

Shipyard operator A&P Group toasts strong order book despite dip in turnover

Shipyard operator A&P Group has highlighted a strong order book for its Tyneside and Falmouth bases, after seeing profits and turnover fall in latest accounts.

The ship repair, building and marine engineering specialist saw sales drop in the year ended March 31 2024 from £100.2m to £86.95m, while pre-exceptional operating profit was £4.73m, up from £4.67m.

However, the firm booked £2.9m in exceptional costs relating to the closure of its base at Tees Port – a decision which led to staff being offered jobs at its Hebburn, South Tyneside base – and an HSE fine of £750,000 following an incident in which a crane collapsed at its Cornwall base.

A detailed report within the accounts outlines how the year saw profitability across the group, with increased turnover in all sectors other than A&P Falmouth “due to absence of a major military refit”. It said the group has recently been awarded a number of new contracts, complementing an existing strong order book.

A&P bosses said commercial ship repair revenue remained stable but that ship repair revenue in the defence sector was below prior year levels, but still remains strong as it delivers on its long-term Royal Fleet Auxiliary Cluster Support contract.

At its North East site, directors said overall revenue was ahead but core ship repair revenue dropped as smaller projects were carried out. It said fabrication revenue rose significantly, driven by the start of work on Type 26 Frigate and Flank Array subcontracts. It said the Dreadnought

submarine manufacture served up slightly lower revenues but continued to be the largest fabrication contract in the group.

The directors said: "The group has concentrated on the groundwork laid in previous years by continuing to raise its profile in both the traditional ship repair and conversion market and also in the renewable energy, the oil and gas sectors and in modular fabrication for the ship building industry.

"These together with the generation of a pleasing result by the management and workforce continue to confirm A&P Group as one of the premier ship building and repairing, ship conversion and marine engineering businesses in the UK.

"We continue to push hard to increase volume levels in the Tyne business through both our loyal customer base, new customers and maximise the value of operating the largest dry-dock on the east coast. The business continues to explore new military fabrication work particularly supporting surface ship building programmes throughout the UK. Customer loyalty, particularly with the smaller dredging and offshore support vessel customers, remains strong.

"The group is determined to take advantage of the Falmouth and Tyne sites, which are well placed to secure work as part of the supply chain for, and to provide support services to, the National Shipbuilding Strategy, the emerging renewable energy sector, and also into the oil and gas and heavy engineering industry.

"The continuing RFA Cluster through life global reach contract, together with secured military contracts under Future Submarines and our regular repeat commercial business within the UK will provide a sound turnover base for the foreseeable future."