



NO. 127

AUGUST 1980.

FLOWER FESTIVAL

Once again this year, the Church of All Hallows-by-the-Tower (opposite our late offices in Trinity Square, London) held their Flower Festival, which commenced with a Floral Art Competition. Mrs. Joyce Johnson, Secretary in London Office, again entered this competition and won Third Prize with her arrangement. The theme was "The City End of the River Thames". Mrs. Johnson used white spray chrysanthemums to represent sails of a yacht on a boat-shaped base and driftwood as the mast on a drape of brown-grey silk (representing the water). The whole arrangement was named on a small life-belt - "St. Katharine's Yacht Haven". The entry was judged by the Master of the Worshipful Company of Gardeners and Mrs. Johnson's prize consisted of a Certificate signed by the Master and a delightful indoor copper watering-can. We look forward to hearing the result of next year's competition!

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STAFF NEWS

OBITUARY: It is with deep regret that we record the sudden death of Mr. Harry Tapling, who was a Director of Reardon Smith Coggins Limited, a subsidiary Company in which Sir William Reardon Smith & Sons Limited hold a 50% interest. Mr. Tapling contributed much to the formation of Reardon Smith Coggins, particularly in the Container Repairs and Tobacco Warehousing side and he will be greatly missed by his colleagues and all those who knew him. To Mrs. Tapling and her family, we offer our sincere sympathy at this time.

Mr. E.A. Willocks: We have recently heard of the death of Mr. E.A. Willocks, Radio Officer who served with the Company from 1956 until earlier this year. Our sympathy is extended to his family.

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PROMOTION: Our congratulations to Chief Officer "Mike" Bellamy on his promotion to Master. Captain Bellamy joined the Company on 11th September 1972 as a Second Officer and was promoted to Chief Officer on 17th February 1973. Captain Bellamy took command of the m.v. "DEVON CITY" on 18th August in Durban and we take this opportunity of wishing him every success.

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INDISPOSED: We are pleased to report that Mr. John Louden, Purchasing Department, Head Office, is making good progress after his illness which has kept him away from the office since the end of June. We look forward to seeing Mr. Louden back with us before too long.

We are sorry to learn that Mr. Roy Bruce, Telex Operator, London Office, is indisposed and trust that he will make good progress towards full health and strength once again.

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EXAMINATION SUCCESSES: Our congratulations are extended to the following:-

Mr. Graham Johnson and Mr. John Jones, both of the Accounts Department, Head Office, on passing the Associateship Examination of the Institute of Chartered Shipbrokers.

Mr. R.H. Reed - Part "A" Second Class Motor Certificate.

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DONATIONS TO CHARITY

The Royal Merchant Navy School have received £22 from Captain McNulty and Officers aboard the m.v. "CARDIFF CITY" and £45 from Captain Lindsay and Officers of the "FRESNO CITY". The School have expressed their thanks and appreciation for the wonderful help these donations have been towards overcoming the increased costs they have to bear in continuing to educate orphaned children of British Merchant Seamen. We, too, add our thanks to both Masters and Officers for their generosity. Ed.

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STAMPS FOR 1981

The following are the proposed dates of issue and subjects of special stamps in 1981.

6th February	Folklore (CEPT)	4 stamps	
25th March	Fishing	4 "	
13th May	Butterflies	4 "	
24th June	National Trust	5 "	
12th August	25th Anniversary of the Duke of Edinburgh's Award	5 "	
23rd September	International Year for Disabled Persons	4 "	
18th November	Christmas	5 "	(list subject to change)

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COMPANY HISTORY

Readers will recall that, at the beginning of the year, we advised that 1980 was the Seventy-fifth Anniversary of the founding of the Company. At that time, it was also mentioned that the Company's history was being serialised in the magazine "SEA BREEZES". As Readers of "SEA BREEZES" will know, the history contains a comprehensive record of the ships operated throughout the seventy-five years of the Company's existence. Because of the lack of records caused mainly by the fire in our late offices in March 1946, the information contained in the book has taken over twenty years to collate. It is virtually a complete history of the Company and includes information of the Founder's early life, which in itself highlights conditions at sea at that time.

The serialisation is now completed and, for those readers who were perhaps unable to obtain copies of "SEA BREEZES" and would like to have a permanent record of the history, it is being produced in a "hard back" edition and will be available in November at a nominal cost of £1.50. Anyone wishing to place an order for this book should apply - IN WRITING, please - to Miss P. Ward at Head Office.

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ATTACHMENTS TO NEWSLETTER

News from G.C.B.S. Circulate No. 1/80 - Escalating Crew Costs Could Endanger Jobs.

News Release from G.C.B.S. - Record Contribution to "Invisibles".

Reardon Smith Line Preliminary Announcement - Group Profit and Loss Account for the year ended 31st March 1980.

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TO RAISE A SMILE

When a little boy who had sneaked his cap gun into church fired it in the middle of a boring sermon, the father grabbed him by the arm and started to take him out. An elderly lady whispered: "I hope you aren't going to punish him. He scared the devil out of more people today than our preachers have in the past ten years".

Father: "Did I hear the clock strike one when you came home last night from your date?"

Son: "That's right, Dad. It was going to strike 11, but I stopped it so it wouldn't wake you up".

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THINK

If you think you are beaten, you are:
If you think you dare not, you don't.
If you'd like to win, but think you can't,
It's almost a cinch you won't.

If you think you'll lose, you're lost,
For out in the world we find
Success begins with a fellow's will,
It's all in the state of mind.

If you think you're outclassed, you are,
You've got to think high to rise.
You've just got to be sure of yourself
Before you can win the prize.

Life's battles don't always go
To the stronger or faster man,
But sooner or later the man who wins
Is the one who thinks he can.

(With acknowledgment to Alberta Wheat Pool for the above three items). Ed.

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FOOTNOTE: Reminder that World Maritime Day is Friday, 26th September.

VESSEL	CARDIFF CITY	DEVON CITY	FRESNO CITY	NEW WESTMINSTER CITY
Master	J. J. Birrell	M.J. Bellamy	G.S. Garlick	A.L.G. Cousett
Chief Officer	J.R. Ashley	P.M. Baverstock	B.T. Hernaman	T.J. Hunter
Second "	T.L. Lawrence	J.P. Andrews	D.P. Kirley	N. Jerrum
Third "	I. Cowan	J.C. Brown	R.W. Davies	G.M. Kivell
Radio "	C.C. Macey	J.A. Heslop	R.H. Smith	D.R. Wilkinson
Chief Engineer	N.B. Shilstone	M.G. Seaman	L.M. Williamson	M.E. Rayner
Second "	R.E. Diamond	D.E. Horne	J.B. Hocking	P.H. Evans
Third "	A. Hobin	P.D. Slade	D.E. Simmons	W.H. Tucker
Fourth "	A.J. White	P.J. Cole	D.C. Pulley	P. Price
Junior "	D.J. Knox	A.P. Brandram-Jones	M.J.C. Lockwood	K.J. Ayres
Junior "	R.H. Reed	M. Williamson	H.D. McLundie	
Electrician	D.J.C. Harnett	K. Smith-Jaynes	T. Willoughby	J. Fernandez
Electrician			N. Padfield	
Catering Officer	D. Gowsell	L. Siawinski	J. Bonner	C.J. Harrhy
Cadets			R.J. Taylor	M.R. Dunstall
			R. Hughes-Jenkins	S.J. Laws

VESSEL	PORT ALBERNI CITY	PRINCE RUPERT CITY	TACOMA CITY	VICTORIA CITY
Master	J. Porteous	J. Vaughan	D.L. Bell	P.J. Boroughs
Chief Officer	K. Milburn	W.G. Wood	D.C. Toon	A.M.W. Mitchell
Second "	A.K. Smith	A.A. Field	P.P. Lewis	M.C. Ingram
Third "	P.D. Codd	J.J. Moore	A.C. Prosser	I.C. Miller
Radio "	R.G. Miller	G.P.S. Watts	B.B. Everett	M.W. Savory
Radio "			K.J. Harris	
Chief Engineer	L.G.I. Taylor	P.W. Evans	D.N. Amey	E.R. Morgan
Second "	P.J. Prendergast	K. Rowney	W.A. Bruce	G.D. Morgan
Third "	A.C. Coombs	M.B. Perrott	R. Taylor	M. Causer
Fourth "	M.G. Evans	R.M. Stead	M.R. Preece	W.A. Stone
Junior "	P.M. Deschamps	G.J. McKenzie	C.R. Brennan	M. Taylor
Junior "	B. Wappler	M.P. Owens	P. Munro	K.R. Tonks
Electrician	G.N. Witt	D.G. Jarvis	G. Shaddock	N.J. Doyle
Catering Officer	R.A. Peach	L.B. Surrey	P.D. Smith	D.R. Hartshorne
Cadets	S.F. Broderick		M.J. Cummins	R.W. Eacott
	M. Cox		T.D. Bennett	N. Boyce
	P. A. Vaughan			

VESSEL	WELSH CITY	AMPARO	SAMIA	JOSEFA
Master	A. D. Lightfoot	R.K. Stuart	R.E. Skinner	M.E. Jones
Chief Officer	K. Jones	J.E.S. York	K.J. Cribbin	R.V. Duncan
Second "	S.R. Breedon	M.L. Frazer	C. Swindells	P.J. Godding
Third "	G.P. Eyles	M.S. Morgan	G. Faulkener	B.F. Collings
Radio "	E.G. Bromham	K.H. Sellar	R.G. Chugg	R.J. Preece
Chief Engineer	J. Scott	D. Archbold	D.N. Henry	D. Harrison
Second "	M.R. Green	R.A. Rees	M.J. Yates	N. Nesbitt
Third "	D. C. Lewis	W. R. Shannon	T.E.J. Sperrin	N.C. Whitby
Fourth "	A.M. Baxter	P. John	B.J. Pexton	C. L. Taylor
Fourth "	K. Warner	D.A. Hayden J.4/E	A.D. Cowling	A. Keast J.4/E
Fourth "	N.C. Williams	S.G. Morris J.4/E		
Electrician	D. G. Grant	K.W.B. Hampton	E. Bennington	D. Osborne
Electrician		D.G. Hunt	E. Norman	
Catering Officer	R.E. Pierce	L. Seabrooke	A.H. Fox	
Cadets		R. Johnson	P. Connick	
		D. A. Littler	M. Spurrell	
		J.M. Coleman		
		E. J. Naughton		

VESSEL BIBI SILVIA SOFIA

Master	B.A.G. Boyer	M.C. Hurst
Chief Officer	T. Haxell	M.W. Slayman
Second "	J.M. Smith	T.A. Price
Third "	R. G. Hayton	A.P. Morris
Radio "	V.F. Cullen	W.P. Budden
Chief Engineer	G. Hughes	J. Fitzsimmons
Second "	G.J. Griffiths	K.D. Morgan
Third "	K. Newton	K.A. Velda
Fourth "	G. Gaywood	R. H. Moore
Junior "	C. K. Lee	J.R. Sampson
Junior "	M. Richards	T.A. Savage
Electrician	P. Tyerman	D.A. Williams
Catering Officer	F.W. Lever	L. Hayward
Cadets	J. Hudson	D.B. Williams
	P. Weychan	

Below are listed Officers at home on voyage leave as at 31.8.80 Every endeavour is made to ensure that the list is as accurate as possible at the time of printing.

Masters: R.A.H. Vanner, T.R. McNulty, O.J.T. Lindsay, L.R. Staines, J.C. Lee, W.D. Jones, D.B. Jack, R. Crawford, J.J. Kalnins

Chief Officers: J.C. Stutt, B.R. Hopper, I. Woollard, J.S. Pearsall, R.E. Baker, A.P. Jagers, R.T. Alford, D.H. Aubrey

Second Officers: A. Thomson, P.C. Roberts, N. Davies, J.C. Pagler, T.H. Jowett, M.J. Clarke, T.J. Fuller

Third Officers: R.J. Elliott, R.K. Villars, J.C. Neale, P.C. Harding, C.A. Prescott, A. Williamson, M. A. Evans, M. R. Lovibond.

Chief Engineers: W. Gill, R.J. Trigg, G.M. Cuthbertson, H.L. Fletcher, J. Cormack, B.M. Draper, J.C. Cullen, R. Chambers, R.M. Paddock

Second Engineers: P.R. Bryant, P.J. Walker, G.J. Burton, R.U. Bell, T. Graham-Russell, H.C. Convery, J. Foots

Third Engineers: D.A. Roberts, R.E. Russell, R.M.B. Jenkins, R. Thomas, W.M. Powell, R.C. Butcher, I.S. Exton, J.H. Davies

Fourth Engineers: M.J. Hugill, C.J. Brown, D.B. Evans, G.E. Ashton, D.J. Coombs, M.G. Smith

Junior Engineers: M. S. Duke, K.J. O'Brien, K.D. Hill, C.G. Fletcher, J. Rettalick, M. Morgan, J. A. Akhurst, A.J.F. Tuck, R. Godsall, P.W. Knibbs, D. Wright, E.L. Lloyd

Electricians: J.P. Crawford, D.E. Rees, J.T. Loraine, P. Wilmott, B. Batey, J.A. Grainger, K.F. Bean, J.F. Bowman, K. Baines

Catering Officers: R.G. Moylon, P.J. Keogh, J. Buckmaster, A.A. Gouldie, J.A. Patrick, N.H. Frost, C.R. Pasmore, R.G. White, P.R. Dibben

Radio Officers: D.C. Short, R.W. McInnes, D.P. Bidmead, W.P. Cameron, P. Bradley, N.C. Sanders, S.G. Whitmore, D.S.H. Thomson, J.R. Mathews

Officers at home on Sick/Study leave as at 31.8.80 J.S. Murray, D.J.A. Nicholl, P.C. Coles, I.M. Stewart, A. Tay, A. Able, H.D. Johnson, A. Edwards, D.G. Wedlake, A. Doubler, A.G. Vincent, K.R. Negele, D. Caffyn, I.F. Bullock, B.J. Carter

Cadets at home on voyage leave, study leave or sick leave as at 31.8.80 G.J. Provis, D.J.F. Carter, C. Taylor, C.E. Broad, L.P. Jasper, J. Cox, G. Railton, G.A. Brooks, P. Martin, S.A. Hembury, N.J. Millward, J.A. Thomas, D.T. Shorthouse, R.E. Parsons, M. Tully, C.M. Kirton, J.D. Bateman, J.G. Townsend, C.G. Everett, D.W. Gorman, M.R. Hart, P.D. Cocker, S.C. Paskell, T.J. Wood, I.J. Thomas, A.R. Parker, N.G. Herod, I.J. Morgan, M.I.V. Holman, M.G. Adams, M. R. Penny, S.J. Voss, A.J. Salter, J.C. Thomas, G. Sharp, W.E. Wilkins, D.R. James, A.P. Miller, C.B.C. Jones, R.A. Hall, A.M. Russell, P. Collins, S. Rawlings, D.R. Aldus, S.N. Beckett, P.R. Cook, M.J. Hopewell, W.P. Heyman, S.F. Lowry, C.D. Broughton

SHIPS POSITIONS

AS AT 27TH AUGUST, 1980.

m.v. "CARDIFF CITY". This vessel operating under Time Charter a/c China National sailed La Pallice 1700 12th August, having lifted 26096 metric tons Wheat for discharge China, the indication being she will discharge Hsinkang. Vessel sailed Suez Canal 22nd August and cleared Djibouti after bunkering 26th August. We look for vessel's arrival Hsinkang around 14th September. On completion discharge China, vessel's next business has not yet been finalised.

m.v. "DEVON CITY". This vessel operating under Time Charter account Safmarine arrived Durban 26th August to discharge and then load at that port, about 7 days being required for this operation. On completion loading Durban, vessel proceeds to Port Elizabeth to load for approximately six days prior departure for Burnside. Basis this itinerary, we would look for vessel's clearing Port Elizabeth about 9th September, giving ETA Burnside 30th.

m.v. "FRESNO CITY". This vessel is presently operating under Time Charter account Cast, who have sub-chartered vessel to I.V.S., the intention being vessel will load around 5250 tons Rutile at Richards Bay, completing Durban with approximately 2500 tons Citrus Pellets, 5000 tons Andalusite, 5555 Agricultural pellets and approximately 6300 tons steel products. Vessel arrived Richards Bay 1438 26th August and is expected to sail 28th for Durban. Sailing Durban looks like 31st August and, on this basis, we would expect her arrival Rotterdam around 20th September. On completion discharge Rotterdam, the intention is for vessel to drydock prior to continuing with Cast Service.

m.v. "NEW WESTMINSTER CITY" - This vessel is expected to sail Hakodate 27th August for Sacramento and San Francisco to load grain for China. This voyage will be under Time Charter account Salen and the present programme looks like arriving and sailing Sacramento 11/15th September, San Francisco 16/18th, thence China, ETA about 3rd October. On completion discharge China, vessel redelivers from Salen Time Charter and, at this stage, her future employment has not yet been arranged.

m.v. "PORT ALBERNI CITY". This vessel operating under Time Charter Aloverzee sailed Noordenham 11th August, having lifted 20916.6 tons steel for discharge Bombay. Vessel cleared Suez Canal 22nd August and, on this basis, we look for her arrival Bombay 30th August, with probable completion and redelivery from this Time Charter around 10th September. At the time of going to press vessel's future employment has not yet been arranged.

m.v. "PRINCE RUPERT CITY" Presently operating under Time Charter account China National, sailed Tampa 20th August, having lifted 21340 tons super phosphate and is presently on passage to Long Beach to load 1000 metric tons paper. Vessel will discharge Dairen and Hsinkang and, on present schedule, we would look for her arrival Dairen around 20/21st September. On completion discharge Hsinkang, vessel's future business has not yet been decided.

m.v. "TACOMA CITY". This vessel operating under Time Charter account Cast arrived Belledoune (New Brunswick) 0918 25th August to load a cargo of approximately 25000 tons fertilizers for discharge Antwerp. Vessel will probably sail Dairen 27th August and, on this basis, we would look for her ETA Antwerp 5th September, with probable completion around 9th. We have not yet been advised by Cast vessel's next employment.

m.v. "VICTORIA CITY". Operating under Time Charter account Ben Line, arrived Singapore 24th August, sailing that port 0630 27th, for Port Klang, where she is expected to arrive midnight 27th. On completion loading Port Klang, vessel returns to Singapore to finally complete loading before departure for Liverpool and Rotterdam. On present schedule, we would look for vessel's arrival Jeddah for bunker replenishment around 20/21st September, with probable arrival Liverpool about 4th October. Vessel redelivers on completion discharge Rotterdam

SHIPS POSITIONS (CONTINUED)

around 20th October and thereafter, her future business has not yet been arranged.

m.v. "WELSH CITY". Operating under Time Charter account Nippo, arrived Kimitsu 25th August, sailed Kimitsu 27th for Ohita, where she is expected to arrive 0100 29th, with probable completion and redelivery from this Time Charter a.m. 30th. On completion and redelivery, vessel proceeds towards Puget Sound District, having been fixed to load a cargo of HSS in bulk for discharge Kaoshima/Kagoshima, including Hakata. Vessel is expected back in Japan around 30th September with probable completion 5/10th October. Present indication is for vessel to drydock after completion discharge.

m.v. "AMPARO". This vessel sailed Barcelona 1700 19th August, having aboard 4403 tons cargo for discharge Vera Cruz, Tampico and Coatzacoalcos. She is expected to arrive Vera Cruz 2nd September and after discharging and loading Vera Cruz, Tampico, Coatzacoalcos and Mobile, she is scheduled to sail Mobile 26th September for Barcelona, Genoa, Leghorn and Naples. On present schedule vessel should complete cargo operations at Naples around 23rd October. Thereafter she is scheduled for drydocking prior to returning Leghorn Genoa, Naples and Barcelona for discharge New Orleans and Vera Cruz.

m.v. "BIBI". This vessel sailed Vancouver B.C. 22nd August, having lifted 8400 metric tons grain screening pellets and 6809 metric tons rape seed. Vessel arrived Prince Rupert 23rd, to load grain for discharge Busan and Kaosiung. Based on sailing 27th vessel should arrive Busan 7th September with probable completion Kaosiung 22nd, thereafter she proceeds to Innoshima for drydocking.

m.v. "JOSEFA". This vessel sailed Bilbao 21st August for Vera Cruz where she is expected to arrive 4th September. On completion operations Vera Cruz, vessel proceeds Tampico, Coatzacoalcos, Progresso, New Orleans and possibly Mobile, thereafter returning to Rotterdam, Antwerp, Bremen, Hamburg, Le Havre and Liverpool. Based on clearing Mobile around 27th September, she is scheduled to arrive back in Rotterdam 11th October and on this basis, completion Liverpool around 28th October.

m.v. "SAMIA". This vessel sailed Mobile 19th August for Alicante, where she is expected to arrive 1st September. Vessel discharges Alicante, Barcelona, Genoa possibly Leghorn and Naples, thence drydocks Malta. On completion drydocking and repairs, she is scheduled to load Barcelona, Leghorn and Genoa for discharge Vera Cruz and Tampico. We would look for vessel's sailing Genoa around 23rd October, giving ETA Vera Cruz 10th November. Vessel discharges and loads Vera Cruz, Tampico, Coatzacoalcos and Mobile to return Barcelona, Naples, Genoa, Leghorn and Barcelona.

m.v. "SILVIA SOFIA". This vessel arrived Acapulco 24th August and is expected to sail 27th for Cutuco, Acajutla, San Jose, San Lorenzo, Corinto, Puntarenas, Manzanillo, Mazatlan and Guaymas. She is expected to clear Guaymas around 28th September for Yokohama, ETA 12th October, thence Nagoya/Yokkaichi and Osaka/Kobe.

NEWS FROM GCBS

ISSUED BY THE GENERAL COUNCIL OF BRITISH SHIPPING

NUMBER

1/80

ESCALATING CREW COSTS COULD ENDANGER JOBS

High wage settlements and the stronger pound are making the UK fleet less competitive. That was the message from Mr. Adrian Swire, President of the General Council of British Shipping, at a Press conference on 4 August to introduce the 1980 British Shipping Review.

Because of high inflation in the UK, the last three NMB settlements have increased wages costs by over 50 per cent against 33 per cent in Norway, 22 per cent in Germany, and 15 per cent in Japan.

But that is only half the story. Like the rest of British industry, shipping is made that much less competitive by the strength of sterling. Because the pound has gone up 37.9 per cent against the dollar since January 1977, the large number of companies whose ships earn their revenue in dollars need over 100 per cent more revenue to meet the 50 per cent pay increase. By contrast the Swedes whose currency has remained at about the same level with the dollar, need only a 27 per cent increase in dollar revenue to pay their officers their three-year increase of 28 per cent.

Because of these two factors UK shipping has lost a lot of ground against its competitors over the last three years. We used to have a competitive edge over all the North Europeans and the Scandinavians because our wages costs were that much cheaper - reflecting living costs in the respective countries. But now our cost advantage over these countries is much reduced - or in some cases even reversed.

Beyond Europe there is our adverse cost differential with fleets of the developing world. Mr. Swire pointed out that the manning costs for a 25,000 ton bulk carrier under the Korean flag are £200,000 less than its UK counterpart and almost half the UK figure.

Competitive manning costs mean a lot of jobs for UK seafarers. Under GCBS manning arrangements they man 120 ships managed by UK companies which are registered in other countries. But more significant, a further 300 ships - which is a large proportion of the UK fleet - are owned by companies where the ultimate investment decisions are taken outside the UK. These companies have decided to invest in UK shipping because it has paid them to do so. Escalating wages costs compared with other countries could cause these investment decisions to be reversed and the jobs which go with them to disappear.

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Reardon Smith Line Limited

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14th August, 1980

PRELIMINARY ANNOUNCEMENT

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1980.

The Group results for the year ended 31st March, 1980 are shown below. Having disposed of our Drilling Rig interests in January, 1979, we thought it would be useful, for comparative purposes, to also show the figures for the year ended March, 1979, excluding the Rig operations:-

	<u>1980</u>	<u>1979</u>	<u>Excluding Rigs</u> <u>1979</u>
	£'000	£'000	£'000
GROUP TURNOVER	22,063	18,183	16,987
	-----	-----	-----
GROUP RESULTS derived from:			
Trading	1,776	2,218	1,093
Sale of Ships	161	(189)	(189)
Investments	355	213	213
	-----	-----	-----
Interest payable on loans	2,292	2,242	1,117
	1,941	2,882	2,363
	-----	-----	-----
	351	(640)	(1,246)
Surplus on re-valuation of Vessels	(1,180)	(814)	(814)
Unrealised exchange gains	(240)	-	-
Depreciation charged	1,653	2,198	2,198
Exchange rate changes	-	37	37
	-----	-----	-----
	(233)	(1,421)	(1,421)
PROFIT/(LOSS) BEFORE TAXATION	118	(2,061)	(2,667)
Taxation	221	(5)	-----
PROFIT/(LOSS) AFTER TAXATION	339	(2,066)	
Extraordinary items	-	(967)	
	-----	-----	
	339	(3,033)	
Proposed dividend of 0.1p per Unit (1979 - 0.1p)	8	8	
PROFIT/(LOSS) TRANSFERRED TO REVENUE RESERVE	331	(3,041)	
	-----	-----	
PROFIT/(LOSS) PER STOCK UNIT OF 50p	4p	(25p)	

This year's Accounts will show the full benefit of the re-structuring of the Company's assets. Reference was made last year to the sale of the "EASTERN CITY" and "VANCOUVER CITY" and these were transferred to their new owners in July, 1979. It is not anticipated that it will be necessary to dispose of any further vessels, except when the time is appropriate for replacement purposes.

The final result of the Company's actions will show a better balance between the outstanding loans and Shareholders' interests and the recent review of the valuation of the fleet indicates that the ratio of gearing has improved to 1:2.5 of loans against market values. The Accounts will show that the building loans outstanding are at present about £16M.

A re-valuation of the "EASTERN CITY" and "VANCOUVER CITY" to their market value was dealt with in the previous year's Accounts, together with an adjustment in respect of the "WELSH CITY". However, in view of the current increased value of this latter vessel, an appropriate adjustment has been made, so that the book value is the original cost, with an adjusted allowance for depreciation. All vessels are now treated on the same basis in the Accounts.

It will be seen from the above figures, that the contribution to the Group's results from trading shows the improved figure of £2,292,000, compared with £1,117,000 for 1979. If depreciation and other adjustments are taken into account, a profit figure of £118,000 is shown against a loss of £2,667,000 for 1979.

In the half-yearly Statement, when a loss for the half year was estimated at £1,012,000, it was indicated that the second half of the financial year would show a considerable improvement and that optimistic forecast has been fulfilled.

However, in spite of the imponderables and the world recession which is being experienced, the Company feels that, whilst world trade is seriously affected, there are indications that the overtomaging situation, which has been apparent for a considerable time, is now beginning to show signs of improvement in the supply and demand position. In recent months, we have seen the effect of such events and there is optimism of reasonable stability being maintained.

Due to forward commitments, we are not always able to take immediate advantage of any upturn in freight rate levels and, although the improvement in the freight market has been maintained during the year under review, it was only in the latter part of the period that the full benefit was felt. These improved results should continue in the current financial year and, in spite of the fluctuations during the past month, the results for the first half of the financial year are expected to be satisfactory. Whilst it is difficult to predict results for the second half of the year, I would anticipate the maintenance of the improved position.

It has been reported to Stockholders that we had reached agreement with our Secured Lenders for a further deferment of loan capital repayments until the end of 1980 and, therefore, repayments will be resumed in 1981 at the rates agreed in the original loan documents.

One of the conditions of deferment is the restriction on the amount of dividend that can be paid and the Company is conscious of the support which Stockholders have given during this time. Stockholders are assured that every effort will be made to resume the payment of increased dividends at the earliest opportunity.

The strength of Sterling against the U.S. Dollar generally, during the year, has had an adverse effect on our results and additionally, increases in all our costs continued during that period. However, we continue to exercise careful control in all sections, but inflation remains a world-wide problem.

The Report of the Directors and Statement of Accounts will be despatched to Stockholders on 22nd August and the Annual General Meeting will be held on 17th September, 1980.

Date

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GENERAL COUNCIL OF
BRITISH
SHIPPING

news release

For release after
17.00 hours on
Thursday, 24 July,
1980

RECORD CONTRIBUTION TO 'INVISIBLES' Over £3 Million Net a Day

A new record contribution of an estimated £1,139 million net - more than £3 million a day - was made by United Kingdom owned merchant ships last year to Britain's balance of payments.

This was the good news today (Thursday, 24 July, 1980) from the General Council of British Shipping, the national body representing British shipping companies.

Mr. Adrian Swire, President of GCBS, commented: "There was, in addition, gross import savings by UK ships of an estimated £525 million, also a record. These figures are very impressive and they demonstrate once again just how valuable UK merchant ships are to the national economy. Investment in shipping is good for Britain.

"The figures have been achieved despite a reduction in the fleet last year of more than six million deadweight tons, due chiefly to the world recession and its effects.

"A substantial improvement in tramp and tanker rates in 1979 helped to a great extent and liner earnings were more than maintained, despite the slowing down of world economies generally. On the other hand inflation continued to increase costs, particularly bunkers, which rose by some 80 per cent."

Mr. Swire, however, stressed that these are earnings figures and are in no way a measure of profitability which for the shipping

industry as a whole remains low and is a deterrent to new building.

The latest GCBS figures show:

- 1 - Total earnings in 1979 of £2,718 million, compared with a revised figure of £2,324 million in 1978. These are what UK ships earned from the carriage of cargoes world-wide.
- 2 - Gross export earnings of £2,193 million. The revised figure for 1978 was £1,895 million.
 - Gross export earnings derive from the carriage by UK ships of exports from this country, of trade between two other countries (i.e. the cross-trades), passenger fares collected abroad and time-charter hire paid to UK ships from abroad.
- 3 - A net direct contribution to the balance of payments of £1,139 million against £972 million in 1978.

The net contribution is arrived at after deducting £1,054 million necessarily spent abroad on items such as fuel bunkers, port dues and cargo-handling charges from the gross export earnings of £2,193 million.

- 4 - A saving of £525 million gross on freight charges on UK imports carried in UK ships, and also on passenger fares collected in the UK. Both represent money which would otherwise have to be paid in foreign exchange to foreign shipowners. At the same time the foreign owners would spend money in the UK on port costs etc. in the way UK ships do overseas. In practice this would of course reduce the gross figure.

--- Details of the 1979 earnings with comparisons for previous years from 1971 are attached.

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Further Information: Norman Douglas - home tel.no: 01-393 7814

GENERAL COUNCIL OF BRITISH SHIPPING

Invisible Exports - UK Ships

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
	<u>£ mn</u>	<u>£ mn</u>	<u>£ mn</u>	<u>£ mn</u>	<u>£ mn</u>	<u>£ mn</u>	<u>£ mn</u>	<u>£ mn</u>	<u>£ mn</u>
1. <u>Total receipts</u> (freight, passenger revenue and time charter receipts from abroad and from UK non-shipowners)	1156	1186	1464	2002	2099	2482	2608	2324	2718
2. <u>Receipts from abroad</u> (exports and cross voyage freights, passenger revenue collected abroad and time charter hire from abroad)	852	864	1100	1578	1647	2002	2116	1895	2193
3. <u>Disbursements abroad</u> (bunkers, canal dues, port and other expenses)	397	429	494	746	790	988	1092	923	1054
4. <u>Direct contribution to invisible exports</u> (2 minus 3; i.e. receipts from abroad less disbursements abroad)	455	435	606	832	857	1014	1024	972	1139
5. <u>Freight on imports and passenger revenue collected in UK</u> (i.e. 1 minus 2)	304	322	364	424	452	480	492	429	525

UK ships are owned in the United Kingdom.