A39 *ALA2XKRF* 0100
COMPANIES HOUSE 08/05/03

James Fisher and Sons PUBLIC LIMITED COMPANY

Annual Report and Financial Statements **2002**

James Fisher is a **leading provider of marine services** operating in three sectors: **Tankships, Cable Laying Vessels** and **Marine Support Services**. James Fisher is **more than just a traditional shipowner**. We deliver quality services to many facets of the marine industry.

Our Tankships are **integral to the coastal distribution** of **refined petroleum** products for North West Europe. Our Cable Ships lay **fibre optic cables between continents.** In Marine Support Services we provide **technical and marine expertise** to the **most exacting Customers** - the MoD, other governmental bodies and the oil and gas industries.

Contents

Year in Brief

2002 was a good year for James Fisher both in terms of financial performance and in establishing the company as a marine service provider.

Our Marine Service Division is set well to become the leading and most profitable in the company, through organic growth and the acquisitions we have made.

Highlights

- Turnover **up 5.2% at £71.1m**
- Group operating profit **up 16% at £13.5m**
- Pre tax profit **up 20.3% at £9.7m**
- Earnings per share **up 31.9% at 21.11p**
- Final dividend **up 15% at 3.74p**
- Expansion of marine services will benefit 2003 results:
  - Acquisition of Rumic Limited in October 2002
  - Acquisition of Ocean Fleets in November 2002
  - Acquisition of Scan Tech in January 2003
- Elimination of losses from Fisher Cavalier

Chairman's Statement

Overview

I am pleased to be able to report that 2002 was a good year for James Fisher in terms of both its financial performance and the development of its business:-

- the financial results were excellent with strong growth in both operating and pre tax profit, which was fully reflected in the cash generated by the group; and
- we have made considerable progress in establishing the group as a marine service provider, a transition that has been substantially accelerated by our recent acquisitions.

Turnover grew by	5.2%	to £71.1m	(2001 - £67.6m)
Group operating profit grew by	16.0%	to £13.5m	(2001 - £11.6m)
Pre tax profit grew by	20.3%	to £9.7m	(2001 - £8.1m)
Basic earnings per ordinary share	31.9%	to 21.11p	(2001 - 16.01p)
Proposed final dividend	15.0%	to 3.74p	(2001 - 3.25p)

The total cash flow from operations for the year, a consistently strong feature in recent years, was £13.1m which enabled the financial gearing to be reduced from 82.3% at 1 January 2002 to 58.1% at 31 December 2002.

Your Board is recommending a final dividend of 3.74p per share, giving a total for the year of 5.94p (2001 5.21p per share) - an increase of 14.0%. The dividend is covered 3.5 times.

Tankships

Tankships had a weaker year than 2001 primarily because of a softer spot market. Although over 80% of the clean petroleum products we carry annually are under term contracts, mainly with the oil majors, the remainder are subject to the spot market which in 2002 was around 15% lower than in the previous year.

However, Tankships has developed close, long-standing relationships with its oil major customers and we see this coastal logistic service fitting well within our core competence as a marine service provider. Accordingly, we have continued our fleet modernisation programme during the year. We have taken a ten-year bareboat charter for *mt Pembroke Fisher* (14,204 dwt built 1997), sold *Oarsman* (2,547 dwt built 1980) and redelivered *Anchorman* (6,417 dwt built 1993). Although the average age of our fleet is younger than our main competitors, we need to continue our renewal programme in 2003, particularly with regard to our older 3,000 tonne vessels. With the benefit of

"Recognised as a marine service company rather than a shipping company."

the new tonnage tax, we expect to achieve this by taking on more bareboat charters avoiding the need to commit new capital.

Cable ships

The excellent financial result reflects the contribution from our three cable layers which were all on charter for almost the full twelve months. *Oceanic Princess* (delivered May 2001) and *Oceanic Pearl* (delivered December 2001) are on five-year charters to *it* International Telecom, a subsidiary of General Dynamics in the USA. *Nexus* is now in lay-up having completed, in December, nine profitable years on charter to Global Marine Systems Limited and its predecessors. Her contribution to 2002 profits was some £2.4m and her costs while in lay-up are forecast at £100,000 per month of which £30,000 are cash costs, the remainder being mainly depreciation. We are currently exploring a number of possible alternative uses for the vessel or an outright trade sale.

Marine support services

The contribution from our marine support services division in the year was £4.0 million, including the contribution from AWSR, significantly higher than in 2001 despite a minimal contribution from the recent acquisitions of Rumic (October 2002) and Ocean Fleets (November 2002). Accordingly we look forward to a far greater profit from this division in 2003 when we will have the benefit of a full year contribution from these two acquisitions and from Scan Tech, the acquisition of which was completed in January 2003. The three acquired businesses generated an annualised profit before tax in excess of £1.5 million in 2002.

James Fisher's core competence as a marine service provider is the practical application of its engineering and operational expertise to the marine and related industries. We provide a service to our Customers to which the ownership of ships is incidental. This role of marine service provider is well illustrated by our relationship with British Nuclear Fuels plc (BNFL) for whom we provide a high quality ship management and design service. The seven ships concerned are owned by BNFL and its subsidiary Pacific Nuclear Transport Limited rather than ourselves.

We also work closely with the Ministry of Defence (MoD) and it is one of our strategic objectives to strengthen our business relationship with them. We have a long-term charter of *RFA Oakleaf*, a product tanker, to the MoD/ Royal Fleet Auxiliary and manage a stores and logistics facility for the Royal Air Force at Sealand. In June 2002, AWSR Holdings Limited, a joint venture in which we have a 25% share, concluded a long-term contract for the supply of six RoRo ships for use in Strategic Sealift service until December 2024. Three of the vessels were delivered by the year end and the remainder are expected by the end of April 2003.

Our Aberdeen operation had a satisfactory year despite generally weaker conditions in the British sector of the North Sea. Our hydro digger tool has now established itself and its improved profitability offset a weaker result from the rental and supply of equipment to the offshore industry.

Acquisitions

The expansion of our marine support services division remains a primary strategic objective for the group. The potential returns are excellent, the earnings from the services industry are more reliable and non-cyclical and we have demonstrated the ability to achieve them.

"Tankships has developed close long-standing relationships with its oil major customers"

Chairman's Statement continued

We also believe the opportunities for expansion in the provision of such services in the marine and related industries, of which the MoD activities form a critical part, to be many and varied.

Rumic Limited. We completed the acquisition of the entire issued share capital of the Cumbria based marine services company Rumic Limited on 22 October. Rumic has unique skills in the use of remotely operated vehicles (ROVs) and submersibles. Under a long-term contract with the Royal Navy, it manages, maintains and operates the UK Submarine Rescue, including a round-the-clock response team in Glasgow. The company also provides a range of services to the nuclear decommissioning industry and highly trained, specialist personnel for a number of marine based industries including oil services, subsea contractors and cable layers.

The initial consideration for Rumic of £3,500,000 was satisfied as to £3,100,000 in cash and £400,000 by the issue of 280,702 new ordinary shares. Deferred consideration of up to £500,000 is payable depending on the aggregate profits of Rumic over two years. The net assets of Rumic at 30 June 2002 were £1.9m of which £1.3m was cash. Rumic's audited pre-tax profit for the year ended 30 June 2002 was £573,000.

The owner and founder, Roger Chapman, remains with the company as managing director. Rumic is based close to James Fisher's headquarters in Barrow-in-Furness. We believe that the acquisition will help us to develop further ties with the MoD as well as generate more work for BNFL.

Scan Tech Holdings A/S. We completed the acquisition of Stavanger based marine services company Scan Tech Holdings for a cash consideration of NOK100m (£8.9 million), on 6 January 2003. The pre tax profit was £1.3 million for the year ended 31 December 2002.

Scan Tech complements James Fisher's existing Underwater Engineering Services (UES) business in Aberdeen, extending the product range to supply rental equipment and engineering support to oil companies and their contractors in the Norwegian and UK sectors of the North Sea. Scan Tech specialises in containerised steam units, compressors, air dryers and winches. The company is a clear market leader in Norway and has a wide spread of oil companies, rig owners and drilling operators as customers. Scan Tech's operation is very similar to that of James Fisher UES in Aberdeen and the joint businesses will have synergies in their products, development and clients. Scan Tech has facilities in Stavanger and Bergen. The Scan Tech owner, managing director and founder, Mr Bjorn Erik Bjornsen, has become the managing director of the combined businesses of UES and Scan Tech in Aberdeen and Stavanger which, in future, will trade under the Scan Tech name.

Ocean Fleets. In addition James Fisher acquired, on 19 November 2002 from the administrator, the business and certain assets of Ocean Fleets Limited for £74,000 in cash, including satisfaction of lease obligations. Ocean Fleets undertakes enabling contracts for the MoD and Defence contractors and quality assurance for oil majors. It also operates a leased workshop inside the security perimeter of the Royal Navy dockyard in Plymouth. Ocean Fleets will be merged into James Fisher Rumic Limited which already works closely with the MoD.

Our cash flow is strong and we expect to make further acquisitions with advice from our corporate finance advisors EC Hambro Rabben & Partners.

Elimination of losses from *dsv Fisher Cavalier*

Until January 2003, we owned a share of the diving support vessel, *Fisher Cavalier*, through a 51% joint venture with

Cammell Laird which has been in receivership since 2001. We experienced a number of contractual problems with the vessel during 2002 which twice resulted in her arrest. These were finally resolved with the contract for her sale in December 2002. The total capital loss of £794,000 on the vessel was higher than originally anticipated because of the decline in the US dollar at the end of the year and a delay in the delivery of the ship until the end of January 2003. The elimination of the £866,000 operating loss and £111,000 interest charge incurred in 2002 will have a significantly beneficial effect on the 2003 result with all losses being provided for in the 2002 accounts.

Directors and staff

In 2002 we have had a settled management team with Angus Buchanan as Chief Executive, Ian Serjent as Marine and Technical Services Director, Michael Shields as Group Finance Director and myself as Executive Chairman. There were no changes to the Board after Anthony Cooke joined Sir David Hardy and Terry Moore as a Non-executive Director in January 2002.

I am pleased that recently we have been able to recruit two young and high calibre Managers, Nick Henry (41) from P&O who becomes Managing Director of James Fisher Tankships Limited and John Hudson (43) from BAe Systems who becomes Technical Director, James Fisher (Shipping Services) Limited. They will strengthen our management depth and enable us to expand on a sound managerial base.

I would also like to recognise and thank all of our employees for their hard work and contribution during the year. Our markets have not always been easy and we have had to make a number of hard choices. The good results are a true reflection of the skill, effort and loyalty of everybody at James Fisher and would not have been possible without them.

Current trading and outlook

Over the last two years, the group has been able to achieve strong growth in operating and pre tax profits and an excellent cash flow performance. The current year, which will benefit from the elimination of the annual revenue losses of approximately £1 million associated with the *Fisher Cavalier*, has been characterised by strong trading across all of our divisions to date.

Obviously the challenge in 2003 will be greater with the loss of contribution from *Nexus* and her temporary lay-up costs. However the *Oceanic Princess* and the *Oceanic Pearl* have a secure income stream from their long term contracts. Tankships has begun to benefit from stronger spot rates and the trading performance for the start of the year has been in line with the directors' expectations.

The marine support services division, which will benefit from the recent acquisitions, has started the year strongly. We intend our marine support services division, which is our least capital intensive activity, to become the largest and most profitable business in the group, providing good quality and reliable earnings and cash flow.

Our aim is simple - to be the UK's leading provider of marine services; this will enable James Fisher to continue its exceptional and proven cash generating ability and earnings growth in the coming years.

Tim Harris CBE
Chairman

3 March 2003

"The expansion of the marine support services division remains a primary strategic objective for the group."

Operating and Financial Review

Group results

Total turnover for 2002 excluding our share of the turnover of our joint ventures, increased by 5% over the previous year's to £71,111,000 (2001 £67,567,000). The increase was principally due to a full year's contribution from our two cable ships which both entered service during 2001. The profit before tax for this year amounted to £9,718,000 (2001 £8,077,000). Continuing operations produced a pre-tax profit of £11,520,000 (2001 £10,510,000), this is an increase of 9.6%. Pre-tax losses from discontinued operations in 2002 amounted to £1,802,000 (2001 £2,433,000). The group's share of losses relating to the joint venture with Cammell Laird, in receivership, amounted to £1,771,000 (2001 £2,122,000) which includes a provision in the 2002 accounts for the termination of the joint venture operation, following the sale of the dive support vessel "Fisher Cavalier" in January 2003. The provision amounted to £794,000 comprising of the group's share of loss on sale of the vessel of £464,000 and a provision for termination of the business of £330,000. The group's exit from trading dry cargo vessels was completed during the year resulting in a loss of £31,000 (2001 £1,103,000), the majority of the loss having been provided in the 2001 accounts. In 2001 the group concluded the release of leasehold liabilities at the port of Newhaven resulting in a net profit of £792,000.

Earnings per share and dividends

Basic earnings per share was 21.11p in 2002 compared with 16.01p in 2001 an increase of 32%. The diluted earnings per share calculated on the same basis was 20.93p compared with 15.91p in 2001, an increase of 31%.

The board is recommending a final dividend of 3.74p per ordinary share, which, together with the interim dividend of 2.20p per share, gives a total dividend of 5.94p for the year, an increase of 14% on last year. At this level the dividend is covered 3.5 times.

Tankships

Segment operating profit was £6,150,000 (2001 £7,759,000) a reduction of 21% principally due to a softer spot charter market. During the year the group concluded a ten year bareboat charter for m.t. "Pembroke Fisher", a five year old 14,000 tonne vessel, now the largest vessel in the fleet; sold m.t. "Oarsman", built 1980 our remaining single skinned vessel; and re-delivered m.t. "Chartsman", built 1993, as part of the group's fleet modernisation programme.

Cable ships

Segment operating profit was £8,260,000 (2001 £5,521,000) an increase of 50%. This sector benefited from a full year's earnings from the two cable laying ships "Oceanic Princess" and "Oceanic Pearl" which were both delivered on charter to *it* International Telecoms during 2001. The c.s. "Nexus" came off charter to Global Marine Systems on 21 December 2002 and the group is currently exploring alternative uses for the vessel.

Marine support services

Profits from this sector rose to £3,455,000 (2001 £3,180,000). In addition our 25% share of the AWSR joint venture produced a profit before interest of £568,000 (2001: £nil) making a total operating profit of £4,023,000 (2001: £3,180,000). The activities of this division of the business

"James Fisher's core competence as a marine service provider is the practical application of its engineering and operational expertise to the marine and related industries."

comprises our MoD Contracts, BNFL Ship Management Contracts, consultancy activities and our two Aberdeen operations. During the year we acquired the businesses of Rumic Limited and Ocean Fleets.

Our joint venture with AWSR, in which we hold a 25% shareholding, began trading in June 2002 following the signing of a contract for the provision of Strategic Sealift Services to the MoD. At the end of 2002 AWSR had taken delivery of three new building vessels which are now in service with the MoD. A further three vessels will be delivered in the first half of 2003, two of which will be chartered commercially.

Finance

Treasury Risk Management. The group maintains a centralised treasury function which operates under board approved treasury policies and guidelines, covering funding and management of foreign exchange exposure and interest rate risk. All transactions entered into by the group's treasury operations are required to be in support of, or a consequence of, underlying commercial transactions. During the year the group was in a net debt position. The management of foreign exchange risk and interest rate risk is a board agenda item.

A description of the group's accounting policies for financial instruments is set out on page 28 of the Annual Report and further disclosures relating to financial instruments are set out in Note 21 to the financial statements.

Finance and Interest Rate Risk. The group manages its exposure to interest rate fluctuations on its borrowings through the use of interest rate swaps to reduce the impact of adverse variations in market rates on the group profit and cash flow. The company maintains a mixture of fixed and floating rate borrowings to reduce the impact of variations in interest rates on the group's profits and cash flow.

Liquidity Risk. The group has continued to manage its cash in a manner designed to ensure maximum benefit is gained, whilst ensuring security of investment sources. The group's policy on investment of surplus funds limits the placing of deposits to institutions with strong credit ratings.

Total net interest payable, including exchange gain, for the year ended 31 December 2002 totalled £2,373,000 compared with an interest charge of £2,124,000 in 2001. This includes £355,000 of joint venture interest (2001 £179,000). Interest receivable for the year ended 31 December 2002 totalled £522,000 compared with £461,000 the previous year. The increase in net interest payable reflects the trading of the two cable ships for a full year and inclusion of the group's share of AWSR interest payable £244,000. The effect of re-valuing the group's US Dollar loans at the balance sheet dates produced an exchange gain of £501,000.

During 2002 scheduled capital payments of £16,922,000 were made on the group's borrowings.

Cash and short term deposits decreased during 2002 by £1,921,000 to £4,904,000 at 31 December 2002.

The group had net debt of £48,068,000 at the year end (2001 £61,658,000) which comprises £4,904,000 of cash, offset by £52,972,000 of borrowings. The net gearing reduced from 82.3% at January 2002 to 58.1% at December 2002.

Foreign Exchange Risk. The group's current activities are principally sterling based with the exception of some US dollar earnings and US dollar loans. The US Dollar income

"We also believe the opportunities for expansion in the provision of such services in the marine and related industries are many and varied."

is utilised to cover US Dollar expenditure, with the surplus sold forward or in the market. The impact of changes in foreign exchange rates is, reduced by the natural hedge of dollar expenditure. The group's limited exposure to translational currency exposure arises from sales and purchases in currencies other than the group's base currency.

Under the group's foreign exchange policy any significant capital exposure is hedged once known, mainly through the use of forward foreign exchange contracts. The group's US Dollar loans are serviced from US Dollar earnings from the cable vessels.

The group's treasury function is subject to policies and procedures agreed by the board. Its purpose is to manage the financial risks of the business effectively and to secure finance at minimum cost. Its activities are covered by guidelines, exposure limits, controls and a system of authorities. Speculative use of financial instruments is not permitted and none has occurred during the year.

A treasury report is submitted to each board meeting and performance is monitored closely.

Taxation

The group elected to enter the new UK tonnage tax regime from 1 January 2000. The election, which will be renewed on a rolling basis, is for ten years and was renewed in August 2002.

The group pays tonnage tax calculated by reference to the net tonnage of qualifying vessels which for the current year is £30,000 (2001 £33,000).

The group's activities which do not qualify under the tonnage tax regime remain subject to normal corporation tax. The corporation tax charge is £524,000 (2001 £266,000) for these activities for the current year.

The overall tax credit for the group is £318,000 (2001 £436,000 charge) which also includes a prior year corporation tax charge of £277,000 (2001 £122,000) and a release of provision for deferred tax of £1,179,000, no longer required.

The tonnage tax regime eliminates the need to provide for deferred tax on accelerated capital allowances for activities that fall within tonnage tax. Activities outside tonnage tax continue to provide for deferred tax in full.

Dividends and reserves

The proposed final dividend of 3.74 pence per ordinary share would result in a total distribution for the year of 5.94 pence per ordinary share, an increase of 14% over that declared in 2001. The ordinary dividend is covered 3.5 times by profit attributable to the ordinary shareholders.

Changes in financial reporting requirements

The financial information has been prepared on the basis of the accounting policies set out in the group's statutory accounts for the year ended 31 December 2001 except that the group's financial statements for the current year has adopted FRS 18 "Accounting Policies" and FRS 19 "Deferred Tax". Adoption of FRS 18 and 19 has not required any revision to the financial statements in either the current or prior years.

"Strong growth in both operating and pre tax profit. Net gearing reduced from 82.3% at January 2002 to 58.1% at December 2002."

Directors

Timothy C. Harris Executive chairman (aged 55)
Joined the board on 26 September 2001 and became chairman on 1 January 2002. Formerly chief executive officer of P & O Nedlloyd Container Line Limited, chairman of P & O Containers Limited and chief executive of P & O's cruise interests. He was also president of the Chamber of Shipping from March 1995 to March 1996.

R. Angus F. Buchanan Chief executive officer (aged 39)
Joined James Fisher Tankships Limited in June 1997 as director and general manager from Yarrow Shipbuilders where he was project director responsible for the production of Type 23 and Horizon Warships contracts. He was appointed managing director of James Fisher Tankships Limited in January 1998, to the board of James Fisher and Sons Public Limited Company in March 1998 and chief executive officer on 23 January 2002.

Ian M. Serjent Marine and technical services director (aged 60)
Joined Coe Metcalf Shipping Limited in 1974 as assistant superintendent progressing to technical director in 1982 and has over 30 years experience in operational management, the offshore industry and ship construction and conversion. He joined the board of James Fisher and Sons Public Limited Company in March 1998 and was appointed marine and technical services director on 23 January 2002.

Michael J. Shields Group finance director (aged 56)
Joined the group in 1964 and has worked extensively throughout the group's chartering, ship operations and previous port activities. In 1983 he became group accountant and treasurer, first becoming a main board director in 1986. He was appointed group finance director in 1996.

Sir David W. Hardy Senior non-executive director (aged 72) *#
Is the senior non-executive director. He is also chairman of the Trustees, National Maritime Museum, Greenwich and the Transport Research Foundation. He is also a director of Sterling Lloyd Holdings plc and Fitzhardinge Plc.

Terence Moore Non-executive director (aged 71) *#
Joined the board as a non-executive director in 1998. He retired from Conoco Limited as chief executive officer of operations in the UK. He is also a director of The Institute of Petroleum and of Conoco and Pension Fund Trustees Limited.

Anthony R.C.B. Cooke Non-executive director (aged 61) *#
Joined the board on 23 January 2002. He has wide experience in commercial shipping, having been responsible for the management buy-out of Ellerman Lines Plc in 1985 and its subsequent sale to Trafalgar House in 1987. Recently he was chairman of Andrew Weir Shipping Limited and was president of the Chamber of Shipping in 1997. He is currently a director of the Baltic Exchange and president of the Institute of Chartered Shipbrokers.

* Audit Committee
# Remuneration and Nominations Committee:

Report of the Directors

The directors present their report and the group financial statements of James Fisher and Sons Public Limited Company for the financial year ended 31 December 2002.

Principal activities

The principal activities of the group are the provision of specialist marine services including: the coastal delivery of refined petroleum products, the laying of sub-sea fibre optic cables and the provision of technical engineering, consultancy and advisory services in the marine environment.

A review of the activities and future prospects of the group is included in the chairman's statement.

Results and dividends

The group profit for the financial year after taxation amounted to £10,036,000, from which a preference dividend of £4,000 and an interim dividend of £1,062,000 were paid during the year. The directors recommend a final dividend of 3.74p per share amounting to £1,816,000 making 5.94p and £2,878,000 for the year.

Fixed assets

An independent professional valuation of the group's ships was undertaken in December 2002 which resulted in a deficit of £20.6 million on net book value of ships and refit. The deficit is not reflected in the financial statements. The directors have performed an impairment review based on the value in use of the ships and are satisfied that no impairment has occurred.

The movement in tangible fixed assets during the financial year is set out in note 13 to the financial statements on pages 37 and 38.

Directors

The current members of the board of directors are listed on page 9.

Mr. Anthony R.C.B. Cooke was appointed a non-executive director on 23 January 2002 and on that date Sir Julian Oswald GCB and Mr. Jeremy G. Hodgson retired as non-executive directors.

Brief biographical details of the directors seeking re-election are as follows:

Sir David W. Hardy. Senior non-executive director. Age 72.
Chairman of the Trustees, National Maritime Museum, Greenwich; Transport Research Foundation.
Director Stirling Lloyd Holdings plc and Fitzhardinge Plc.

Terence Moore. Non-executive director. Age 71.
Retired from Conoco Limited as Chief Executive Officer of operations in the UK. Director Institute of Petroleum; Conoco and Pension Fund Trustees Limited.

Michael J. Shields. Group finance director. Age 56.
Joined the group in 1964 and has worked extensively throughout the group's chartering, ship operations and previous port activities. In 1983 he became group accountant and treasurer, first becoming a main board director in 1986.

The interests of the directors, who held office at the end of the financial year, in the ordinary shares and in options to acquire ordinary shares in group companies appear in the report on directors' remuneration.

All executive directors, other than the chairman who has a six month rolling service contract, have one year rolling service contracts with the company. None of the other directors have contracts of service with either the company or any group undertaking.

No contract in relation to the group's business in which the directors of the company had an interest existed at 31 December 2002 or at any time during 2002.

During the financial year the company has maintained cover for its directors under a directors' liability insurance policy, as permitted by the Companies Act 1989.

Substantial shareholders

On 3 March 2003 the following were interested in 3 per cent or more of the company's issued share capital:

	Ordinary No.	Shares %	Preference No.	Shares %
Rowland Frederick Hart Jackson (non-beneficial)	8,932,060	18.4		
Jupiter Asset Management	3,356,000	6.9		
Therapia Investments Limited	3,020,951	6.2	100,000	100
Hermes Pension Management	2,411,649	5.0		
Artemis UK	2,300,000	4.7		
Prudential Corporation Group	2,222,441	4.6		
Legal and General Investment Management	1,690,000	3.5		

Charitable and political contributions

During the financial year the group made no political contributions (2001 £nil).

Charitable contributions made during the financial year totalled £10,250 (2001 £10,475).

Employees

The group has maintained its policy of informing employees of matters regarding the development of the group and financial factors affecting its performance by staff briefings and bulletins.

A savings related share option scheme was introduced in 1995 and is open to all eligible employees. An executive share option scheme was also introduced in 1995 in which the directors may grant options to nominated employees.

A long term incentive plan (LTIP) was introduced in 2001 following shareholders approval in which the directors may recommend these options to nominated employees.

It is the policy of the group to ensure all sections of the community at large have equal opportunities in matters relating to employment. An updated policy statement, that reflects recent changes in legislation, has been introduced.

The group actively encourages the training of its employees through participation in industry training schemes. Additionally, in-house training is provided for administrative staff.

Special business at the Annual General Meeting

At the Annual General Meeting on 2 May 2003 resolutions 8, 9, 10 and 11 will be special business. The special business covers approval of the amendments to the Savings Related Share Option Scheme, the directors' authority to allot shares, the partial disapplication of pre-emption rights and the company's authority to purchase its own shares. Details of the resolutions are set out in the Notice of Annual General Meeting on pages 61 and 62 and the explanatory notes thereto on page 62.

In the opinion of the directors, the passing of these resolutions is in the best interests of the shareholders.

Supplier payment terms

It is the company's policy to comply with the terms of payment agreed with its suppliers. Where payment terms are not negotiated the company endeavours to adhere to suppliers' standard terms.

At 31 December 2002 the company had an average number of 44 days purchases outstanding in trade creditors (2001 32 days).

Environmental policy

The group recognises its responsibilities towards the protection of the environment by operating a management system that upholds the procedures necessary to ensure high standards and safe practices in all ship operations to prevent damage to the environment.

Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office and their re-appointment as auditors in accordance with section 385 of the Companies Act 1985 will be proposed at the Annual General Meeting.

By order of the Board

J.T. Blyth
Secretary

3 March 2003

Corporate Governance Statement

The company is committed to high standards of corporate governance. The board is accountable to the company's shareholders for good corporate governance. This statement describes how the principles of corporate governance are applied to the company and the company's compliance with the code provisions set out in section 1 of the Combined Code prepared by the Committee on Corporate Governance chaired by Sir Ronald Hampel and recommendations contained in the Turnbull Report.

Statement of compliance with the Code of Best Practice

The directors consider that the company has complied throughout the year with the Provisions of the Code of Best Practice set out in section 1 of the Combined Code.

Code Provision D.3.1 requires the members of the audit committee to be named in the report and accounts. Sir David W. Hardy and Terence Moore served on the committee throughout the year. Anthony R.C.B. Cooke served on the committee from the date of his appointment.

The workings of the board and its committees

The board is responsible to shareholders for the proper management of the group and currently comprises an executive chairman, three executive directors and three non-executive directors. The board consider that each director demonstrates a range of experience and sufficient calibre to bring independent judgement to bear on issues of strategy, performance, resource and standards of conduct, which is vital to the success of the group. A statement of directors' responsibilities and a statement on going concern are given on page 19. The board meets on a regular basis with a schedule of matters reserved for it to decide including setting and monitoring group strategy, reviewing trading performance, ensuring adequate funding, examining major acquisition possibilities, formulating policy on key issues and reporting to shareholders.

All directors have access to independent professional advice as required. In addition, the company ensures that the directors receive appropriate training as and when necessary. To ensure that the board is able to discharge all its duties, all directors receive appropriate and timely information, with board papers being issued to all directors in advance of the board meetings and the company secretary ensures that board procedures are followed and that all applicable rules and regulations are complied with.

The following committees deal with the specific aspects of the group's affairs:

- The audit committee is formally constituted with a written basis of reference, meets at least twice a year and has consideration of the cost effectiveness, independence and objectivity of the external auditors. Meetings are also attended by the chairman, chief executive and group finance director. In addition the audit committee meets the external auditors without the executive management present.
- The remuneration and nominations committee, comprising the non-executive directors, is responsible for proposing candidates for appointment to the board, having regard to the balance and structure of the board. It meets as required to review the performance of the executive directors, to recommend their remuneration and other benefit packages, pension rights and compensation payments. The report on directors' remuneration is shown on pages 14 to 19 and provides further details of the company's policies on remuneration and service agreements.

All directors are subject to re-election every three years in accordance with the Articles of Association.

Relations with shareholders

The board takes the opportunity at the Annual General Meeting to meet and communicate with private and institutional shareholders and welcomes their involvement. In addition the executive directors conduct briefings with institutional shareholders. Shareholders are also kept informed on the group's website. The chairman's statement on pages 2 to 5 and the operating and financial review on pages 6 to 8 provide a detailed review of the group's performance and future developments. Further regular dialogue is maintained through the issue of interim accounts and a preliminary announcement.

Maintenance of a sound system of internal control

In applying Principle D.2 of the Combined Code that the board should maintain a sound system of internal control to safeguard shareholders' investment and the group's assets, the directors recognise that they have overall responsibility for ensuring that the group maintains a system of internal control to provide them with reasonable assurance regarding effective and efficient operations, internal financial control and compliance with laws and regulations. However, there are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, and not absolute, assurance.

The group has established the procedures necessary to implement the guidance published on internal control issued by the Turnbull Committee. These include the following:

- A risk committee meets at least four times a year and includes representatives from throughout the organisation. Its terms of reference are to identify, monitor and report risks facing the group throughout the year and to report these findings to the board of directors.

- The executive directors meet at least four times a year to discuss risk management and internal control issues and to determine a control strategy for each of the significant risks.
- A risk management policy document has been written and is available to all employees setting out the board's attitude to risks in the achievement of business objectives.
- The monthly management information is continually reviewed to highlight indicators of risk.
- Risk management and internal control is included as an agenda item at board meetings.
- There is a full risk and control assessment carried out by the board at the end of each financial year before reporting on the annual report and accounts.

The internal auditor's work includes appropriate compliance testing and reports to the audit committee twice a year.

The key features of the internal control system that operated throughout the year are as follows:

- ***Control environment.*** The board has put in place a documented organisational structure with clearly defined and understood lines of responsibility and delegation of authority from the board to operating units. Each operating unit is required to operate in accordance with established policies and procedures. A "Group Guide to Policies and Procedures" is available which provides details of the key aspects to be followed and the overall environment in which the operating units are expected to function. This includes the group's ethical code and specific guidelines covering treasury, employment, health and safety, and environmental issues.
- ***Information systems.*** The group operates a comprehensive annual planning and budgeting system with a half yearly forecast, all of which are approved by the board. There is a financial reporting system which compares results with budget and the previous year on a monthly basis to identify any significant deviation from approved plans. A cash flow statement projected for a rolling twelve months is prepared on a quarterly basis and is used in determining that the group has adequate funding for its future needs. The actual cash flow is monitored on a monthly basis and compared to forecast. Financial reviews of the major operating units are undertaken on a monthly basis. Rolling forecasts for the year are updated on a monthly basis.
- ***Main control procedures.*** The board has adopted a schedule of matters which are required to be brought to it for decision thus ensuring that it maintains full and effective control over appropriate strategic, financial, organisational and compliance issues. Controls and procedures have been implemented which include defined procedures for seeking and obtaining approval for major transactions and organisational changes.
- ***Monitoring.*** The board has delegated to executive management implementation of the system of internal control. The audit committee reviews the operation and effectiveness of this system of internal control on a regular basis.
- ***Appropriate audit committee responsibilities and relationship with auditors.*** The audit committee is responsible for monitoring the controls in place and determines any corrective actions that it considers is appropriate in respect of internal control issues raised by the internal and external auditors. The external auditors meet with the audit committee without any executive directors being present twice each year.

The directors have reviewed the effectiveness of the group's system of internal control as it operated during the year.

Report on Directors' Remuneration

Information not subject to audit

Remuneration committee and advisors

Although the board considers itself ultimately responsible for the framework and cost of executive remuneration, it has delegated responsibility for the implementation of the executive remuneration policy and determining the specific remuneration levels and conditions of service of executive directors of the company and their senior executives of the company, to the remuneration committee. The committee's approach is fully consistent with the company's overall philosophy that all employees should be competitively rewarded to attract and retain their valued skills in the business, as well as supporting corporate strategy by directly aligning executive management with the company's strategic business goals.

The members of the committee are Sir David Hardy (chairman), Mr. Terry Moore and Mr. Anthony Cooke, each being an independent non-executive director of the company and having no personal financial interest, other than as shareholders, in the matters to be decided.

The committee, which was established in 1994 and operates under clear written terms of reference, confirms that its constitution and operation comply with the principles set out in the Combined Code on Corporate Governance, and has applied the principles in section 1 of the code throughout the year.

The remuneration committee has consulted Hurst Associates, a firm of executive remuneration consultants, to assist them in the structure of the remuneration policy of the company.

The remuneration strategy is kept under continuous review to maintain its value to all and relevance to the long-term objectives of the company.

Remuneration strategy

James Fisher and Sons Public Limited Company operates in a highly competitive international environment. For the company to continue to compete successfully, it is essential that the level of remuneration and benefits offered achieves the objectives of attracting, developing, retaining and motivating the necessary high quality pool of talented employees, at all levels across the company. The company therefore sets out to provide competitive remuneration to all its employees, appropriate to the business environment in those countries in which it operates.

The remuneration strategy is designed not only to align with the company's fundamental values of fairness, competitiveness and equity, but also to support the company's corporate strategy, as a significant contributor to competitive advantage. A cohesive reward structure - with a timely pay review process, consistently applied to all employees, with links to corporate performance recognised - is seen as critical in ensuring all employees can associate with, and the 'buy in' to the attainment of the company's strategic goals.

The company also seeks to align the interests of shareholders and employees at all levels by giving employees opportunities and encouragement to build up a shareholding interest in the company. Through a series of share plan initiatives, under the UK sharesave scheme, the majority of employees of the company, and its wholly owned subsidiaries, will have the opportunity to take up a shareholding interest.

Executive remuneration policy

The remuneration package for executive directors and senior management, as determined by the remuneration committee, is intended to attract and retain high quality executives is set by the committee, after extracting data from appropriate surveys, and taking advice from its consultant who was appointed by the committee. The main components are a base salary, benefits in kind, an annual cash bonus coupled with a share matching scheme, a Long Term Incentive Plan (LTIP) and pension benefits detailed below.

To align further the interest of executives and shareholders, the package is weighted towards performance-related elements including an annual cash bonus, which maximises at one-half annual salary and starting in 2003 an LTIP award of one-half of salary. Directors can also invest up to their gross bonus in a share matching scheme where lodged shares are matched 1:1 after a three-year period.

Base salary

Base salaries are reviewed annually and are determined by reference to individual responsibilities, performance and market value of the executive.

Benefits in kind

These principally comprise car benefits, life assurance and membership of the group's healthcare insurance scheme. These benefits do not form part of pensionable earnings.

Annual cash bonus

Executive directors can earn bonuses of up to one-half base salary, some seven-tenths by reference to financial targets agreed by the committee and three-tenths by individual achievement of agreed targets. These annual bonuses are not pensionable by the company, although the director can use them to support a personal pension.

Bonuses for the year to 31 December are shown in the table on page 16. Other senior executives also achieved a cash bonus for last year.

Under the share matching scheme incorporated in the Long Term Incentive Plan, which was approved in 2001, executive directors and senior management may elect to invest any proportion of the gross bonus in James Fisher and Sons Public Limited Company ordinary shares to be held by the Employee Benefits Trust; provided that the shares lodged are left in the Trust for three years, the participant will receive the original shares, plus additional shares equal in number to the original shares.

Long term incentive plan

Shareholders at the 2001 Annual General Meeting approved a long-term incentive plan. The rules of the plan authorise the committee to award annually shares up to one-half of annual salary to executive directors and employees, subject to the achievement of a performance target, and no award vests unless the target is met at the end of a three-year period. The target is that diluted earnings per ordinary share in the three-year period, at least equals the rate of inflation plus 9%.

The plan is to reward and incentivise executive directors and senior management who have responsibility for a significant achievement of profitability and growth for the company. This should enable the profit earners in the company to build up sizeable stakes in the company.

Executive share option scheme

The company has operated an Executive Share Option Scheme, which was approved by shareholders at the Annual General Meeting in 1995. Details of the awards made since to directors are on page 17. The options are exercised following the attainment of a performance condition measured over a continuous period of three years and which demonstrates the diluted earnings per share achieved, exceeds inflation by and is at least 9%.

In that no LTIP was awarded in 2002, it is intended this year to again award Executive Share Options to a small number of executives. Details of the awards will be shown in 2003 Annual Report and Accounts.

Current Executive Chairman's salary, incentives and benefits

Mr. Tim Harris became chairman on 1 January 2002. On the recommendation of certain institutional shareholders, he was awarded an incentive scheme that was tied to the reduction of the discount between the Net Asset Value (NAV) of the ordinary shares and the share price. The award was on a sliding scale and the welcome increase in the share price following his appointment meant that he received the maximum award of £100,000 having met the criteria before the half year.

By the half year it was evident that the chairman was spending the majority of each week on the company's business and so a new incentive was awarded. His annual salary was agreed at £185,000 per year and he became entitled to participate in the annual bonus scheme from 1 July 2002. He will also be awarded LTIP shares in the future. The executive chairman is not pensionable but is a member of the company's health scheme and he receives a cash sum in lieu of a company car.

Service contracts

The executive chairman's employment agreement is subject to six months' notice by either side. Other executive directors' employment agreements are subject to twelve months' notice by either side. There is no predetermined provision for compensation on termination within executive directors' service agreements.

Non-executive directors do not have service contracts but have a letter setting out their terms and conditions.

Remuneration policy for non-executive directors

Fees for non-executive directors are determined by the board as a whole, with regard to market practice within the restrictions contained within the Articles of Association. The non-executive directors do not take part in discussions on their own remuneration. They receive no other material pay or benefits (with the exception of reimbursements of expenses incurred in connection with their directorship of the company) and do not participate in the company's share schemes, bonus schemes or incentive plans and are not eligible for pension scheme membership.

Performance graph

This graph shows James Fisher and Sons Public Limited Company performance compared to the FTSE small cap index. The Index shows the share price growth plus reinvested dividends and provides a basis for comparison as a relevant equity index in which the group is a member.

Information subject to audit

Details of directors' remuneration

	Fees/basic salaries £000	Annual bonuses £000	Taxable benefits £000	2002 Total £000	2001 Total £000	2002 Money purchase pension contributions £000	2001 Money purchase pension contributions £000
Executive							
T.C. Harris	185	147	14	346	5	–	–
R.A.F. Buchanan	120	60	9	189	134	–	–
I.M. Serjent	103	50	16	169	131	–	–
M.J. Shields	89	44	9	142	134	–	–
D.B. Cobb	–	–	–	–	240	–	37
Non-executive							
Sir David W. Hardy	25	–	–	25	22	–	–
T. Moore	23	–	–	23	20	–	–
A.R.C.B. Cooke	21	–	–	21	–	–	–
Sir J. Julian R. Oswald	1	–	–	1	20	–	–
J.G. Hodgson	1	–	–	1	20	–	–
Aggregate emoluments	568	301	48	917	726	–	37

Directors' share options

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the company granted to or held by the directors. Details of the options are as follows:

	1 January 2002 No.	Granted No.	Exercised No.	31 December 2002 No.	Gains on exercise 2002 £
T.C. Harris	–	–	–	–	–
R.A.F. Buchanan	168,460	–	(5,867)	162,593	997
I.M. Serjent	200,000	–	–	200,000	–
M.J. Shields	217,630	3,445	–	221,075	–
Total	586,090	3,445	(5,867)	583,668	997
		(1)	(2)		

At 1 January 2002 and 31 December 2002 the options held were as follows:

	Number of share options 1 January 2002 No.	Number of share options 31 December 2002 No.	Option exercisable price per share	Date from which exercisable	Expiry date
R.A.F. Buchanan	5,867	–	147p	06.10.02	06.04.03
	150,000	150,000	122p	17.10.00	17.10.07
	12,593	12,593	67p	12.10.03	12.04.04
	168,460	162,593			
I.M. Serjent	100,000	100,000	65p	24.05.98	24.05.05
	100,000	100,000	122p	17.10.00	17.10.07
	200,000	200,000			
M.J. Shields	100,000	100,000	65p	24.05.98	24.05.05
	100,000	100,000	122p	17.10.00	17.10.07
	17,630	17,630	67p	12.10.03	12.04.04
	–	3,445	143p	01.11.07	01.05.08
	217,630	221,075			

The market value of the 25p ordinary share at 31 December 2002 was 164p having ranged between 98p and 177½p during the financial year.

The performance condition of the Executive Share Option Scheme states that the option is exercisable only if the growth in diluted earnings per share achieved by the company for any three year period exceeds the growth in inflation for the same three year period and is at least 9%.

(1) On 26 September 2002 Mr. M.J. Shields was granted 3,445 shares at 143p under the Savings Related Share Option Scheme.

(2) On 30 December 2002 Mr. R.A.F. Buchanan exercised his Savings Related Share Options 1997 offer at £1.47 per share and retained the shares.

Report on Directors' Remuneration continued

Long-term incentive plan (LTIP)

There is a potential award of share options to directors following the introduction of a long-term incentive plan. Interests in the shares awarded will become vested in the directors after a period of three years from 10 July 2001 to 10 July 2004 provided the increase in diluted earnings per ordinary share in the three year period at least equals the rate of inflation plus 9%.

	1 January 2002 No.	Granted No.	31 December 2002 No.
T.C. Harris	–	–	–
R.A.F. Buchanan	40,000	–	40,000
I.M. Serjent	40,000	–	40,000
M.J. Shields	40,000	–	40,000
	120,000	–	120,000

Directors' pension entitlements

The following directors had accrued entitlements under a group defined benefit scheme as follows:

	Age at 31 December 2002	Accrued pension 1 January 2002 £000	Accrued pension 31 December 2002 £000	Increase £000	Increase after indexation £000	Transfer value of increase after indexation £000
R.A.F. Buchanan	38	6	11	5	5	18
I.M. Serjent	60	37	47	10	9	148
M.J. Shields	56	52	57	5	5	51

The pension entitlement shown is that which would be paid annually on retirement based on service to the end of the year.

The value of each directors' accrued benefits is as follows:

	Transfer value of accrued benefits 31 December 2002 £000	Transfer value of accrued benefits 31 December 2001 £000
R.A.F. Buchanan	45	27
I.M. Serjent	802	582
M.J. Shields	734	659

The transfer value has been calculated on the base of actuarial advice in accordance with Actuarial Guidance Note GN11 and is net of directors' contributions.

Members of the scheme have the option to pay Additional Voluntary Contributions; neither the contributions nor the resulting benefits are included in the above table.

Directors' interests

The directors who held office at 31 December 2002 had the following interests in the shares other than share options:

	Holdings of ordinary shares of 25p each	
	2002	2001
	No.	No.
T.C. Harris	53,984	53,984
R.A.F. Buchanan	23,867	8,000
I.M. Serjent	30,000	12,000
M.J. Shields	37,500	32,500
Sir David W. Hardy	20,000	20,000
T. Moore	–	–
A.R.C.B. Cooke	41,684	–

Sir David W. Hardy
Chairman of Remuneration Committee

3 March 2003

Statement of Directors' Responsibilities

Accounts, including adoption of going concern basis

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period.

In preparing the financial statements, the directors are required to: select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Other matters

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report

To the members of James Fisher and Sons Public Limited Company

We have audited the group's financial statements for the year ended 31 December 2002, which comprise group profit and loss account, group balance sheet, company balance sheet, group cash flow statement, and the related notes 1 to 32. These financial statements have been prepared on the basis of the accounting policies set out therein. We have also audited the information in the report on directors' remuneration that is described as having been audited.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report, the report on directors' remuneration and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements and the part of the report on directors' remuneration to be audited in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards and the Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the report on directors' remuneration to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the listing rules regarding directors' remuneration and transactions with the group is not disclosed.

We review whether the corporate governance statement reflects the company's compliance with the seven provisions of the combined code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises the report of the directors, unaudited part of the report on directors' remuneration, chairmans' statement, operating and financial review and corporate governance statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the report on directors' remuneration to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the report on directors' remuneration to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the report on directors' remuneration to be audited.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group at 31 December 2002 and of the profit of the group for the year then ended; and the financial statements and the part of the report on directors' remuneration to be audited have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
Liverpool

Ernst & Young LLP

3 March 2003

Group Profit and Loss Account

	Notes	2002 Continuing operations £'000	2002 Discontinued operations £'000	2002 Total £'000	2001 Continuing operations £'000	2001 Discontinued operations £'000	2001 Total £'000
Turnover:							
group and share of joint ventures		**72,112**	**210**	**72,322**	65,425	2,965	68,390
less share of joint ventures		**(1,133)**	**(78)**	**(1,211)**	–	(823)	(823)
		70,979	**132**	**71,111**	65,425	2,142	67,567
ongoing		**70,063**	**–**	**70,063**	65,425	–	65,425
discontinued		**–**	**132**	**132**	–	2,142	2,142
acquisitions		**916**	**–**	**916**	–	–	–
Group turnover	2	**70,979**	**132**	**71,111**	65,425	2,142	67,567
Cost of sales	3	**(53,114)**	**(155)**	**(53,269)**	(48,965)	(2,948)	(51,913)
Gross profit		**17,865**	**(23)**	**17,842**	16,460	(806)	15,654
Administrative expenses	3	**(4,324)**	**–**	**(4,324)**	(4,005)	–	(4,005)
Group operating profit/(loss)							
ongoing		**13,403**	**–**	**13,403**	12,455	–	12,455
discontinued		**–**	**(23)**	**(23)**	–	(806)	(806)
acquisitions		**138**	**–**	**138**	–	–	–
	4	**13,541**	**(23)**	**13,518**	12,455	(806)	11,649
Share of operating profit/(loss) in joint ventures		**568**	**(866)**	**(298)**	–	(1,943)	(1,943)
Total operating profit: group and share of joint ventures		**14,109**	**(889)**	**13,220**	12,455	(2,749)	9,706
Loss on sale of ships	5	**(327)**	**(8)**	**(335)**	–	(390)	(390)
Provision for termination of business	5	**–**	**(794)**	**(794)**	–	–	–
Port closure	5	**–**	**–**	**–**	–	885	885
		13,782	**(1,691)**	**12,091**	12,455	(2,254)	10,201
Net interest payable (before exchange gain)		**(2,763)**	**(111)**	**(2,874)**	(1,945)	(179)	(2,124)
Exchange gain on loan conversion		**501**	**–**	**501**	–	–	–
	6	**(2,262)**	**(111)**	**(2,373)**	(1,945)	(179)	(2,124)
Profit/(loss) on ordinary activities before taxation		**11,520**	**(1,802)**	**9,718**	10,510	(2,433)	8,077
Taxation	9	**343**	**(25)**	**318**	(178)	(258)	(436)
Profit/(loss) on ordinary activities after taxation		**11,863**	**(1,827)**	**10,036**	10,332	(2,691)	7,641
Dividends							
Non equity	10	**(4)**	**–**	**(4)**	(4)	–	(4)
Equity		**(2,832)**	**–**	**(2,832)**	(2,480)	–	(2,480)
		(2,836)	**–**	**(2,836)**	(2,484)	–	(2,484)
Retained profit for the year		**9,027**	**(1,827)**	**7,200**	7,848	(2,691)	5,157

	Notes	2002 pence	2001 pence
Basic earnings per ordinary share	11	**21.11**	16.01
Diluted earnings per ordinary share	11	**20.93**	15.91
Ordinary dividends paid or payable:			
Interim	10	**2.20**	1.96
Final	10	**3.74**	3.25
		5.94	5.21

Group Statement of Recognised Gains and Losses

There are no recognised gains or losses in either year other than the profit for that financial year.

Group Balance Sheet

	Notes	at 31 December 2002 £'000	2001 £'000
Fixed assets			
Intangible assets - goodwill	12	**2,721**	617
Tangible assets	13	**126,109**	137,827
Investments	14	**2,397**	1,795
		131,227	140,239
Current assets			
Stocks	15	**1,115**	695
Debtors	16	**14,918**	15,725
Cash and short-term deposits	17	**4,904**	6,825
		20,937	23,245
Creditors: amounts falling due within one year	18		
Trade and other		**(15,854)**	(18,763)
Bank loans	20	**(8,614)**	(11,952)
		(24,468)	(30,715)
Net current liabilities		**(3,531)**	(7,470)
Total assets less current liabilities		**127,696**	132,769
Creditors: amounts falling due after more than one year	19		
Trade and other		**(500)**	(5)
Bank loans	20	**(44,358)**	(56,531)
		(44,858)	(56,536)
Provisions for liabilities and charges	22	**(147)**	(1,298)
Net assets		**82,691**	74,935
Capital and reserves			
Called up share capital	23	**12,238**	12,168
Share premium account	24	**23,380**	23,050
Profit and loss account	24	**47,073**	39,717
Shareholders' funds	25	**82,691**	74,935

Included in called up share capital are non-equity interests as disclosed in note 23. The analysis of shareholders' funds between equity and non-equity interests is shown in note 25.

The accounts were approved by the board of directors on 3 March 2003 and were signed on its behalf by:

T.C. Harris *Director*

Company Balance Sheet

	Notes	at 31 December 2002 £'000	2001 £'000
Fixed assets			
Tangible assets	13	**3,085**	3,200
Investments	14	**49,575**	47,057
		52,660	50,257
Current assets			
Stocks	15	**6**	4
Debtors	16	**10,499**	11,397
Cash and short-term deposits	17	**3,712**	4,650
		14,217	16,051
Creditors: amounts falling due within one year	18		
Trade and other		**(11,124)**	(11,620)
Bank loans	20	**-**	(3,209)
		(11,124)	(14,829)
Net current assets		**3,093**	1,222
Total assets less current liabilities		**55,753**	51,479
Creditors: amounts falling due after more than one year	19		
Trade and other		**(500)**	–
Provisions for liabilities and charges	22	**-**	(41)
Net assets		**55,253**	51,438
Capital and reserves			
Called up share capital	23	**12,238**	12,168
Share premium account	24	**23,380**	23,050
Profit and loss account	24	**19,635**	16,220
Shareholders' funds	25	**55,253**	51,438

Included in called up share capital are non-equity interests as disclosed in note 23. The analysis of shareholders' funds between equity and non-equity interests is shown in note 25.

The accounts were approved by the board of directors on 3 March 2003 and were signed on its behalf by:

T.C. Harris *Director*

Group Cash Flow Statement

	Notes	Year ended 31 December 2002 £'000	2001 £'000
Net cash inflow from operating activities	27(a)	**24,712**	18,829
Returns on investments and servicing of finance	27(b)	**(2,548)**	(3,097)
Taxation	27(c)	**(542)**	119
Capital expenditure and financial investment	27(d)	**(2,653)**	(25,879)
Acquisitions and disposals	27(e)	**(3,310)**	(2,592)
Equity dividends paid		**(2,570)**	(2,370)
Cash inflow/(outflow) before management of liquid resources and financing		**13,089**	(14,990)
Management of liquid resources	27(f)	**-**	1,389
Financing	27(g)	**(15,010)**	15,901
(Decrease)/increase in cash in the year		**(1,921)**	2,300

	Notes	2002 £'000	2001 £'000
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash in the year	27(h)	**(1,921)**	2,300
Cash outflow/(inflow) from decrease/(increase) in debt	27(h)	**15,010**	(15,901)
Cash inflow from decrease in liquid resources	27(h)	**-**	(1,389)
Movement in net debt in the year		**13,089**	(14,990)
Exchange differences		**501**	–
Net debt at 1 January	27(h)	**(61,658)**	(46,668)
Net debt at 31 December	27(h)	**(48,068)**	(61,658)

Notes to the Financial Statements

for the year ended 31 December 2002

1. Accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the year and the preceding year, with the exceptions set out below.

Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

In preparing the financial statements for the current year, the group has adopted FRS 18 "Accounting Policies" and FRS 19 "Deferred Tax". Adoption of FRS 18 and FRS 19 has not required any revisions to the financial statements in either the current or prior years.

Basis of preparation of group accounts
The accounts comprise a consolidation of the company and its subsidiary undertakings made up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method of accounting.

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other ventures under a contractual arrangement and are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method.

As permitted by section 230 of the Companies Act 1985, a separate profit and loss account for the holding company has not been presented in these financial statements. The profit after taxation for the financial year of the holding company was £6,095,000 (2001 £4,727,000).

Intangible assets - goodwill
Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life up to a presumed maximum of twenty years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill arising on acquisitions in the year ended 31 December 1997 and earlier periods was written off to reserves in accordance with the accounting standard then in force. As permitted by the current accounting standard the goodwill previously written off to reserves has not been reinstated in the balance sheet. On disposal or closure of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit or loss on disposal.

Finance costs
Finance costs of debt and non-equity shares are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Tangible fixed assets
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Refit costs are capitalised and amortised over a 30 month period.

Depreciation is provided to write-off the cost of tangible fixed assets less accumulated depreciation in annual instalments over their remaining estimated useful lives. The principal rates used are:

Ships	4% to 10%
Freehold property	2.5%
Leasehold property	
long term	2.5%
short term	Over the period of lease
Plant and equipment	5% to 20%

1. Accounting policies (continued)

No depreciation is charged on assets under construction.

The calculation of depreciation on owned ships takes into account their estimated residual value.

The cost of tangible fixed assets includes directly attributable finance costs, calculated on a day to day basis, on expenditure incurred during construction and modification. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments
Fixed asset investments are shown at cost less provision for impairment.

Stock
Stock is valued at the lower of cost and net realisable value.

Taxation
Tonnage tax payable is provided by reference to net tonnage of qualifying vessels at the current rate.

Corporation tax payable is provided on taxable profits from activities not qualifying for the tonnage tax regime at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All exchange differences are taken to the profit and loss account.

Accounting for leases
As a lessor
Amounts receivable under finance leases are included under debtors and represent the total amount outstanding under lease agreements less unearned income. Finance lease income, having been allocated to accounting periods to give a constant rate of return on the net cash investment, is included in turnover.

Rentals receivable under operating leases are credited to turnover on a straight line basis over the lease term.

1. Accounting policies (continued)

As a lessee
Rentals payable under operating leases are charged in arriving at the operating profit for the year on a straight line basis over the lease term.

Pension costs
The estimated regular cost of providing benefits under defined benefit pension schemes is charged to the profit and loss account in the financial year in which benefits are earned on the basis of independent actuarial advice. Variations from regular cost are charged or credited to the profit and loss account over the average remaining service life of scheme members. Differences between amounts charged to the profit and loss account and amounts funded are shown as either provisions or prepayments in the balance sheet. Contributions are calculated as a percentage, agreed on actuarial advice, of the pensionable salaries of employees.

Following the issue of FRS 17 "Retirement Benefits" by the Accounting Standards Board additional disclosures are shown in note 28 on pages 54 to 56.

Refit costs
For vessels held by the group under operating leases, where there is a contractual obligation to maintain the ships, provision is made on a straight line basis as the vessels are used, towards the future cost of refits to the end of the lease. The provision is utilised as expenditure is incurred.

For vessels owned by the group, and for which the group is responsible for maintenance, the accounting policy is detailed within the tangible fixed assets accounting policy above.

Derivatives and other financial instruments
The group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes. The group also uses interest rate swaps to adjust interest rate exposures.

Forward foreign currency contracts
The criteria for forward foreign currency contracts are:
- the instrument must be related to a firm foreign currency commitment;
- it must involve the same currency as the hedged item; and
- it must reduce the risk of foreign currency exchange movements on the group's operations.

The rates under such contracts are used to record the hedged item. As a result, gains and losses are offset against the foreign exchange gains and losses on the related financial assets and liabilities, or where the instrument is used to hedge a committed future transaction, are not recognised until the transaction occurs.

Interest rate swaps
The group's criteria for interest rate swaps are:
- the instrument must be related to an asset or a liability; and
- it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa.

Interest differentials are recognised by accruing with net interest payable. Interest rate swaps are not revalued to fair value or shown on the group balance sheet at the year end. If they are terminated early, the gain/loss is spread over the remaining maturity of the original instrument.

Turnover
Turnover, after excluding trade discounts and value added tax, represents the earnings from the provision of goods and services falling within the group companies' ordinary activities and the group's percentage interest in earnings of joint ventures.

2. Segmental analysis

Geographical market supplied	**2002**		2001	
	£'000	**%**	£'000	%
Turnover				
Continuing operations				
Tankships				
United Kingdom and the Republic of Ireland	**41,451**	**58**	40,657	60
Continental Europe	**4,577**	**7**	6,615	10
	46,028	**65**	47,272	70
Cable ships				
United Kingdom and the Republic of Ireland	**5,005**	**7**	5,422	8
Americas	**11,838**	**17**	4,715	7
	16,843	**24**	10,137	15
Marine support services				
United Kingdom and the Republic of Ireland	**6,960**	**10**	7,697	12
Continental Europe	**432**	**–**	248	–
Americas	**637**	**1**	7	–
Africa	**79**	**–**	29	–
Middle East	**–**	**–**	35	–
	8,108	**11**	8,016	12
Discontinued operations				
Shipping operations				
United Kingdom and the Republic of Ireland	**132**	**–**	2,140	3
Port operations				
United Kingdom and the Republic of Ireland	**–**	**–**	2	–
	132	**–**	2,142	3
Group turnover	**71,111**	**100**	67,567	100

Notes to the Financial Statements continued

2. Segmental analysis (continued)

Turnover and profit on ordinary activities before taxation

	2002		2001	
Group	**Turnover**	**Profit**	Turnover	Profit
Continuing operations	**£'000**	**£'000**	£'000	£'000
Tankships	**46,028**	**6,150**	47,272	7,759
Cable ships	**16,843**	**8,260**	10,137	5,521
Marine support services	**8,108**	**3,455**	8,016	3,180
	70,979	**17,865**	65,425	16,460
Share of operating profit in joint venture	–	**568**	–	–
Loss on sale of ships	–	**(327)**	–	–
	70,979	**18,106**	65,425	16,460
Discontinued operations				
Shipping operations:				
Segment operating loss	**132**	**(23)**	2,140	(713)
Loss on sale of ships	–	**(8)**	–	(123)
Provision for loss on disposal	–	–	–	(267)
Share of operating loss in joint venture	–	**(866)**	–	(1,943)
Share of provision for loss on disposal	–	**(464)**	–	–
Provision for termination of business	–	**(330)**	–	–
Port operations:				
Segment operating loss	–	–	2	(93)
Release of port closure provision	–	–	–	989
Profit on sale of fixed assets	–	–	–	2,597
Amounts written off fixed asset investment	–	–	–	(2,701)
	132	**(1,691)**	2,142	(2,254)
	71,111	**16,415**	67,567	14,206
Common costs		**(4,324)**		(4,005)
Net interest payable (before exchange gain)		**(2,874)**		(2,124)
Exchange gain on loan conversion		**501**		–
		(2,373)		(2,124)
		9,718		8,077

Net operating assets

	2002	2001
	£'000	£'000
Continuing operations		
Tankships	**67,923**	71,024
Cable ships	**55,833**	59,876
Marine support services	**7,806**	6,723*
Discontinued operations		
Shipping operations	–	320
	131,562	137,943

2. Segmental analysis (continued)

The net operating assets are reconciled to shareholders' funds as follows:

	2002	2001
	£'000	£'000
Net operating assets	**131,562**	137,943
Group share of joint venture	**344**	–
Loans to joint venture	**1,997**	1,071
Loan from joint venture	**(944)**	–
Own shares held under trust	**896**	638
Net borrowings	**(48,068)**	(61,658)
Corporation tax	**(653)**	(227)
Deferred tax	**(147)**	(1,298)
Deferred consideration	**(500)**	–
Dividends payable	**(1,796)**	(1,534)
	82,691	74,935

* The net operating assets for marine support services has been restated at 31 December 2001 from £7,361,000 to £6,723,000 to adjust for the own shares held under trust.

3. Cost of sales, gross profit and administrative expenses

The total figures for continuing operations in 2002 include the following amount relating to the acquisition of Rumic Limited; cost of sales £778,000, administration expenses £nil.

4. Group operating profit

	2002	2001
	£'000	£'000
Group operating profit is stated after charging/(crediting):		
Auditors' remuneration:		
- audit services *	**73**	69
- non audit services **	**32**	11
	105	80

* £27,000 (2001 £34,000) of this relates to the company

** This amount excludes Ernst & Young LLP fees in respect of the acquisition of Rumic Limited amounting to £38,000.

Amortisation of goodwill	**58**	38
Depreciation of tangible fixed assets		
– ships	**6,988**	5,977
– refit costs	**2,130**	2,018
– others	**700**	700
	9,818	8,695
Profit on sale of other tangible fixed assets	**(44)**	(100)
Operating lease rentals:		
– property	**174**	121
– others	**3,759**	3,321
Share based compensation	**156**	89

5. Exceptional items reported after group operating profit

Continuing shipping operations

	2002 £'000	2001 £'000
Loss on sale of ships	**(327)**	-

The loss on sale of ships of £327,000 represents the disposal of the m.t. "Oarsman" during the year.

Discontinued shipping operations

	2002 £'000	2001 £'000
Loss on sale of ships	**(8)**	(123)
Provision for loss on disposal	-	(267)
Provision for termination of business	**(794)**	-
	(802)	(390)

Discontinued port operations

	2002 £'000	2001 £'000
Release of port closure provision	-	989
Profit on sale of fixed assets	-	2,597
Amounts written off fixed asset investment	-	(2,701)
	-	885

The loss on sale of ships of £8,000 (2001 £123,000) represents the disposal of the remaining dry cargo vessels following the decision to withdraw from this market.

On 28 January 2003 the dsv "Fisher Cavalier", a ship owned by the group's joint venture company, Fisher Offshore Services Limited, was sold and a provision of £794,000 was made representing the group's share of loss on sale of vessel of £464,000 and a provision on termination of business of £330,000.

In 2001 the group concluded the disposal of the port of Newhaven which resulted in a net profit of £885,000.

The taxation effects of the exceptional items reported after operating profit were:

	2002 £'000	2001 £'000
Continuing operations:		
Loss on sale of ships	-	-
Discontinued operations:		
Loss on sale of ships	-	-
Provision for termination of business	-	-
Port closure	-	(242)
	-	(242)

6. Net interest payable

	2002 £'000	2001 £'000
Interest payable on:		
Bank loans	**(3,000)**	(3,784)
Other interest	**(41)**	(3)
	(3,041)	(3,787)
Interest capitalised	**-**	1,381
Interest receivable	**522**	461
	(2,519)	(1,945)
Joint ventures (net)	**(355)**	(179)
	(2,874)	(2,124)
Exchange gain on loan conversion	**501**	-
	(2,373)	(2,124)

7. Staff costs

The monthly average number of persons employed by the group was:

	2002 No.	2001 No.
Technical and administrative	**198**	187

Their aggregate remuneration comprised:

	2002 £'000	2001 £'000
Wages and salaries	**5,230**	4,934
Social security costs	**450**	428
Other pension costs	**400**	399
Share based compensation	**156**	89
	6,236	5,850

The number and cost of seafarers have been excluded from the above figures.

The total number of seafarers employed by agencies and seconded to the group for a fee was 466 (2001 - 501).

8. Directors

Aggregate remuneration

The total amounts for directors' remuneration and other benefits were as follows:

	2002 £'000	2001 £'000
Emoluments	**917**	726
Gains on exercise of share options	**1**	-
Money purchase contributions	**-**	37
Total	**918**	763

Disclosures required by the Companies Act 1985 on directors' remuneration, including salaries, share options, pension contributions and pension entitlements and those specified by the Financial Services Authority are included on pages 14 to 19 in the Report on directors' remuneration and form part of these financial statements.

Notes to the Financial Statements continued

9. Taxation

The group has entered the UK tonnage tax regime under which its ship owning and operating activities are based on the net tonnage of vessels operated. Any income and profits outside the tonnage tax regime are taxed under the normal UK corporation tax rules.

(a) Tax on profit on ordinary activities

	2002 £'000	2001 £'000
The tax (credit)/charge is made up as follows:		
Current tax:		
UK tonnage tax	**30**	33
UK corporation tax	**524**	266
	554	299
Tax underprovided in previous years	**277**	122
Group current tax	**831**	421
Share of joint venture's current tax	**30**	15
Total current tax (note 9b)	**861**	436
Deferred tax:		
Group deferred tax (note 9d)	**(1,179)**	-
Tax on profit on ordinary activities	**(318)**	436

(b) Factors affecting current tax charge

The effective rate of tax is lower than the standard rate of corporation tax in the UK of 30% (2001 30%).

The differences are explained below:

	2002 £'000	2001 £'000
Profit on ordinary activities before tax	**9,718**	8,077
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 30% (2001 30%)	**2,915**	2,423
Less profits on vessels and operating activities assessable under tonnage tax	**(2,465)**	(1,988)
Profits assessable under normal UK corporation tax rules	**450**	435
Expenses not deductible for tax purposes including goodwill amortisation	**69**	45
Decelerated/(accelerated) capital allowances	**22**	(109)
Chargeable gains	**7**	16
Under provision in previous years	**277**	122
Others	**36**	(73)
Total current tax	**861**	436

9. Taxation (continued)

(c) Factors that may affect future tax charges

The group entered into the UK tonnage tax regime from 1 January 2000. The election is for ten years and is renewed on a rolling basis. It was renewed in August 2002.

The tonnage tax regime eliminates the need to provide for deferred tax on accelerated capital allowances.

The group's activities which do not qualify under the tonnage tax regime remain subject to normal corporation tax.

(d) Deferred tax

Group

The deferred tax included in the balance sheet is as follows:

	2002	2001
	£'000	£'000
Included in provisions for liabilities and charges (note 22)	**147**	1,298
Accelerated capital allowances	**147**	1,298
Provision for deferred tax	**147**	1,298

At 1 January 2002	**1,298**
Acquired	**28**
Deferred tax credit in group profit and loss account	**(1,179)**
At 31 December 2002	**147**

Company

The deferred tax included in the balance sheet is as follows:

	2002	2001
	£'000	£'000
Included in provisions for liabilities and charges (note 22)	**-**	41
Accelerated capital allowances	**-**	41

At 1 January 2002	**41**
Deferred tax credit in profit and loss account	**(41)**
At 31 December 2002	**-**

10. Dividends paid and proposed

	2002	2001
	£'000	£'000
Non-equity:		
3.5% Preference paid (2001 3.5%)	**4**	4
Equity:		
Ordinary interim paid of 2.20p per share (2001 1.96p per share)	**1,062**	946
Ordinary final proposed of 3.74p per share (2001 3.25p per share)	**1,816**	1,570
Less dividends on own shares	**(46)**	(36)
	2,836	2,484

The ordinary dividends are based upon the following number of ordinary issued shares:

	2002	2001
	No.	No.
Interim	**48,270,098**	48,270,098
Final	**48,550,800**	48,270,098

The ordinary final dividend will be paid on 9 May 2003 to those shareholdings registered in the books of the company at the close of business on 22 April 2003.

11. Earnings per ordinary share

The calculations of earnings per ordinary share are based on the following profits and numbers of shares.

	Basic		**Diluted**	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Profit for the financial year	**10,036**	7,641	**10,036**	7,641
Preference dividends	**(4)**	(4)	**(4)**	(4)
	10,032	7,637	**10,032**	7,637

Weighted average number of shares (excluding the shares owned by James Fisher and Sons Public Limited Company Employee Share Ownership Trust):

	2002	2001
	Number of shares	Number of shares
For basic earnings per ordinary share	**47,516,302**	47,692,921
Exercise of share options	**405,968**	321,138
For diluted earnings per ordinary share	**47,922,270**	48,014,059

12. Intangible fixed assets - goodwill

	£'000
Cost:	
At 1 January 2002	762
Additions	2,162
At 31 December 2002	2,924
Amortisation:	
At 1 January 2002	145
Provided during the year	58
At 31 December 2002	203
Net book value:	
At 31 December 2001	617
At 31 December 2002	2,721

Goodwill arising on the acquisition of Rumic Limited, which subsequently changed its name to James Fisher Rumic Limited, is being amortised evenly over its presumed useful economic life of 20 years.

On 19 November 2002 James Fisher Rumic Limited acquired the business of Ocean Fleets Limited for consideration of £50,000 cash. This gave rise to goodwill of £48,000 included in additions above, which will be amortised over its presumed economic life of 5 years.

13. Tangible fixed assets

	Analysis of ships			Freehold &		
	Ships	Refit	Total ships	leasehold property	Plant & equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
GROUP						
Cost:						
At 1 January 2002	161,966	7,219	169,185	1,440	3,722	174,347
Additions	305	1,242	1,547	9	441	1,997
Acquisition of subsidiary undertaking	–	–	–	–	311	311
Disposals	(6,790)	(2,273)	(9,063)	–	(212)	(9,275)
At 31 December 2002	**155,481**	**6,188**	**161,669**	**1,449**	**4,262**	**167,380**
Depreciation:						
At 1 January 2002	30,684	3,883	34,567	165	1,788	36,520
Provided during the year	6,988	2,130	9,118	55	645	9,818
Disposals	(2,782)	(2,138)	(4,920)	–	(147)	(5,067)
At 31 December 2002	**34,890**	**3,875**	**38,765**	**220**	**2,286**	**41,271**
Net book value:						
At 31 December 2001	131,282	3,336	134,618	1,275	1,934	137,827
At 31 December 2002	**120,591**	**2,313**	**122,904**	**1,229**	**1,976**	**126,109**

Included in ships are assets with a cost of £475,000 (2001 £612,000) and accumulated depreciation of £182,000 (2001 £538,000) which are held for use in operating leases. Included in tangible fixed assets is aggregate interest capitalised of £4,397,000 (2001 £4,397,000).

Notes to the Financial Statements continued

13. Tangible fixed assets (continued)

	Ships £'000	Freehold & leasehold property £'000	Plant & equipment £'000	Total £'000
COMPANY				
Cost:				
At 1 January 2002	8,404	463	749	9,616
Additions	–	9	79	88
Intra group transfers	–	–	16	16
Disposals	–	–	(75)	(75)
At 31 December 2002	**8,404**	**472**	**769**	**9,645**
Depreciation:				
At 1 January 2002	5,914	102	400	6,416
Provided during the year	33	27	142	202
Intra group transfers	–	–	2	2
Disposals	–	–	(60)	(60)
At 31 December 2002	**5,947**	**129**	**484**	**6,560**
Net book value:				
At 31 December 2001	2,490	361	349	3,200
At 31 December 2002	**2,457**	**343**	**285**	**3,085**

Included in tangible fixed assets is aggregate interest capitalised of £nil (2001 £nil).

The net book value of freehold and leasehold property at 31 December 2002 is analysed as follows:

	Group £'000	Company £'000
Freehold	952	103
Long leasehold	32	32
Short leasehold	245	208
	1,229	343

14. Fixed asset investments

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Subsidiary undertakings	**–**	–	**47,522**	45,262
Joint venture undertakings	**344**	–	**–**	–
Other investments	**1,157**	1,157	**1,157**	1,157
Own shares held under trust	**896**	638	**896**	638
	2,397	1,795	**49,575**	47,057

The company's principal subsidiary and joint venture undertakings are shown on page 59.

The investment in the joint venture undertakings at 31 December 2002 represents:

(a) 25% equity interest in AWSR Holdings Limited, a shipowning and operating company.

(b) 51% equity interest in Fisher Offshore Services Limited, a shipowning company. Both parties in the joint venture have equal voting rights with the power of veto on any major decisions affecting the company.

Group	**Shares**	**Loans**	**Share of post acq'n reserves**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Cost:				
At 1 January 2002	51	3,101	(2,030)	1,122
Additions	25	2,722	–	2,747
Share of result after taxation	–	–	(1,147)	(1,147)
At 31 December 2002	**76**	**5,823**	**(3,177)**	**2,722**
Provisions:				
At 1 January 2002	51	–	–	51
Provisions during the period	–	330	–	330
At 31 December 2002	**51**	**330**	**–**	**381**
Net book value:				
At 1 January 2002	–	3,101	(2,030)	1,071
At 31 December 2002	**25**	**5,493**	**(3,177)**	**2,341**

	2002	2001
	£'000	£'000
Investments in joint venture undertakings	**344**	–
Loans due from joint venture undertakings (see note 16)	**1,997**	1,071
	2,341	1,071

14. Fixed asset investments (continued)

Company

	Shares £'000	Loans £'000	Total £'000
Cost:			
At 1 January 2002	51	3,101	3,152
Additions	–	2,722	2,722
At 31 December 2002	**51**	**5,823**	**5,874**
Provisions:			
At 1 January 2002	51	2,030	2,081
Provisions during the period	–	1,796	1,796
At 31 December 2002	**51**	**3,826**	**3,877**
Net book value:			
At 1 January 2002	–	1,071	1,071
At 31 December 2002	**–**	**1,997**	**1,997**

	2002 £'000	2001 £'000
Investments in joint venture undertakings	**–**	–
Loans due from joint venture undertakings (see note 16)	**1,997**	1,071
	1,997	1,071

The group's share of its joint venture undertakings' results are made up as follows:

	AWSR Holdings Limited 2002 £'000	Fisher Offshore Services Limited 2002 £'000	Total 2002 £'000
Turnover	1,133	78	1,211
Operating profit/(loss)	568	(866)	(298)
Provision for loss on sale of ship	–	(464)	(464)
	568	(1,330)	(762)
Net interest payable	(244)	(111)	(355)
	324	(1,441)	(1,117)
Taxation	(5)	(25)	(30)
Share of profit/(loss) after taxation	319	(1,466)	(1,147)

14. Fixed asset investments (continued)

The group's share of its joint venture undertakings' net assets/(liabilities) at 31 December 2002 is made up as follows:

	AWSR Holdings Limited 2002 £'000	Fisher Offshore Services Limited 2002 £'000	Total 2002 £'000
Fixed assets	5,594	–	5,594
Non current assets	24,073	–	24,073
Current assets	1,312	2,563	3,875
Total assets	30,979	2,563	33,542
Liabilities due within one year	(501)	(6,059)	(6,560)
Total assets less current liabilities	30,478	(3,496)	26,982
Liabilities due after one year	(30,134)	–	(30,134)
Share of net assets/(liabilities)	344	(3,496)	(3,152)
Less: Loans from group companies	–	5,823	5,823
Add: Provision for termination of business	–	(330)	(330)
Share of net assets	344	1,997	2,341

Company

	Group undertakings		
	Shares £'000	Loans £'000	Total £'000
Cost:			
At 1 January 2002	25,752	21,789	47,541
Additions	4,132	7,505	11,637
Disposals	(1)	(9,747)	(9,748)
At 31 December 2002	**29,883**	**19,547**	**49,430**
Provision:			
At 1 January 2002	(421)	(1,858)	(2,279)
Credited to profit and loss account	–	371	371
At 31 December 2002	**(421)**	**(1,487)**	**(1,908)**
Net book value:			
At 31 December 2001	25,331	19,931	45,262
At 31 December 2002	**29,462**	**18,060**	**47,522**

14. Fixed asset investments (continued)

	Interest in joint venture undertakings shares £'000
Cost:	
At 1 January 2002 and 31 December 2002	51
Amounts written off:	
At 1 January 2002 and 31 December 2002	(51)
Net book value:	
At 1 January 2002 and 31 December 2002	–

Group and company

	Other investments shares £'000
Cost:	
At 1 January 2002 and 31 December 2002	3,858
Provision:	
At 1 January 2002 and 31 December 2002	(2,701)
Net book value:	
At 1 January 2002 and 31 December 2002	1,157

Other investments at 31 December 2002 represents a 19.99% equity interest in SEML an unlisted company incorporated in France whose main activity is a port and ferry operator. The group currently does not have any board representation and consequently the investment is treated as a fixed asset.

Group and company

	Own shares held under trust £'000
Cost:	
At 1 January 2002	638
Additions	1,077
Disposals	(819)
At 31 December 2002	896

The company has established an employee share ownership trust, the James Fisher and Sons Public Limited Company Employee Share Ownership Trust, in connection with the savings-related share option plan, executive share option plan and long-term incentive plan for employees including directors. The actual number of shares held at 31 December 2002 was 705,007 (2001 751,834). These shares had a market value at that date of £1,156,211 (2001 £740,556). The trust has not waived its right to receive dividends.

On 22 October 2002 the group acquired Rumic Limited, which was subsequently renamed James Fisher Rumic Limited, for consideration of £4,000,000 satisfied by the issue of 280,702 shares of 25p at £1.425 each and cash of £3,100,000. In addition, deferred consideration of up to a maximum of £500,000 may be payable in cash or loan notes depending on the aggregate profits before tax and interest of James Fisher Rumic Limited over two years.

14. Fixed asset investments (continued)

The investment in James Fisher Rumic Limited has been included in the company's balance sheet at its fair value at the date of acquisition. An analysis of the acquisition of James Fisher Rumic Limited is as follows:

	Book value £'000	Adjustments £'000	Fair value to group £'000
Tangible fixed assets	320	(9) (a)	311
Stocks	165	–	165
Debtors	555	–	555
Cash at bank	1,768	–	1,768
Creditors less than one year	(672)	(38) (b)	(710)
Provisions for liabilities and charges	–	(28) (c)	(28)
	2,136	(75)	2,061
Goodwill arising on acquisition			2,114
			4,175
Discharged by:			
Fair value of shares			400
Cash			3,100
Deferred consideration			500
Costs associated with acquisition			175
			4,175

Adjustments
(a) Alignment of depreciation policy.
(b) Settlement to former employee.
(c) Provision for deferred tax.

Net cash flow in respect of the acquisition comprises:

	£'000
Cash consideration and expenses	3,275
Cash at bank and in hand acquired	(1,853)
Bank overdrafts acquired	85
	1,507

James Fisher Rumic Limited earned a profit after tax of £170,000 in the six months ended 31 December 2002 (12 months ended 30 June 2002 £458,000) of which £83,000 arose in the period from 1 July 2002 to 22 October 2002. The summarised profit and loss account for the period from 1 July 2002 to the effective date of acquisition is as follows:

	£'000
Turnover	1,416
Operating profit	113
Interest	5
Profit before tax	118
Taxation	(35)
Profit for the period to 22 October 2002	83

There were no recognised gains and losses in the period ended 22 October 2002 other than the profit of £83,000 above.

Notes to the Financial Statements continued

15. Stock

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Consumable stores	**1,115**	695	**6**	4

16. Debtors

		Group		Company	
		2002	2001	**2002**	2001
		£'000	£'000	**£'000**	£'000
Trade debtors		**9,533**	8,702	**280**	287
Amounts owed by group undertakings		**–**	–	**7,342**	8,994
Amounts owed by joint venture undertakings	– loans	**1,997**	1,071	**1,997**	1,071
	– trade	**239**	–	**239**	–
Other debtors		**1,312**	3,704	**467**	776
Prepayments and accrued income		**1,837**	2,248	**174**	269
		14,918	15,725	**10,499**	11,397

Included in other debtors are amounts of £869,000 (2001 £330,000) due after more than one year.

17. Cash and short-term deposits

	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Cash at bank and in hand	**4,904**	6,825	**3,712**	4,650

18. Creditors: amounts falling due within one year

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Bank loans - note 20	**8,614**	11,952	**–**	3,209
Trade creditors	**2,812**	6,117	**298**	278
Amounts owed to group undertakings	**–**	–	**6,286**	8,321
Amounts owed to joint venture undertakings	**944**	–	**944**	–
Corporation tax	**653**	227	**507**	11
Taxation and social security	**490**	348	**253**	262
Other creditors	**970**	815	**73**	99
Accruals and deferred income	**8,189**	9,722	**967**	1,115
Proposed dividends	**1,796**	1,534	**1,796**	1,534
	24,468	30,715	**11,124**	14,829

19. Creditors: amounts falling due after more than one year

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Bank loans - note 20	**44,358**	56,531	**–**	–
Deferred consideration	**500**	–	**500**	–
Other	**–**	5	**–**	–
	44,858	56,536	**500**	–

20. Bank loans

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Not wholly repayable within five years:				
By instalments	**33,892**	52,259	**–**	–
Wholly repayable within five years	**19,080**	16,224	**–**	3,209
	52,972	68,483	**–**	3,209
Less amount due within one year	**(8,614)**	(11,952)	**–**	(3,209)
Amount due after more than one year	**44,358**	56,531	**–**	–
Instalments not due within five years	**14,819**	22,248	**–**	–
Amounts falling due:				
Within one year	**8,614**	11,952	**–**	3,209
Between one and two years	**8,614**	8,742	**–**	–
Between two and five years	**19,807**	25,541	**–**	–
Between five and ten years	**15,937**	22,248	**–**	–
	52,972	68,483	**–**	3,209

Details of loans not wholly repayable within five years are as follows:

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
0.625% above LIBOR repayable by February 2007	**–**	2,181	**–**	–
1.0% above LIBOR repayable by October 2007	**–**	1,441	**–**	–
5.55% fixed plus 1% reverting to 1% above LIBOR after 28 February 2003 repayable by March 2008	**–**	5,000	**–**	–
5.34% fixed plus 1% reverting to 1% above LIBOR after 28 March 2003 repayable by March 2008	**–**	5,000	**–**	–
1.0% above LIBOR repayable by March 2008	**–**	813	**–**	–
0.625% above LIBOR repayable by August 2010	**4,417**	4,969	**–**	–
0.80% above LIBOR repayable by February 2011	**13,635**	15,255	**–**	–
0.80% above LIBOR repayable by March 2011	**15,840**	17,600	**–**	–
	33,892	52,259	**–**	–

The loans are secured by joint and several guarantees from a group undertaking, mortgages on fifteen ships, assignment of charterparties on ships and general assignment of earnings and insurance on mortgaged ships.

21. Derivatives and financial instruments

Pages 7 and 8 of the Operating and Financial Review provide an explanation of the role that financial instruments have had during the year in creating or changing the risks the group faces in its activities. The explanation summarises the objectives and policies for holding or issuing financial instruments and similar contracts, and the strategies for achieving those objectives that have been followed during the period.

The numerical disclosures in this note deal with financial assets and financial liabilities as defined in Financial Reporting Standard 13 Derivatives and Other Financial Instruments: Disclosures (FRS 13). For this purpose non-equity shares issued by the company are dealt with in the disclosures in the same way as the group's financial liabilities but separately disclosed. Certain financial assets such as investments in subsidiaries are also excluded from the scope of these disclosures.

As permitted by FRS 13, short-term debtors and creditors have been excluded from the disclosures, other than the currency disclosures.

Interest rate profile

The group has no financial assets other than sterling cash deposits of £3,787,000 (2001 £6,297,000), US dollar cash deposits equivalent to £1,098,000 (2001 £520,000), Euro cash deposits equivalent to £10,000 (2001 £8,000) and Norwegian Kroner deposits equivalent to £9,000 (2001 £nil), which are part of the financing arrangements of the group. The cash deposits comprise of cash in hand and deposits placed on money market at call, seven-day and monthly rates.

After taking into account interest rate swaps and forward foreign currency contracts entered into by the group, the interest rate profile of the group's financial liabilities at 31 December 2002 was as follows:

	2002	2001
	£'000	£'000
Sterling:		
Fixed rate		
– borrowings	**10,500**	10,000
– non-equity shares	**100**	100
	10,600	10,100
Sterling:		
Floating rate		
– borrowings	**38,656**	52,390
Dollar:		
Floating rate		
– borrowings	**4,316**	6,093
	53,572	68,583

Maturity of financial liabilities

The maturity profile of the group's financial liabilities was as follows:

	2002	2001
	£'000	£'000
In one year or less	**8,614**	11,952
In more than one year but not more than two years *	**9,114**	8,742
In more than two years but not more than five years	**19,807**	25,541
In more than five years	**16,037**	22,348
	53,572	68,583

Non-equity shares of £100,000 (2001 £100,000) are included in more than five years.

* Includes deferred consideration of £500,000.

21. Derivatives and financial instruments (continued)

Borrowing facilities

As at 31 December 2002 the group had a loan facility of £1,647,000 available to draw down by instalments by March 2007 (2001 £2,059,000).

As at 31 December 2002 the group had a loan facility of £8,500,000 available to draw down from HSBC available until 31 December 2004. As at 31 December 2002 the company had a loan facility of £5,000,000 available to draw down from HSBC available until 15 December 2003.

Fair values

Set out below is a comparison by category of book values and fair values of the group's financial assets and liabilities.

	2002		2001	
	Book value £'000	**Fair value £'000**	Book value £'000	Fair value £'000
Primary financial instruments held or issued to finance the group's operations				
Short-term financial liabilities and current portion of long-term borrowings	**(9,085)**	**(9,085)**	(12,396)	(12,396)
Long-term borrowings	**(44,858)**	**(44,858)**	(56,531)	(56,531)
Financial assets	**4,839**	**4,839**	6,687	6,687
Non equity shares	**(100)**	**(100)**	(100)	(100)
Derivative financial instruments held to manage the interest rate and currency profile				
Interest rate swaps	-	**(34)**	-	(108)

Further analysis of the interest rate profile at 31 December 2002 and 31 December 2001 is as follows:

Currency

	2002 Fixed rate		2001 Fixed rate	
	Weighted average interest rate	**Weighted average period for which rate is fixed**	Weighted average interest rate	Weighted average period for which rate is fixed
	%	**Years**	%	Years
Sterling				
– Borrowings	**5.38**	**0.33**	5.45	1.25
– Non-equity shares	**3.5**		3.5	

The period for which the interest rate is fixed on non-equity shares is unlimited.

The interest rate on floating rate financial liabilities is linked to one, two, three and six month LIBOR.

The total weighted average of fixed rate financial liabilities is 5.40% (2001 5.40%).

Further details of interest rates on long-term borrowings are given in note 20.

Notes to the Financial Statements continued

21. Derivatives and financial instruments (continued)

Currency exposures

The table below shows the group's currency exposures; in other words, those transactional (or non-structural) exposures that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and monetary liabilities of the group that are not denominated in the operating (or "functional") currency of the operating unit involved. As at 31 December 2002 the main exposures were as follows:

	Net foreign monetary assets/(liabilities)				
	US dollar	Euro	Yen	Others	Total
	£'000	£'000	£'000	£'000	£'000
Functional currency of group operation					
Sterling					
Trade debtors	3,620	8	–	14	3,642
Trade creditors	(712)	(152)	(2)	(35)	(901)
Total	2,908	(144)	(2)	(21)	2,741

The main exposures at 31 December 2001 for comparison purposes were as follows:

	Net foreign monetary assets/(liabilities)				
	US dollar	Euro	Yen	Others	Total
	£'000	£'000	£'000	£'000	£'000
Functional currency of group operation					
Sterling					
Trade debtors	3,666	84	1	11	3,762
Trade creditors	(829)	(76)	–	(49)	(954)
Total	2,837	8	1	(38)	2,808

The amounts shown in the tables above take into account the effect of any currency swaps, forward contracts and other derivatives entered into to manage these currency exposures.

The fair values of the interest rate swaps and forward foreign currency contracts have been determined by reference to prices available from the markets on which the instruments involved are traded. The book value of short-term financial liabilities and current portion of long-term borrowings includes accrued interest of £471,000 (2001 £444,000). In the opinion of the directors the fair value of floating rate borrowings is not materially different from the carrying value.

Gains and losses on hedges

There are no unrecognised gains and losses on hedges in either year.

22. Provisions for liabilities and charges

Deferred tax	**Group**	**Company**
	£'000	£'000
At 1 January 2002	1,298	41
Acquired	28	-
Credited to profit and loss account	(1,179)	(41)
At 31 December 2002	**147**	-

	Group		**Company**	
Provided	**2002**	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Capital allowances in advance of depreciation	**147**	1,298	-	41

The group is in tonnage tax and consequently the directors consider that no deferred tax assets or liabilities arise in respect of the group's shipping activities.

The group provides in full for all deferred tax arising on activities outside the tonnage tax regime.

The credit of £1,179,000 in the group and £41,000 in the company represents a release of provision for deferred tax no longer required.

23. Share capital

Group and Company	**2002**	2001
	£'000	£'000
Authorised		
Non-equity:		
100,000 3.5% cumulative preference shares of £1 each	**100**	100
Equity:		
66,320,000 ordinary shares of 25p each	**16,580**	16,580
	16,680	16,680

Allotted and called up

	2002	2001
	£'000	£'000
Non-equity		
100,000 3.5% cumulative preference shares of £1 each	**100**	100
Equity - fully paid:		
48,550,800 (2001 48,270,098) ordinary shares of 25p each	**12,138**	12,068
	12,238	12,168

On 22 October 2002 280,702 ordinary shares with an aggregate nominal value of £70,176 were issued at £1.425 each as part consideration for the issued share capital of Rumic Limited.

Notes to the Financial Statements continued

23. Share capital (continued)

The company has an executive share option scheme and a savings related share option scheme under which options have been granted on 1,201,470 ordinary shares as follows:

(i) 200,000 ordinary shares at 65p exercisable between 24 May 1998 and 24 May 2005.

(ii) 14,060 ordinary shares at 147p exercisable between 6 October 2002 and 6 April 2005.

(iii) 530,000 ordinary shares at 122p exercisable between 17 October 2000 and 17 October 2007.

(iv) 234,793 ordinary shares at 67p exercisable between 21 September 2001 and 21 September 2008.

(v) 30,000 ordinary shares at 67p exercisable between 21 September 2001 and 21 September 2008.

(vi) 192,617 ordinary shares at 143p exercisable between 1 November 2007 and 1 May 2010.

The company has granted conditional awards in the form of options over shares or conditional rights to have shares transferred to certain executive directors under the LTIP (approved at the 2000 Annual General Meeting over 120,000 ordinary shares of 25p each).

24 Reserves

Group

	Share premium account £'000	Profit and loss account £'000
At 1 January 2002	23,050	39,717
Arising on share issue	330	–
Retained profit for the financial year	–	7,200
Share based compensation	–	156
At 31 December 2002	23,380	47,073

The cumulative amount of goodwill written off against the group's reserves is £6,125,000 (2001 £6,125,000).

Company

	Share premium account £'000	Profit and loss account £'000
At 1 January 2002	23,050	16,220
Arising on share issue	330	–
Retained profit for the financial year	–	3,259
Share based compensation	–	156
At 31 December 2002	23,380	19,635

The share premium is non-distributable.

25. Shareholders' funds

	2002		2001	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Analysis of shareholders' funds				
Attributable to:				
Cumulative preference				
shareholders (non-equity interests)	**100**	**100**	100	100
Ordinary shareholders (equity interests)	**82,591**	**55,153**	74,835	51,338
Total	**82,691**	**55,253**	74,935	51,438

Rights attached to shares:

The shareholders have the following rights to receive dividends:

100,000 cumulative preference shares 3.5% per annum.
48,550,800 ordinary shares as recommended by the directors.

Neither type of share is redeemable. In the event of a winding up the order of priority and amounts receivable are:

100,000 cumulative preference shares nominal value.
48,550,800 ordinary shares unlimited share of surplus after distribution to cumulative preference shareholders.

All shares have equal voting rights attached and there are no circumstances in which this varies.

26. Reconciliation of movements in group shareholders' funds

	2002	2001
	£'000	£'000
Profit for the financial year	**10,036**	7,641
Dividends paid and proposed	**(2,836)**	(2,484)
Share based compensation	**156**	89
Net addition to shareholders' funds	**7,356**	5,246
Arising on share issue	**400**	-
	7,756	5,246
Opening shareholders' funds	**74,935**	69,689
Closing shareholders' funds	**82,691**	74,935

27. Cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2002 £'000	2001 £'000
Group operating profit	**13,518**	11,649
Depreciation and refit amortisation	**9,818**	8,695
Amortisation of goodwill	**58**	38
(Increase)/decrease in stocks	**(255)**	159
Decrease/(increase) in debtors	**1,650**	(3,713)
(Decrease)/increase in creditors	**(303)**	1,890
Profit on sale of tangible fixed assets	**(44)**	(100)
Share based compensation	**156**	89
Increase in provisions	**114**	122
Net cash inflow from operating activities	**24,712**	18,829

(b) Returns on investments and servicing of finance

	2002 £'000	2001 £'000
Interest received	**470**	462
Interest paid	**(3,014)**	(3,555)
Preference dividend paid	**(4)**	(4)
Net cash outflow	**(2,548)**	(3,097)

(c) Taxation

	2002 £'000	2001 £'000
Corporation tax paid	**(651)**	(133)
Corporation tax received	**109**	252
Net cash (outflow)/inflow	**(542)**	119

(d) Capital expenditure and financial investment

	2002 £'000	2001 £'000
Purchase less sales of own shares by ESOP	**(258)**	(638)
Purchase of fixed asset investment	**-**	(3,858)
Purchase of tangible fixed assets	**(3,133)**	(24,937)
Sale of tangible fixed assets	**738**	3,554
Net cash outflow	**(2,653)**	(25,879)

(e) Acquisitions and disposals

	2002 £'000	2001 £'000
Net cash acquired with subsidiary undertaking	**1,768**	-
Purchase of subsidiary undertaking	**(3,275)**	-
Loans to joint venture	**(2,722)**	(2,256)
Loan from joint venture	**944**	-
Purchase of interest in joint venture	**(25)**	-
Cost associated with discontinued port operations	**-**	(336)
Net cash outflow	**(3,310)**	(2,592)

27. Cash flow statement (continued)

(f) Management of liquid resources

	2002	2001
	£'000	£'000
Short-term investments	-	1,389

(g) Financing

	2002	2001
	£'000	£'000
New secured loans	**1,912**	26,513
Repayment of secured loans	**(16,922)**	(10,612)
Net cash (outflow)/inflow	**(15,010)**	15,901

(h) Reconciliation of net debt

	1 January 2002	**Cash Flow**	**Transfer**	**Exchange Movement**	**31 December 2002**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cash in hand, at bank	6,825	(1,921)	–	–	4,904
Debt due after one year	(56,531)	4,000	7,672	501	(44,358)
Debt due within one year	(11,952)	11,010	(7,672)	-	(8,614)
	(68,483)	15,010	–	501	(52,972)
Net debt	(61,658)	13,089	–	501	(48,068)

28. Pensions

The group has continued to account for pensions in accordance with SSAP24 and the disclosures given in (a) are those required by that standard. FRS17 "Retirement Benefits" was issued in November 2000 by the Accounting Standards Board to replace SSAP24 "Accounting for Pension Costs", but will not be mandatory for the group and company until the year ended 31 December 2005 following the decision to defer full implementation of FRS 17 by the Accounting Standards Board. However, certain disclosures are required in the transition period, for periods ending on or after 22 June 2001. These further disclosures to the content are set out in (b) on pages 54 to 56.

(a) James Fisher and Sons Public Limited Company pension schemes

The group's principal pension scheme is the James Fisher and Sons Public Limited Company Pension Fund for Shore Staff. The scheme is of the defined benefit type with assets held in a separate trustee administered account. From October 2001 the company changed to a defined contribution scheme for all new members.

The pension cost is assessed in accordance with the advice of a professionally qualified actuary. The latest actuarial review of the Shore Staff scheme was at 1 August 2001. The projected unit method was used and the principal assumptions used to calculate the pension cost were as follows:

	% p.a.
Post retirement discount rate	5.0
Pre-retirement discount rate	7.0
Salary increases	4.0
Price inflation	2.5

At 1 August 1999 the market value of the assets of the scheme was £20.96 million and the actuarial value covered 99.3% of the benefits that had accrued to members after allowing for future salary increases.

The pension charge for the year was £400,000 (2001 £362,000). This charge is equal to the contributions paid to the schemes in the year and there is no prepayment or provision at 31 December 2002.

28. Pensions (continued)

The group also operates a paid-up defined benefit scheme, the Dock workers' scheme. The latest actuarial valuation of this scheme was at 31 March 1999, however, a funding review was undertaken at 31 March 2000. At that date the market value of the assets of the scheme was £4.75 million and the actuarial value covered 92% of the accrued benefits, corresponding to a deficit of £390,000. No contributions were paid to the scheme during the year and the pension charge has been taken as £nil (2001 £nil). The next full review of this scheme is due as at 31 March 2002 and is currently being completed. Any change in contributions and charges will be recognised from 2003.

The group operated a defined contribution pension arrangement for the former chairman. The pension charge for the year for this arrangement was £nil (2001 £37,000).

(b) FRS 17 Retirement benefits

FRS 17 Retirement benefits will change fundamentally the calculation and reporting of the cost of retirement benefits. The disclosures below relate to all the post retirement schemes that the company sponsors. The company is contributing 15.5% of pensionable pay into the James Fisher and Sons Public Limited Company Pension Fund for Shore Staff (the main scheme sponsored by the company). The company also sponsors a closed scheme for dock workers.

The latest actuarial valuation of the James Fisher and Sons Public Limited Company Pension Fund for Shore Staff took place on 1 August 2001. The latest valuation for the dock workers scheme was completed as at 31 March 1999. The valuations have been updated for 31 December 2002. The principal assumptions used by the independent qualified actuaries in updating the latest valuations of each of the schemes for FRS 17 purposes were:

	2002	2001
	% p.a.	% p.a.
Inflation	**2.3**	2.5
Rate of general long term increase in salaries	**3.8**	4.0
Rate of increase to pensions in payment	**2.3**	2.5
Discount rate for scheme liabilities	**5.5**	5.8

Expected return on assets

At 31 December 2002	**Shore staff scheme**	**Dock workers' scheme**	**Total**	**Long-term expected return**
	£'000	**£'000**	**£'000**	**% p.a.**
Equities	**11,600**	**2,800**	**14,400**	**8.0**
Gilts/Corporate bonds	**3,800**	**500**	**4,300**	**4.5/5.0**
Property	**–**	**100**	**100**	**5.5**
Insurance Policies	**–**	**–**	**–**	**n/a**
Cash/net current assets	**400**	**100**	**500**	**4.0**
Total market value of assets	**15,800**	**3,500**	**19,300**	

At 31 December 2001	**Shore staff scheme**	**Dock workers' scheme**	**Total**	**Long-term expected return**
	£'000	**£'000**	**£'000**	**% p.a.**
Equities	16,600	3,600	20,200	8.3
Gilts/Corporate bonds	2,200	500	2,700	5.0/6.0
Property	700	200	900	6.0
Insurance policies	–	400	400	6.0
Cash/net current assets	1,000	300	1,300	3.5
Total market value of assets	20,500	5,000	25,500	

28. Pensions (continued)

An analysis of the defined benefit cost for the year ended 31 December 2002 is as follows:

Group

	Shore staff scheme 2002 £'000	Dock workers' scheme 2002 £'000
Current service cost	500	-
Past service costs	-	-
Total operating charge	500	-
Expected return on pension scheme assets	1,500	400
Interest on pension scheme liabilities	(1,300)	(300)
Total other finance income	200	100
Actual return less expected return on pension scheme assets	(5,800)	(1,100)
Experience losses arising on the scheme liabilities	(700)	(800)
Losses arising from changes in assumptions underlying the present value of the scheme liabilities	(500)	(300)
Actuarial loss that would be recognised in the statement of total recognised gains and losses	(7,000)	(2,200)
Analysis of movement in deficit during the year		
Deficit in scheme at 1 January 2002	(2,500)	(300)
Current service cost	(500)	-
Past service costs	-	-
Other finance income	200	100
Actuarial loss	(7,000)	(2,200)
Contributions	400	-
Deficit in scheme at 31 December 2002	(9,400)	(2,400)

Notes to the Financial Statements continued

28. Pensions (continued)

History of experience gains and losses

	Shore staff scheme 2002	Dock workers' scheme 2002
Difference between expected and actual return on pension scheme assets:		
Amount (£'000)	**(5,800)**	**(1,100)**
Percentage of scheme assets	**-36.70%**	**-31.40%**
Experience losses on scheme liabilities		
Amount (£'000)	**(700)**	**(800)**
Percentage of the present value of scheme liabilities	**-2.80%**	**-13.60%**
Total amount recognised in STRGL		
Amount (£'000)	**(7,000)**	**(2,200)**
Percentage of the present value of scheme liabilities	**-27.80%**	**-37.30%**

Assets/(liabilities) of scheme

	Shore staff scheme		Dock workers' scheme	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Total market value of assets	**15,800**	20,500	**3,500**	5,000
Present value of scheme liabilities	**(25,200)**	(23,000)	**(5,900)**	(5,300)
Deficit in scheme	**(9,400)**	(2,500)	**(2,400)**	(300)
Related deferred tax	**1,015**	220	**720**	90
Net pension liabilities	**(8,385)**	(2,280)	**(1,680)**	(210)

Reconciliation of net assets and reserves under FRS 17

	2002	2001
	£'000	£'000
Net assets		
Net assets excluding pension deficit	**82,691**	74,935
Pension deficit	**(10,065)**	(2,490)
Net assets after pension deficit	**72,626**	72,445
Reserves		
Profit and loss reserves excluding pension deficit	**47,073**	39,717
Pension deficit	**(10,065)**	(2,490)
Profit and loss reserve	**37,008**	37,227

29. Financial commitments

Operating leases

The commitment during the following year in respect of non-cancellable operating leases is as follows:

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Property:				
Leases expiring in over five years	**138**	112	**40**	40
Others:				
Within two to five years	**-**	2,430	**-**	14
In over five years	**2,486**	-	**-**	-
	2,624	2,542	**40**	54

30. Capital commitments

At 31 December capital commitments for which no provision has been made in these accounts amounted to:

Group		Company	
2002	2001	**2002**	2001
£'000	£'000	**£'000**	£'000
4,857	10,623	**4**	3

31. Contingent liabilities

(a) In the ordinary course of the company's business, counter indemnities have been given to bankers in respect of customs bonds, foreign exchange commitments and bank guarantees.

(b) A group VAT registration is operated by the company and nine group undertakings in respect of which the company is jointly and severally liable for all amounts due to H.M. Customs and Excise under the arrangement.

(c) A counter guarantee has been issued by the company's bankers in connection with the financing of the three VSEL newbuilds, the total guarantee at 31 December 2002 was £3,750,000 (2001 £4,166,667).

(d) A guarantee and indemnity has been issued to Lloyds TSB Bank plc in respect of the loan facility of Fisher Offshore Services Limited, the total guarantee at 31 December 2002 was £2,504,000.

(e) A guarantee and indemnity has been issued to HSBC plc in respect of the loan facility of AWSR Shipping Limited, the total guarantee at 31 December 2002 was £3,100,000.

32 Post balance sheet events

(a) On 6 January 2003 the group acquired the entire share capital of the Norwegian, Stavanger based marine services company, Scan Tech Holdings A.S, including two operating subsidiaries and associated intellectual property rights for a consideration of NOK 100,000 (£8.9 million).

(b) On 28 January 2003 Fisher Offshore Services Limited, a joint venture company in which the group has a 51% stake, sold the d.s.v. "Fisher Cavalier" for £4,317,000 (US$ 7,050,000). The group's share of loss on sale was £464,000 and a provision for loss on termination of the business of £330,000 has been provided for in the accounts.

(c) The guarantee and indemnity issued by the company to Lloyds TSB Bank in respect of the loan facility for Fisher Offshore Services Limited has been extinguished on the repayment of the loan.

Group Financial Record

For the five years ended 31 December

	1998	1999	2000	2001	**2002**
	£'000	£'000	£'000	£'000	**£'000**
Assets employed					
Intangible fixed assets	731	693	655	617	**2,721**
Tangible fixed assets	98,802	90,428	117,066	137,827	**126,109**
Trade investments	–	–	–	–	**–**
Investments	–	–	107	1,795	**2,397**
Other assets	28,015	33,030	19,009	23,245	**20,937**
Total assets employed	127,548	124,151	136,837	163,484	**152,164**
Financed by					
Ordinary share capital	12,068	12,068	12,068	12,068	**12,138**
Group reserves	39,384	55,268	57,521	62,767	**70,453**
Ordinary shareholders' interest	51,452	67,336	69,589	74,835	**82,591**
Preference share capital	100	100	100	100	**100**
Borrowed money	47,660	43,099	52,582	68,483	**52,972**
Other liabilities	12,338	10,907	12,279	18,768	**16,354**
Provision for liabilities and charges	15,998	2,709	2,287	1,298	**147**
Total funds invested	127,548	124,151	136,837	163,484	**152,164**
Turnover, profit and reserves					
Turnover	63,523	68,129	60,577	67,567	**71,111**
Profit before taxation	3,854	6,275	5,007	8,077	**9,718**
Taxation	(1,071)	11,712	(506)	(436)	**318**
Profit after taxation	2,783	17,987	4,501	7,641	**10,036**
Dividends	(1,813)	(2,103)	(2,248)	(2,484)	**(2,836)**
Transferred to reserves	970	15,884	2,253	5,157	**7,200**
	pence	pence	pence	pence	**pence**
Earnings per ordinary share	5.76	37.41	9.34	16.01	**21.11**
Diluted earnings per ordinary share	5.71	37.26	9.29	15.91	**20.93**

Subsidiary Undertakings

at 31 December 2002

Name of company (Incorporated in Great Britain unless otherwise stated)	Principal activities	Places of business
Trading:		
JAMES FISHER TANKSHIPS HOLDINGS LIMITED	Investment	LONDON
JAMES FISHER TANKSHIPS LIMITED	Ship owning	LONDON
JAMES FISHER (GIBRALTAR) LIMITED (Incorporated in Gibraltar)	Ship owning	GIBRALTAR
JAMES FISHER HONG KONG LIMITED (Incorporated in Hong Kong)	Crewing agents	HONG KONG
JAMES FISHER (SHIPPING SERVICES) LIMITED	Ship owning	BARROW-IN-FURNESS
JAMES FISHER AND SONS (SEAFLOOR DYNAMEX) LIMITED	Underwater excavation engineers	ABERDEEN
JAMES FISHER (UNDERWATER ENGINEERING SERVICES) LIMITED (renamed James Fisher Scan Tech UK Limited)	Engineering	ABERDEEN
JAMES FISHER (LOGISTICS) LIMITED	Ship owning	BARROW-IN-FURNESS
JAMES FISHER (RO-RO) LIMITED	Investment	BARROW-IN-FURNESS
JAMES FISHER RUMIC LIMITED	Marine services	DALTON-IN-FURNESS

The companies which are all 100% owned operate primarily in their country of incorporation, except the ship owning companies which operate worldwide. The companies have coterminous year ends and are included within the consolidation.

Joint Venture and Associated Undertakings

at 31 December 2002

FISHER OFFSHORE SERVICES LIMITED *	Ship owning	BARROW-IN-FURNESS
* 51% shareholding		
AWSR HOLDINGS LIMITED **	Ship owning	LONDON
** 25% shareholding		

Fleet List

at 31 December 2002

Vessel	Built	D.W.T.	Type
James Fisher and Sons Public Limited Company			
Owned			
RFA "OAKLEAF"	1981	34,800	Clean products tanker
t.b. "FURNESS FISHER"	1955	2,464	Tanker barge
James Fisher Tankships Limited			
Owned			
m.t. "SEVERN FISHER"	1983/1998	11,227	Clean products tanker
m.t. "MILFORD FISHER"	1998	4,973	Clean products tanker
m.t. "FORTH FISHER"	1997	4,972	Clean products tanker
m.t. "SOLENT FISHER"	1997	4,970	Clean products tanker
m.t. "GALWAY FISHER"	1997	4,967	Clean products tanker
m.t. "MERSEY FISHER"	1998	4,765	Clean products tanker
Long Term Charter			
m.t. "PEMBROKE FISHER"	1997	14,204	Clean products tanker
m.t. "RUDDERMAN"	1994	6,418	Clean products tanker
m.t. "STEERSMAN"	1994	6,403	Clean products tanker
m.t. "CHARTSMAN"	1993	6,397	Clean products tanker
James Fisher (Gibraltar) Limited			
Owned			
m.t. "LOUGH FISHER"	1980	8,400	Clean products tanker
m.t. "STELLAMAN"	1980	3,680	Clean products tanker
m.t. "EASTGATE"	1979	3,415	Clean products tanker
m.t. "WESTGATE"	1979	3,368	Clean products tanker
m.t. "NORTHGATE"	1981	3,290	Clean products tanker
m.t. "IRISHGATE"	1981	3,284	Clean products tanker
James Fisher (Shipping Services) Limited			
Owned			
C.S. "NEXUS"	1972/1993	10,910	Cable laying ship
m.t. "THAMES FISHER"	1997	4,765	Clean products tanker
m.t. "HUMBER FISHER"	1998	4,765	Clean products tanker
m.t. "WEAR FISHER"	1980	3,120	Clean products tanker
m.t. "TEES FISHER"	1980	3,120	Clean products tanker
James Fisher (Logistics) Limited			
Owned			
C.S. "OCEANIC PRINCESS"	1993/2001	11,121	Cable laying ship
C.S. "OCEANIC PEARL"	1997/2001	7,429	Cable laying ship

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of James Fisher and Sons Public Limited Company will be held at the Abbey House Hotel, Abbey Road, Barrow-in-Furness on Friday 2 May 2003 at noon for the following purposes:

Ordinary Business

Resolution 1

To receive the report on directors' remuneration for the year ended 31 December 2002.

Resolution 2

To receive the directors' report and the financial statements for the year ended 31 December 2002.

Resolution 3

To declare a final dividend of 3.74p per ordinary share payable on 9 May 2003 to shareholders on the Register on 22 April 2003.

Resolution 4

To re-elect Mr. Michael Shields as a director of the company.

Resolution 5

To re-elect Sir David Hardy as a director of the company.

Resolution 6

To re-elect Mr. Terry Moore as a director of the company.

Resolution 7

To re-appoint Ernst & Young LLP as auditors of the company until the conclusion of the next Annual General Meeting and authorise the directors to fix their remuneration.

Special Business

As special business to consider and, if thought fit, pass the following resolutions which, in the case of Resolutions 8 and 9 will be proposed as an Ordinary Resolutions and in the case of Resolutions 10 and 11 will be proposed as Special Resolutions:

Resolution 8

That the amendments to the rules of the Savings-Related Share Option Scheme summarised in the letter to shareholders dated 31 March 2003 and set out in the appendix to that letter which is produced to the meeting and initialled for identification purposes by the chairman be and are hereby approved and that the directors be and are hereby authorised to pass the necessary resolution to make such amendments and take all necessary action to obtain Inland Revenue approval of the amendments.

Resolution 9

That the directors of the company be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the company to allot relevant securities (as defined in the said section) up to an aggregate nominal amount of £4,442,300 being the nominal amount of the authorised but unissued ordinary share capital at the date of passing this resolution, such authority to expire at the conclusion of the next Annual General Meeting of the company, but to be capable of previous revocation and variation from time to time by the company in general meeting provided that the company may make any offer or agreement before the expiry of this authority that would or might require relevant securities to be allotted after this authority has expired and the directors may allot relevant securities in pursuance of any such offer or agreement as if this authority had not expired.

Notice of Annual General Meeting continued

Resolution 10

Special Resolution

That subject to the passing of Resolution 8 above the directors of the company be and are hereby empowered pursuant to Section 95 of the Act, to allot equity securities (as defined in Section 94 of the Act) pursuant to the authority conferred by that Resolution as if Section 89 (1) of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £606,885 such authority to expire at the close of the next Annual General Meeting of the company save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power hereby conferred had not expired.

Resolution 11

Special Resolution

The company be and is hereby generally and unconditionally authorised to make one or more market purchases (within the meaning of section 163(3) of the Companies Act 1985) on the London Stock Exchange of up to a maximum aggregate of 2,400,000 ordinary shares of 25p each in the capital of the company at a price per share of not less than 25p and not more than 105 per cent of the average of the middle market quotations for such an ordinary share as derived from the London Stock Exchange Official List, for the five business days immediately preceding the day of purchase; unless previously revoked or varied, such authority will expire at the close of the next Annual General Meeting of the company, save that the company may purchase ordinary shares at any later date where such purchase is pursuant to any contract or contracts made by the company before the expiry of this authority.

By order of the Board
J.T. Blyth
Secretary
31 March 2003

Registered office:
Fisher House, Barrow-in-Furness,
Cumbria, LA14 1HR

Notes

Accounts are sent to all members of the company. Both the ordinary and preference shareholders are entitled to attend and vote at the meeting.

Any member entitled to vote at the above meeting may appoint one or more proxies to attend, speak and, on a poll, vote instead of him. A proxy need not be a member of the company. Completion of the Form of Proxy will not preclude a member from attending and voting in person. Forms of Proxy, duly executed, must reach the company's Registrar's office, Capita IRG Plc, Bourne House, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, not less than 48 hours before the meeting.

The register of interests of the directors (and their families) in the share capital of the company and copies of the directors' service contracts are available for inspection at the registered office of the company during usual business hours and will also be available at the place of the Annual General Meeting from 11.30 a.m. on the date of the meeting until the close of the meeting.

A final dividend can only be paid after it has been approved by the shareholders in general meeting and may not exceed the amount recommended by the board. The directors recommend a final dividend of 3.74p per ordinary share for payment to ordinary shareholders who are on the register at the close of business on 22 April 2003. If approved the final dividend will be paid on 9 May 2003.

Special Business Explanatory Notes

Resolution 8 – a summary of the amendments to the Savings Related Share Option Scheme appears on page 3 of the circular to shareholders dated 31 March 2003.

Resolution 9 gives authority to the directors to allot equity securities up to a total nominal amount of £4,442,300 being the nominal amount of the authorised but unissued share capital. The authority will expire at the conclusion of the Annual Meeting to be held in 2004 and replaces a similar authority granted on 10 May 2002 which expires at the conclusion of the forthcoming Annual General Meeting.

The passing of Resolution 10, a special resolution, will permit the directors, until the conclusion of the Annual General Meeting of the company to be held in 2004, to make issues of equity securities on a non pre-emptive basis up to an aggregate nominal amount of £606,885 being equal to 5% of the nominal amount of the issued ordinary share capital. The power will, if granted, replace the similar power conferred on the directors on 10 May 2002 and which will lapse at the conclusion of the forthcoming Annual General Meeting.

Resolution 11 gives the company authority to purchase in the market up to 2,400,000 of its ordinary shares of 25p each (representing approximately 5 per cent of the issued share capital). The authority will expire at the conclusion of the Annual General Meeting to be held in 2003 and replaces a similar authority granted on 10 May 2002 which expires at the conclusion of the following Annual General Meeting. The directors have no present intention of using the authority and in reaching their decision to purchase ordinary shares will take into account, amongst other things the company's cash resources and capital requirements and the effect of any purchase on earnings per share.

Registered Office and Advisors

Secretary and registered office
J. Terence Blyth
James Fisher and Sons Public Limited Company
Fisher House
P.O. Box 4
Barrow-in-Furness
Cumbria LA14 1HR

Registrars
Capita IRG Plc
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

Auditors
Ernst & Young LLP
Silkhouse Court
Tithebarn Street
Liverpool L2 2LE

Bankers
HSBC Bank plc
8 Canada Square
London E14 5HQ

Lloyds TSB Bank plc
25 Gresham Street
London EC2Y 7HH

Merchant bankers
E.C. Hambro Rabben & Partners Ltd
11 Albermarle Street
London W15 4HH

Stockbrokers
Evolution Beeson Gregory Limited
The Registry
Royal Mint Court
London EC3N 4EY

Financial Calendar

16 April 2003	Ex dividend date for 2002 final dividend
22 April 2003	Record date
2 May 2003	Annual General Meeting
9 May 2003	Payment of 2002 final dividend
August 2003	Announcement of 2003 interim results

James Fisher and Sons PUBLIC LIMITED COMPANY
Fisher House PO Box 4 Barrow-in-Furness Cumbria LA14 1HR
tel: 01229 615400 fax: 01229 836761
e-mail: postmaster@james-fisher.co.uk