

FIH group plc
("FIH" or the "Group")

Results for the Six Months Ended 30 September 2022

FIH, the AIM quoted international specialist services group with businesses in the Falkland Islands and the UK, is pleased to announce its unaudited results for the six months ended 30 September 2022 ("the period"). Comparisons shown below are for the same period in 2021 unless otherwise stated.

Trading Improvement Continues

Highlights

- Revenue increased by £5.5 million (32%) to £22.8 million (2021: £17.3 million) with improvement in all three businesses.
- Pre-tax profit of £0.6 million (2021: £0.4 million) despite COVID-related government support reducing to £0.1 million (2021: £0.3 million) with improvements in Momart and Portsmouth Harbour Ferry Company ("PHFC") offsetting reduced profits in the Falkland Islands Company ("FIC").
- Passenger numbers continued to rise for PHFC.
- Strong cash position of £7.6 million as at 30 September 2022.
- An interim dividend to be paid of 1.2 pence per share (2021: 1.0 pence per share).

Outlook

- Momart and PHFC performing in line with expectations.
- Return of tourists to the Falkland Islands in the second half of the year should boost retail sales in FIC.
- Strong construction order book in FIC expected to be delivered in the second half of the year.
- Balance sheet strength continues to underpin trading position and provide strategic flexibility.

Stuart Munro Chief Executive, said:

"The Group continues to recover from the impact of COVID-19, albeit the global economic crisis has provided additional challenge. It is therefore pleasing to see an overall step forward in pre-tax profit over the prior year, reflecting an ongoing focus on cost control and pricing and the geographical breadth and diversity of our operations. The progress demonstrated in the first half of the year is expected to continue as we move into the traditionally stronger second half."

Enquiries:

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Market Abuse Regulation (MAR) Disclosure

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

The person responsible for arranging the release of this announcement on behalf of the Company is Stuart Munro Chief Executive of the Company.

Chairman's Statement

The Group continues to build back from the effects of COVID-19 and made good progress in the first half of the year in the face of new challenges brought about by the current global economic crisis.

Despite inflationary pressures impacting both costs and consumer disposable income, and a reduction of £0.2 million in pandemic-related government funding, the Group delivered an underlying pre-tax profit of £0.6 million for the six months ended 30 September 2022 (2021: £0.4 million).

Our staff continue to show great resilience and dedication, applying considerable skill and devotion to the needs of our customers, so I would like to thank them on behalf of the Board for all their efforts which are very much appreciated.

Dividend

Following improved earnings per share for the six months to 30 September 2022 of 3.7 pence (2021: 1.3 pence loss), I am pleased to announce an interim dividend of 1.2 pence per share (2021: 1.0 pence per share) which will be paid on 13 January 2023 to shareholders on the register at the close of business on 2 December 2022.

The Group has a Dividend Reinvestment Plan ("the Plan") that allows shareholders to reinvest dividends to purchase additional shares in the Group. For shareholders to apply the proceeds of this and future dividends to the Plan, application forms must be received by the Group's Registrars by no later than 16 December 2022*.

Board and Governance

On 12 September 2022, Reuben Shamu was appointed as Chief Financial Officer replacing Stuart Munro who was appointed as Chief Executive on 14 April 2022, Reuben will work closely with Stuart to deliver the Group's growth strategy. Jeremy Brade stepped down from his position as non-executive director of the Group on 20 September 2022. The Board would like to thank Jeremy for the significant contribution he made during his tenure.

Outlook

The trading environment remains challenging, but the progress made to date, along with the benefits of a diverse portfolio of activities, a lower cost base following previous restructuring activity and a strong balance sheet provide a good foundation for the business to navigate through these conditions and deliver further profit improvement in the traditionally stronger second half of the year.

Robin Williams

Chairman

21 November 2022

* Existing participants in the Plan will automatically have the interim dividend reinvested. Details on the Plan can be obtained from Link Group on 0371 664 0381 or at www.signalshares.com. Calls are charged at the standard geographic rate and will vary by provider. If you are outside the United Kingdom, please call +44 371 664 0381. Calls outside the United Kingdom will be charged at the applicable international rate. The lines are open from 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales.

Chief Executive's Review

Overview

Revenue of £22.8 million for the six months ended 30 September 2022 was £5.5 million ahead of the six months ended 30 September 2021, with the improvement arising across all three businesses. Encouragingly, this was also £3.4 million ahead of the six months ended 30 September 2019, which was the last comparable period before the pandemic. FIC and Momart were ahead of the six months ended 30 September 2019 by £3.1 million and £0.6 million respectively, and PHFC was £0.3 million behind, reflecting the current level of recovery in passenger numbers.

Difficult macro-economic conditions across the globe, including weakened consumer spending, high inflation and high energy costs, exerted margin pressure in all businesses. Despite these tough trading conditions and pandemic-related government funding reducing to £0.1 million (2021: £0.3 million), the Group returned an underlying pre-tax profit of £0.6 million in the period (2021: £0.4 million) with improvements in the UK businesses being partly offset by a reduction in FIC.

Group Trading Results for the Six Months Ended 30 September 2022

Group revenues	2022	2021	Change
Six months ended 30 September	£m	£m	%
Falkland Islands Company	12.2	9.9	23.2
Momart	8.6	5.9	45.8
Portsmouth Harbour Ferry	2.0	1.5	33.3
Total revenue	22.8	17.3	31.8
Group underlying pre-tax profit / (loss)*			
Falkland Islands Company**	0.3	0.6	(50)
Momart**	(0.1)	(0.2)	50
Portsmouth Harbour Ferry**	0.4	-	
Total underlying pre-tax profit*	0.6	0.4	50
Non-trading items (see note 3)	-	-	-
Reported profit before tax	0.6	0.4	50

* Underlying pre-tax profit is defined as, profit before tax, before non-trading items.

** As in prior years the profits reported for each operating company are stated after the allocation of head office management and plc costs which have been applied to each subsidiary on a consistent basis.

Dividend

An interim dividend of 1.2 pence per share (2021: 1.0 pence per share) will be paid on 13 January 2023 to shareholders on the register at the close of business on 2 December 2022.

Group Operating Company Performance

Falkland Islands Company

Total revenue of £12.2 million was £2.3 million ahead of the same period last year, driven by growth in Falkland Building Services ("FBS") due mainly to the £17.3 million contract to build a total of 70 Houses for the Falkland Islands Government ("FIG") and the Ministry of Defence ("MOD") secured in November 2021, which is progressing well. This offset reduced revenues in Retail, where continued inflationary cost pressures have necessitated price increases and trading volumes are down. Revenue for all other areas was broadly in line with the prior year.

The underlying operating profit of £0.3 million was £0.3 million below the same period last year, due mainly to reduced Retail revenues, FBS equipment repair costs ahead of a busy second half, reduced profitability on some FBS private house builds and the mix of work in FBS and Support Services.

FIC Operating Results Six months ended 30 September	2022 £m	2021 £m	Change %
Revenues			
Retail	4.2	4.7	(10.6)
FBS (housing and construction)	4.3	1.8	138.9
Falklands 4x4	1.7	1.6	6.3
Support Services	1.5	1.4	7.1
Property Rental	0.5	0.4	25.0
Total FIC revenue	12.2	9.9	23.2
FIC underlying operating profit	0.3	0.6	(50.0)
Net interest expense	-	-	-
FIC underlying profit before tax	0.3	0.6	(50.0)
FIC underlying operating profit margin	2.5%	6.1%	

Momart

Revenue of £8.6 million for the six months to 30 September 2022 was £2.7 million ahead of the prior year, with growth across all business areas. Museum Exhibitions saw the biggest improvement, due mainly to work for UK institutions which showed a strong recovery. The commercial art market remained buoyant with high levels of demand arising in Gallery Services from both art fairs and auction houses. Income from art storage also improved from a combination of volume and price increase.

The underlying operating profit of £0.1 million was £0.1 million ahead of the breakeven result for the same period last year and £0.4 million ahead excluding pandemic-related support received in the prior year of £0.3 million (2022: £nil).

Momart Operating Results Six months ended 30 September	2022 £m	2021 £m	Change %
Revenues			
Museum Exhibitions	4.5	2.4	87.5
Gallery Services	2.8	2.3	21.7
Storage	1.3	1.2	8.3
Total Momart revenue	8.6	5.9	45.8
Momart underlying operating profit	0.1	-	-
Net interest expense	(0.2)	(0.2)	-
Momart underlying loss before tax	(0.1)	(0.2)	50.0

Portsmouth Harbour Ferry Company

Monthly passenger numbers continued to improve from the 76% of pre-pandemic levels recorded in March 2022, reaching circa 82% by 30 September 2022. This was below the peak of 86% achieved at the height of the holiday season in August 2022, indicating a faster recovery in leisure footfall than that for commuters.

Increased passenger numbers, combined with fare rises in April 2022, resulted in a £0.5 million improvement in revenue over the previous half year. Continued focus on cost control resulted in underlying operating profit increasing by £0.4 million to £0.5 million (2021: £0.1 million).

PHFC Operating Results Six months ended 30 September	2022 £m	2021 £m	Change %
Revenues			
Ferry fares	2.0	1.5	33.3
Total PHFC revenue	2.0	1.5	33.3
 PHFC underlying operating profit	 0.5	 0.1	 400.0
Pontoon lease liability & vessel loan expense	(0.1)	(0.1)	-
PHFC underlying profit before tax	0.4	-	-

Trading Outlook

Performance in the first half of the year at both Momart and PHFC was in line with expectations, whilst FIC had a slower than expected start due mainly to timing differences on project delivery in FBS combined with reduced retail revenues.

In FIC, the impact of project phasing in FBS is expected to reverse in the second half of the year, which includes the traditionally more productive austral spring and summer months. The return of tourists to the Falkland Islands in the second half of the year should improve retail revenues, both via direct tourist spend and by generating tourist-related earnings for Falkland Islands residents.

The trading outlook for the Group remains positive. The UK businesses are delivering as expected and whilst there are headwinds facing Retail in FIC, these should be mitigated by the strong order book in FBS and the potential for further work with the Falkland Islands Government. The progress demonstrated in the first half of the year is therefore expected to continue in the traditionally stronger second half.

Stuart Munro

Chief Executive

21 November 2022

Chief Financial Officer's Review

Financial Review

Revenue

Group revenue increased by £5.5 million (32%) to £22.8 million (2021: £17.3 million) with improvements of £2.7 million in Momart, £2.3 million in FIC and £0.5 million in PHFC.

Underlying Operating Profit

Underlying operating profit before non-trading items and net finance costs increased to £1.0 million (2021: £0.8 million) despite lower pandemic related support of £0.1 million (2021: £0.3 million) reflecting the revenue improvements noted above.

Net Financing Costs

The Group's net financing costs remained broadly flat at £0.4 million (2021: £0.4 million).

Reported Pre-tax Profit

The reported pre-tax result for the six months ended 30 September 2022 was a profit of £0.6 million (2021: £0.4 million).

Taxation

Taxation charges on the period results for both the six months ended 30 September 2022 and 30 September 2021 have been estimated on the basis of 19% and 26% of profits arising in the UK and the Falkland Islands respectively, resulting in a current tax charge of £0.1 million for each period.

In addition, an increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This increased the deferred tax liability of the Group and the tax charge for the six months ended 30 September 2021 by an estimated £0.4 million, resulting in an overall tax charge of £0.5 million.

Earnings per Share

Diluted Earnings per Share ("EPS") derived from reported profits was 3.7 pence (2021: 1.3 pence loss).

Balance Sheet and Cash Flow

The Group's balance sheet remained strong with total net assets of £42.9 million, reflecting an improvement on the balances at 31 March 2022 of £40.7 million and 30 September 2021 of £38.7 million of £2.2 million and £4.2 million respectively. This was largely driven by the revaluation of the Group's interest rate swap and a decrease in the liability for FIC's defined benefit pension scheme.

Net Debt

	30 September 2022 £m	31 March 2022 £m	Change £m
Bank loans	(13.7)	(14.2)	0.5
Cash and cash equivalents	7.6	9.6	(2.0)
Bank loans net of cash and cash equivalents	(6.1)	(4.6)	(1.5)
Lease liabilities	(6.8)	(7.1)	0.3
Net debt	(12.9)	(11.7)	(1.2)

Bank loans reduced to £13.7 million (31 March 2022: £14.2 million) following scheduled loan repayments of £0.5 million. £12.4 million of the balance was in respect of the long-term mortgage secured on the Group's freehold premises in Leyton (31 March 2022: £12.7 million).

The Group's cash balances reduced by £2.0 million to £7.6 million (31 March 2022: £9.6 million) reflecting scheduled interest, loan and lease repayments of £1.2 million, capital expenditure of £0.9 million (£0.5 million on vehicles, £0.2 million on property improvements and £0.2 million on plant and equipment) and a broadly neutral net cash flow from operations. The latter included a £2.3 million increase in working capital which largely arose in FIC. £0.7 million was due to an increase in stock held for resale in anticipation of tourists returning to the Falkland Islands and the build-up to Christmas. The remaining increase was largely due to the phasing of FBS construction projects.

The Group's outstanding lease liabilities totalled £6.8 million (31 March 2022: £7.1 million) with £5.2 million of the balance (31 March 2022: £5.2 million) relating to the leases from Gosport Borough Council to PHFC for the Gosport Pontoon and associated ground rent, which run until June 2061.

Overall, net debt increased to £12.9 million (31 March 2022: £11.7 million).

Reuben Shamu
Chief Financial Officer
21 November 2022

Consolidated Income Statement
For the Six Months Ended 30 September 2022

<i>Notes</i>		Unaudited Six Months to 30 September 2022 £'000	Unaudited Six Months to 30 September 2021 £'000	Audited Year Ended 31 March 2022 £'000
2	Revenue	22,822	17,267	40,319
	Cost of sales	(14,004)	(10,064)	(23,405)
	Gross profit	8,818	7,203	16,914
	Operating expenses	(7,824)	(6,375)	(13,834)
	Operating profit before non-trading items	994	828	3,080
3	Non-trading items	-	(44)	(300)
	Operating profit	994	784	2,780
4	Finance expense	(403)	(421)	(796)
	Profit before tax	591	363	1,984
5	Taxation	(132)	(523)	(1,037)
	Profit / (loss) attributable to equity holders of the Company	459	(160)	947
6	Earnings per share			
	Basic	3.7p	(1.3p)	7.6p
	Diluted	3.7p	(1.3p)	7.6p

See note 6 for an analysis of earnings per share on underlying profit (defined as profit after tax before non-trading items).

Consolidated Balance Sheet
At 30 September 2022

<i>Notes</i>	Unaudited 30 September 2022 £'000	Unaudited 30 September 2021 £'000	Audited 31 March 2022 £'000
Non-current assets			
Intangible assets	4,580	4,167	4,229
Property, plant and equipment	38,215	39,552	39,080
Investment properties	8,465	7,794	8,164
Investment in joint venture	259	259	259
Debtors due in more than one year	-	88	44
Hire purchase lease receivables	751	605	725
Deferred tax assets	490	739	666
Derivative financial instruments	2,350	-	644
Total non-current assets	55,110	53,204	53,811
Current assets			
Inventories	7,791	6,878	6,740
Trade and other receivables	8,042	6,114	7,947
Hire purchase lease receivables	370	647	511
8 Cash and cash equivalents	7,554	7,976	9,572
Total current assets	23,757	21,615	24,770
Total assets	78,867	74,819	78,581
Current liabilities			
Trade and other payables	(8,895)	(6,777)	(9,970)
9 Interest bearing loans and borrowings	(1,422)	(1,403)	(1,536)
Corporation tax payable	(361)	(237)	(229)
Total current liabilities	(10,678)	(8,417)	(11,735)
Non-current liabilities			
9 Interest bearing loans and borrowings	(19,034)	(21,046)	(19,713)
Derivative financial instruments	-	(234)	-
Deferred tax liabilities	(4,340)	(3,559)	(3,914)
Employee benefits	(1,870)	(2,828)	(2,562)
Total non-current liabilities	(25,244)	(27,667)	(26,189)
Total liabilities	(35,922)	(36,084)	(37,924)
Net assets	42,945	38,735	40,657
Capital and reserves			
Equity share capital	1,251	1,251	1,251
Share premium account	17,590	17,590	17,590
Other reserves	703	703	703
Retained earnings	21,254	19,423	20,672
Hedging reserve	2,147	(232)	441
Total equity	42,945	38,735	40,657

Consolidated Cash Flow Statement
For the Six Months Ended 30 September 2022

<i>Notes</i>	Unaudited Six Months to 30 September 2022 £'000	Unaudited Six Months to 30 September 2021 £'000	Audited Year Ended 31 March 2022 £'000
Cash flows from operating activities			
Profit / (loss) for the period after taxation	459	(160)	947
<i>Adjusted for:</i>			
(i) Non-cash items:			
Amortisation	27	16	21
Depreciation: Property, plant and equipment	1,124	1,101	2,216
Depreciation: Investment properties	71	98	197
Gain on disposal of fixed assets	-	-	(9)
Interest cost on pension scheme liabilities	35	35	56
Equity-settled share-based payment expenses	48	10	45
Non-cash items adjustment	1,305	1,260	2,526
(ii) Other items:			
Exchange (gains) / losses	(31)	-	13
Bank interest payable	209	217	436
Lease liability finance expense	159	169	304
Decrease / (increase) in hire purchase leases receivable	115	(104)	(88)
Corporation and deferred tax expense/(income)	132	523	1,037
<i>Other adjustments</i>	584	805	1,702
Operating cash flow before changes in working capital	2,348	1,905	5,175
Increase in trade and other receivables	(51)	(246)	(2,035)
Increase in inventories	(1,051)	(963)	(869)
(Decrease) / increase in trade and other payables	(1,162)	2	3,195
Changes in working capital	(2,264)	(1,207)	291
Cash generated from operations	84	698	5,466
Payments to pensioners	(49)	(49)	(99)
Corporation taxes received / (paid)	-	47	(256)
Net cash flow from operating activities	35	696	5,111
Cash flows from investing activities			
Purchase of property, plant and equipment	(886)	(336)	(1,333)
Purchase of intangibles	(37)	-	(67)
Purchase of investment properties	-	(769)	(1,238)
Proceeds from the sale of property, plant and equipment	-	-	76
Net cash flow from investing activities	(923)	(1,105)	(2,562)

Continued on next page.

Consolidated Cash Flow Statement (continued)
For the Six Months Ended 30 September 2022

	Unaudited Six Months to 30 September 2022 £'000	Unaudited Six Months to 30 September 2021 £'000	Audited Year Ended 31 March 2022 £'000
<i>Notes</i>			
Net cash flow from investing activities	(923)	(1,105)	(2,562)
Cash flows from financing activities			
Repayment of bank loans	(472)	(5,468)	(5,927)
Bank interest paid	(209)	(217)	(436)
Repayment of lease liabilities principal	(321)	(306)	(716)
Lease liabilities interest paid	(159)	(169)	(304)
Cash outflow on nil cost option exercise	-	(11)	(12)
Dividends paid	-	-	(125)
Net cash flow from financing activities	(1,161)	(6,171)	(7,520)
Net decrease in cash and cash equivalents	(2,049)	(6,580)	(4,971)
Cash and cash equivalents at start of year	9,572	14,556	14,556
Exchange gains / (losses) on cash balances	31	-	(13)
Cash and cash equivalents at end of year	7,554	7,976	9,572

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Consolidated Statement of Comprehensive Income
For the Six Months Ended 30 September 2022

	Unaudited Six Months to 30 September 2022 £'000	Unaudited Six Months to 30 September 2021 £'000	Audited Year Ended 31 March 2022 £'000
Profit / (loss) for the period	459	(160)	947
Cash flow hedges - effective portion of changes in fair value	1,706	-	878
Deferred tax on other financial liabilities	-	-	58
Deferred tax on effective portion of changes in fair value	(427)	-	(205)
Items that are or may be reclassified subsequently to profit or loss	1,279	-	731
Re-measurement of the FIC defined benefit pension scheme	678	-	237
Movement on deferred tax asset relating to the pension scheme	(176)	-	(62)
Items which will not ultimately be recycled to the income statement	502	-	175
Total other comprehensive income	1,781	-	906
Total comprehensive income / (loss)	2,240	(160)	1,853

Condensed Consolidated Statement of Changes in Shareholders' Equity
For the Six Months Ended 30 September 2022

	Unaudited Six Months to 30 September 2022 £'000	Unaudited Six Months to 30 September 2021 £'000	Audited Year Ended 31 March 2022 £'000
Shareholders' funds at beginning of period	40,657	38,896	38,896
Profit / (loss) for the period	459	(160)	947
Cash flow hedges - effective portion of changes in fair value	1,706	-	878
Deferred tax on effective portion of changes in fair value	(427)	-	(205)
Deferred tax on other financial liabilities	-	-	58
Re-measurement of the defined benefit pension liability, net of tax	502	-	175
Total comprehensive income / (loss)	2,240	(160)	1,853
Transactions with owners in their capacity as owners:			
Share-based payments	48	10	45
Share option exercise	-	(11)	(12)
Dividends paid	-	-	(125)
Total transactions with owners	48	(1)	(92)
Shareholders' funds at end of period	42,945	38,735	40,657

Notes to the Unaudited Interim Statements

1. Basis of Preparation

This interim financial statement comprises the condensed consolidated balance sheets at 30 September 2022, 30 September 2021 and 31 March 2022 and condensed consolidated statements of income, comprehensive income, cash flows and changes in shareholders' equity for the periods then ended and related notes of FIH group plc (hereinafter 'the interim financial information').

Cash flow forecasts for the Group have been prepared covering the going concern period and the directors have considered downside scenarios to the base case forecasts to reflect emerging risks and uncertainties as a result of global economic conditions. The base case and sensitised forecasts indicate that the business will be cash generative over this period and that the Group will comply with its covenants and have sufficient funds to meet its liabilities as they fall due throughout the going concern period.

Consequently, the directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of issue of these interim financial statements and the interim financial statements have therefore been prepared on a going concern basis.

The interim financial information has been prepared in accordance with the accounting policies set out in the Group's 2022 annual financial statements. As permitted, these interim financial statements have been prepared in accordance with AIM rules and not in accordance with IAS34 'Interim Financial Reporting'.

Section 245 Statement

The comparative figures for the financial year ended 31 March 2022 are not the Company's full statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditor was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

2. Segmental Revenue and Profit Analysis

Unaudited - Six Months Ended 30 September 2022

	General Trading (Falkland Islands) £'000	Ferry Services (Portsmouth) £'000	Art Logistics and Storage (UK) £'000	Unallocated £'000	Total £'000
Revenue	12,217	2,039	8,566	-	22,822
Segment operating profit before net financing costs	334	498	162	-	994
Finance expense	(35)	(146)	(222)	-	(403)
Segment profit / (loss) before tax	299	352	(60)	-	591
Assets and liabilities					
Segment assets	32,573	9,977	31,331	4,986	78,867
Segment liabilities	(9,022)	(7,843)	(17,917)	(1,140)	(35,922)
Segment net assets	23,551	2,134	13,414	3,846	42,945
Other segment information					
<i>Capital expenditure:</i>					
Property, plant and equipment	322	133	472	5	932
Investment properties	39	-	-	-	39
Computer software	25	-	12	-	37
Total capital expenditure	386	133	484	5	1,008
Capital expenditure: cash	386	48	484	5	923
Capital expenditure: non-cash	-	85	-	-	85
Total capital expenditure	386	133	484	5	1,008
<i>Depreciation and amortisation:</i>					
Property, plant and equipment	443	201	480	-	1,124
Investment properties	71	-	-	-	71
Computer software	12	11	4	-	27
Total depreciation and amortisation	526	212	484	-	1,222
Underlying profit/(loss)					
Segment operating profit before non-trading items	334	498	162	-	994
Finance expense	(35)	(146)	(222)	-	(403)
Underlying profit / (loss) before tax	299	352	(60)	-	591

2. Segmental Revenue and Profit Analysis (Continued)

Unaudited - Six Months Ended 30 September 2021

	General Trading (Falkland Islands) £'000	Ferry Services (Portsmouth) £'000	Art Logistics and Storage (UK) £'000	Unallocated £'000	Total £'000
Revenue	9,895	1,496	5,876	-	17,267
Segment operating profit before non-trading items	651	123	54	-	828
Non-trading items	-	-	(44)	-	(44)
Segment operating profit before net financing costs	651	123	10	-	784
Finance expense	(35)	(152)	(234)	-	(421)
Segment profit / (loss) before tax	616	(29)	(224)	-	363
Assets and liabilities					
Segment assets	30,474	10,644	25,642	8,059	74,819
Segment liabilities	(8,334)	(8,518)	(17,475)	(1,757)	(36,084)
Segment net assets	22,140	2,126	8,167	6,302	38,735
Other segment information					
<i>Capital expenditure:</i>					
Property, plant and equipment	264	38	34	-	336
Investment properties	769	-	-	-	769
Total capital expenditure	1,033	38	34	-	1,105
Capital expenditure: cash	1,033	38	34	-	1,105
Capital expenditure: non-cash	-	-	-	-	-
Total capital expenditure	1,033	38	34	-	1,105
<i>Depreciation and amortisation:</i>					
Property, plant and equipment	407	224	470	-	1,101
Investment properties	98	-	-	-	98
Computer software	-	-	16	-	16
Total depreciation and amortisation	505	224	486	-	1,215
Underlying profit/(loss)					
Segment operating profit before non-trading items	651	123	54	-	828
Finance expense	(35)	(152)	(234)	-	(421)
Underlying profit / (loss) before tax	616	(29)	(180)	-	407

2. Segmental Revenue and Profit Analysis (Continued)

Year Ended 31 March 2022

	General Trading (Falkland Islands) £'000	Ferry Services (Portsmouth) £'000	Art Logistics and Storage (UK) £'000	Unallocated £'000	Total £'000
Revenue	21,655	3,066	15,598	-	40,319
Segment operating profit before non-trading items	1,835	155	1,090	-	3,080
Non-trading items	-	-	(41)	(259)	(300)
Segment operating profit / (loss) before net financing costs	1,835	155	1,049	(259)	2,780
Finance expense	(56)	(276)	(464)	-	(796)
Segment profit / (loss) before tax	1,779	(121)	585	(259)	1,984
Assets and liabilities					
Segment assets	31,401	9,840	32,275	5,065	78,581
Segment liabilities	(9,582)	(8,318)	(19,045)	(979)	(37,924)
Segment net assets	21,819	1,522	13,230	4,086	40,657
Other segment information					
<i>Capital expenditure:</i>					
Property, plant and equipment	1,129	52	258	-	1,439
Investment properties	1,238	-	-	-	1,238
Computer software	67	-	-	-	67
Total capital expenditure	2,434	52	258	-	2,744
Capital expenditure: cash	2,434	52	152	-	2,638
Capital expenditure: non-cash	-	-	106	-	106
Total capital expenditure	2,434	52	258	-	2,744
<i>Depreciation and amortisation:</i>					
Property, plant and equipment	834	316	423	-	1,573
Investment properties	197	-	-	-	197
Computer software	-	-	21	-	21
Right of use assets	8	130	505	-	643
Total depreciation and amortisation	1,039	446	949	-	2,434
Underlying profit/(loss)					
Segment operating profit before non-trading items	1,835	155	1,090	-	3,080
Finance expense	(56)	(276)	(464)	-	(796)
Underlying profit / (loss) before tax	1,779	(121)	626	-	2,284

3. Non-trading Items

	Unaudited Six Months to 30 September 2022 £'000	Unaudited Six Months to 30 September 2021 £'000	Audited Year Ended 31 March 2022 £'000
Profit before tax as reported	591	363	1,984
Restructuring costs	-	44	300
Underlying profit before tax	591	407	2,284

Restructuring costs comprise people-related costs including employee redundancies and compensation payable to the former Chief Executive.

4. Finance Expense

	Unaudited Six Months to 30 September 2022 £'000	Unaudited Six Months to 30 September 2021 £'000	Audited Year Ended 31 March 2022 £'000
Interest payable on bank loans	209	217	436
Net interest cost on the FIC defined benefit pension scheme liability	35	35	56
Lease liabilities finance charge	159	169	304
Total finance expense	403	421	796

5. Taxation

	Unaudited Six Months to 30 September 2022 £'000	Unaudited Six Months to 30 September 2021 £'000	Audited Year Ended 31 March 2022 £'000
Current tax charge	132	116	411
Prior year research and development tax credit	-	(39)	(39)
Deferred tax charge	-	446	665
Total tax expense	132	523	1,037

The current tax charge has been estimated on the basis of 19% and 26% of profits arising in the UK and the Falkland Islands respectively (September 2021: 19% and 26% of profits arising in the UK and the Falkland Islands respectively).

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021 and will increase the future tax charge for the Group. For the six months ended 30 September 2021, it was estimated that the impact of this rate change on the deferred tax liability of the Group and the tax charge would be £446,000. For the year ended 31 March 2022, the calculation was updated, resulting in a £523,000 charge for the year.

6. Earnings Per Share on Underlying Profit

To provide a comparison of earnings per share on underlying performance, the calculation below sets out basic and diluted earnings per share based on underlying profits.

	Unaudited Six Months to 30 September 2022 Number	Unaudited Six Months to 30 September 2021 Number	Audited Year Ended 31 March 2022 Number
Weighted average number of shares in issue	12,519,900	12,517,241	12,518,567
Maximum dilution with regards to share options	3,591	2,513	-
Diluted weighted average number of shares	12,523,491	12,519,754	12,518,567

	Unaudited Six Months to 30 September 2022 £'000	Unaudited Six Months to 30 September 2021 £'000	Audited Year Ended 31 March 2022 £'000
Underlying profit before tax (note 3)	591	407	2,284
Underlying taxation	(132)	(531)	(1,094)
Underlying profit / (loss) after tax	459	(124)	1,190
Basic earnings per share on underlying profit / (loss)	3.7p	(1.0)p	9.5p
Diluted earnings per share on underlying profit / (loss)	3.7p	(1.0)p	9.5p

7. Employee Benefits

The Group's pension obligation, the Falkland Islands Company Limited Pension Scheme, is unfunded and therefore not subject to valuation volatility as a result of stock market fluctuations.

At 30 September 2021, the Group elected to follow precedent and did not revalue its pension obligations. However, due to indications of a shift in market conditions, the Group's pension liability was recalculated under IAS 19 at 30 September 2022. The assumptions used were based on those for the year ended 31 March 2022, updated for changes in market rates. The resultant net liability reduced to £1,870,000 driven by an increase in the discount rate assumption.

8. Cash and Cash Equivalents

	Unaudited 30 September 2022 £'000	Unaudited 30 September 2021 £'000	Audited 31 March 2022 £'000
Cash and cash equivalents in the balance sheet	7,554	7,976	9,572

8. Cash and Cash Equivalents (Continued)

	Unaudited Six Months to 30 September 2022 £'000	Unaudited Six Months to 30 September 2021 £'000	Audited Year Ended 31 March 2022 £'000
Net decrease in cash and cash equivalents	(2,049)	(6,580)	(4,971)
Exchange gains / (losses)	31	-	(13)
Net decrease in cash and cash equivalents after exchange losses	(2,018)	(6,580)	(4,984)
Bank loan repayments	472	5,468	5,927
Lease modifications: non-cash	-	-	331
Lease liabilities repayments	321	306	716
Decrease in interest bearing loans and borrowings	793	5,774	6,974
Net (increase) / decrease in debt	(1,225)	(806)	1,990
Net debt brought forward	(11,677)	(13,667)	(13,667)
Net debt	(12,902)	(14,473)	(11,677)
<i>Net debt</i>			
Cash balance	7,554	7,976	9,572
Less: Total interest-bearing loans and borrowings	(20,456)	(22,449)	(21,249)
Net debt	(12,902)	(14,473)	(11,677)

9. Interest-bearing Loans and Borrowings

	Unaudited 30 September 2022 £'000	Unaudited 30 September 2021 £'000	Audited 31 March 2022 £'000
<i>Non-current liabilities</i>			
Secured bank loans	12,759	13,702	13,235
Lease liabilities	6,275	7,344	6,478
Total non-current interest-bearing loans and lease liabilities	19,034	21,046	19,713
<i>Current liabilities</i>			
Secured bank loans	952	940	948
Lease liabilities	470	463	588
Total current interest-bearing loans and lease liabilities	1,422	1,403	1,536
<i>Total liabilities</i>			
Secured bank loans	13,711	14,642	14,183
Lease liabilities	6,745	7,807	7,066
Total interest-bearing loans and lease liabilities	20,456	22,449	21,249

10. Capital Commitments

At 30 September 2022, the Group had capital commitments of £615,000 which had not been provided for in the financial statements, comprising £482,000 in Momart, £107,000 in FIC and £26,000 in PHFC.

At 30 September 2021, the Group had capital commitments of £1,061,000 which had not been provided for in the financial statements, comprising £635,000 in FIC and £426,000 in Momart.

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Stuart Munro *Chief Executive*
Reuben Shamu *Chief Financial Officer*
Rob Johnston *Non-executive Director*
Dominic Lavelle *Non-executive Director*

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