m	2020 Year ended 31 December £m
Finance income:			
Interest receivable on short-term deposits	**0.2**	0.1	0.2
Finance expense:			
Interest payable on bank loans and overdrafts	**(3.2)**	(3.4)	(7.2)
Net interest on pension obligations	**(0.1)**	(0.2)	(0.1)
Unwind of discount on right-of-use lease liability	**(1.0)**	(0.8)	(1.8)
Unwind of discount on contingent consideration	**-**	(0.1)	(0.1)
	(4.3)	(4.5)	(9.2)
Net finance expense	**(4.1)**	(4.4)	(9.0)

7 Taxation

The Group's effective rate on profit before income tax is (67.3)% (30 June 2020: 28.2%, 31 December 2020: 9.1%) which includes an exceptional tax credit of £7.9m as detailed in note 5. The effective income tax rate on underlying profit before income tax, based on an estimated rate for the year ending 31 December 2021, is 29.3% (30 June 2020: 20.7%, 31 December 2020: 22.8%). This is based on the estimated effective tax rate for the year to 31 December 2021. Of the total tax charge, £1.3m relates to overseas businesses (30 June 2020: £2.0m). Taxation on profit has been estimated based on rates of taxation applied to the profits forecast for the full year.

8 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, after excluding 54,571 (June 2020: 9,227, December 2020: 9,227) 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 ordinary equity holders of the Company 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 30 June 2021, 515,463 options (June 2020: 139,506, December 2020: 386,317) 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.

Weighted average number of shares

	30 June 2021 Number of shares	30 June 2020 Number of shares	31 December 2020 Number of shares
For basic earnings per ordinary share	**50,350,082**	50,332,654	50,342,732
Exercise of share options and LTIPs	**17,692**	107,576	85,973
For diluted earnings per ordinary share	**50,367,774**	50,440,230	50,428,705

Underlying earnings per share

To provide a better understanding of the underlying performance of the Group, underlying earnings per share on continuing activities is reported as an alternative performance measure (note 3).

	2021 Six months ended 30 June £m	2020 Six months ended 30 June £m	2020 Year ended 31 December £m
Profit/(loss) attributable to owners of the Company	**13.5**	5.0	(57.5)
Separately disclosed items	**1.1**	8.0	84.0
Tax on separately disclosed items	**(8.2)**	(1.1)	(2.4)
Underlying profit attributable to owners of the Company	**6.4**	11.9	24.1
Earnings per share	**pence**	pence	pence
Basic earnings per share	**26.8**	9.9	(114.2)
Diluted earnings per share	**26.8**	9.9	(114.2)
Underlying basic earnings per share	**12.8**	23.6	48.0
Underlying diluted earnings per share	**12.8**	23.6	47.9

9 Interim dividend

No interim dividend is proposed in respect of the period ended 30 June 2021 (2020: 8.0p).

10 Retirement benefit obligations

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

	2021 Six months ended 30 June £m	2020 Six months ended 30 June £m	2020 Year ended 31 December £m
Net obligation as at 1 January	**(10.3)**	(5.8)	(5.8)
Expense recognised in the income statement	**(0.1)**	(0.2)	(0.2)
Contributions paid to scheme	**1.0**	1.2	5.0
Remeasurement gains and losses	**2.8**	(0.4)	(9.3)
At period end	**(6.6)**	(5.2)	(10.3)

The Group's net liabilities in respect of its pension schemes were as follows:

	2021 Six months ended 30 June £m	2020 Six months ended 30 June £m	2020 Year ended 31 December £m
Shore Staff	**(5.3)**	(0.3)	(8.8)
Merchant Navy Officers Pension Fund	**(1.1)**	(3.2)	(1.3)
Merchant Navy Ratings Pension Fund	**(0.2)**	(1.7)	(0.2)
	(6.6)	(5.2)	(10.3)

The principal assumptions in respect of these liabilities are disclosed in the December 2020 Annual Report. The Group has not obtained an interim valuation for the period ended 30 June 2021. In the first half of 2021, the Group paid contributions to defined benefit schemes of £1.0m (June 2020: £1.2m).

11 Goodwill

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

	2021 Six months ended 30 June £m	2020 Six months ended 30 June £m	2020 Year ended 31 December £m
At 1 January	**166.5**	185.5	185.5
Impairment	**-**	-	(17.0)
Exchange differences	**(0.7)**	(2.7)	(2.0)
At period end	**165.8**	182.8	166.5

At the half year, the results of the impairment tests carried out in respect of the year ended 31 December 2020, were reconsidered based on the Group's trading performance and revised outlooks.

The recoverable amount of the cash generating units (CGU's) has been assessed based on value in use calculations using cash projections based on 5-year strategic plans which take into account the impact of climate change and are approved by the Board. For all CGU's a terminal value of cash flows beyond that date have been calculated at a growth rate in line with management's long-term expectations for the relevant market, using a growth rate of 0.6%. The key assumptions used in the value in use calculations include gross margin, discount rate, inflation of overheads and payroll and growth rates.

Sensitivity to impairment

The Directors have carried out sensitivity analysis to determine the impact on the carrying value of goodwill.

Sensitivities carried out across all CGU's included increasing the discount rate by 2.0% and reducing the terminal growth to zero and reducing operating profit by 25.0%. In all of the scenarios analysed headroom remained positive.

12 Reconciliation of net borrowings

	1 January 2021 £m	**Cash flow £m**	**Other non-cash £m**	**Exchange movement £m**	**30 June 2021 £m**
Cash and cash equivalents	**13.5**	**(1.6)**	**-**	**-**	**11.9**
Debt due after 1 year	**(178.9)**	**(2.7)**	**(0.5)**	**-**	**(182.1)**
Debt due within 1 year	**(0.2)**	**0.1**	**-**	**-**	**(0.1)**
	(179.1)	**(2.6)**	**(0.5)**	**-**	**(182.2)**
Lease liabilities	**(32.5)**	**6.6**	**(15.0)**	**0.2**	**(40.7)**
Net borrowings	**(198.1)**	**2.4**	**(15.5)**	**0.2**	**(211.0)**

	1 January 2020 £m	Cash flow £m	Other non-cash £m	Exchange movement £m	30 June 2020 *Restated £m
Cash and cash equivalents	7.5	5.9	-	(0.6)	12.8
Debt due after 1 year	(207.4)	26.1	(0.1)	(1.5)	(182.9)
Debt due within 1 year	(0.3)	0.1	-	-	(0.2)
	(207.7)	26.2	(0.1)	(1.5)	(183.1)
Lease liabilities	(30.2)	6.2	(3.8)	(0.4)	(28.2)
Net borrowings	(230.4)	38.3	(3.9)	(2.5)	(198.5)

	1 January 2020 £m	Cash flow £m	Other non-cash £m	Exchange movement £m	31 December 2020 £m
Cash and cash equivalents	7.5	7.7	-	(1.7)	13.5
Debt due after 1 year	(207.4)	30.1	(0.7)	(0.9)	(178.9)
Debt due within 1 year	(0.3)	0.1	-	-	(0.2)
	(207.7)	30.2	(0.7)	(0.9)	(179.1)
Lease liabilities	(30.2)	13.0	(15.4)	0.1	(32.5)
Net borrowings	(230.4)	50.9	(16.1)	(2.5)	(198.1)

*Cash and cash equivalents restated for the period ended 30 June 2020 to include bank overdrafts repayable on demand.

Cash and cash equivalents comprise:

	2021 As at 30 June £m	2020 As at 30 June Restated £m	2020 Year ended 31 December Restated £m
Cash at bank and in hand	**63.0**	70.1	93.1
Overdrafts	**(51.1)**	(57.3)	(79.6)
At period end	**11.9**	12.8	13.5

The Group operates a notional pooling and net overdraft facility whereby cash and overdraft balances held with the same bank have a legal right of offset. Where there is no intention to settle amounts net, IAS 32 requires gross balance sheet presentation to separate overdrafts and cash balances. The Group has restated both the cash at bank and in hand and overdraft balances for 2020 to show these amounts gross.

This adjustment has no impact on the Group's prior year net profit or loss, net assets or cash flow statements.

The prior periods have been restated for this adjustment as follows:

	2020 As at 30 June £m	Adjustment £m	As Restated 2020 As at 30 June £m
Cash at bank and in hand	**20.8**	49.3	70.1
Overdrafts	**(8.0)**	(49.3)	(57.3)
	12.8	-	12.8

	2020 Year ended 31 December £m	Adjustment £m	As Restated 2020 Year ended 31 December £m
Cash at bank and in hand	**23.9**	69.2	93.1
Overdrafts	**(10.4)**	(69.2)	(79.6)
	13.5	-	13.5

13 Assets held for sale

In June 2021, management agreed a plan to sell the dive support vessel known as the Swordfish within the Marine Support division and consequently £10.5m relating to vessels has been reclassified from property, plant and equipment.

In May 2021, management agreed to dispose of certain non-core businesses within the Marine Support division. The disposal group comprises £4.7m of assets and £1.7m of liabilities.

Both disposals are expected to complete by the end of 2021.

14 Commitments and contingencies

Capital commitments at 30 June 2021 were £nil (2020: £0.9m; 31 December: £nil).

Contingent liabilities

(a) In the ordinary course of the Company's business, counter indemnities have been given to banks in respect of custom bonds, foreign exchange commitments and bank guarantees.
(b) A Group VAT registration is operated by the Company and six Group undertakings in respect of which the Company is jointly and severally liable for all amounts due to HM Revenue & Customs under the arrangement.
(c) A guarantee has been issued by the Group and Company to charter parties in respect of obligations of a subsidiary, James Fisher Everard Limited, in respect of charters relating to nine vessels. The charters expire between 2021 and 2024.
(d) Subsidiaries of the Group have issued performance and payment guarantees to third parties with a total value of £38.4m (June 2020: £81.3m, December 2020: £48.2m).

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

(f) The Group has given an unlimited guarantee to the Singapore Navy in respect of the performance of First Response Marine Pte Ltd, its Singapore joint venture, in relation to the provision of submarine rescue and related activities.

(g) In the normal course of business, the Company and certain subsidiaries have given parental and subsidiary guarantees in support of loan and banking arrangements.

(h) The Company and its subsidiaries may be parties to legal proceedings and claims which arise in the ordinary course of business, and can be material in value. Disclosure of contingent liabilities or appropriate provision has been made in these accounts where, in the opinion of the Directors, liabilities may materialise. Other than provisions made against certain receivables and claims, described in note 33 (b) estimates of the last filed annual report, there are no other significant provisions and no individually significant contingent liabilities that required specific disclosure.

15 Related parties

Excepting the change of Directors and the acquisition of Subsea Engenuity, there were no material changes to related parties or associated transactions from those disclosed in the Annual Report for the year ended 31 December 2020.

Independent review report to James Fisher and Sons plc

Conclusion
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

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

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

The annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

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

Mike Barradell
for and on behalf of KPMG LLP
Chartered Accountants
1 St Peters Square
Manchester
M2 3AE

6 September 2021