

group trade review

GROUP RESULTS:

shipping leads among bright 1973 figures

Much higher operating profits from shipping were a bright feature of B&C's results for 1973, recently announced. The shipping operating profit was nearly trebled at £6,688,000.

The B&C group's gross profit for the year ended December 31, 1973, was up by £5,359,000 to £13,371,000. B&C profit available after taxation was up to £6,966,000 from £5,320,000 the previous year.

In a preliminary announcement of results issued June 19, B&C revealed gross revenue increased from £98,900,000 in 1972 to £116,900,000 in 1973. Operating profit was £9,727,000 (as against £4,737,000 in 1972).

The group board declared the payment of a second interim ordinary dividend of 4.1682 pence per ordinary stock unit in 1973, making a total for the year of 6.3732 pence per stock unit (equivalent to 9.371 pence gross, compared with the 1972 gross equivalent of 8.925 pence). This is the maximum permitted rate of dividend for the year.

The directors decided to declare a second interim ordinary dividend, in lieu of a final ordinary dividend, because an industrial dispute in the printing industry was at that time threatening to delay the date of the annual general meeting (set for 12.00, Wednesday July 24, at Baltic Exchange Chambers, St. Mary Axe, London).

B&C and subsidiary companies recorded the following operating profits:

Shipping: £6,688,000 (£2,311,000 in 1972);
Air transport and helicopter operations: £1,996,000 (£1,575,000 in 1972);
Aviation support services: £1,596,000 (£699,000 in 1972);
Underwriting: £200,000 (same as 1972);
Other activities: £854,000 (£808,000 in 1972).

Inclusive tour operations and travel agencies recorded a loss for the year of £1,607,000 (compared with a £856,000 loss in 1972). On inclusive tours, a note attached to the group's preliminary announcement stated: "Owing to a breakdown in accounting procedures it has been necessary to calculate the loss incurred in inclusive tour operations on a cash received and cash payments basis, after adjustment for opening and closing debtors and creditors, which have been assessed on the basis of information available at this time."

Failure to achieve budgeted load factors, and under-recovery of higher costs (such as currency variations), were blamed for the increased tour losses. A reduced programme is being operated and investigations continue.

The preliminary announcement, appearing at a time of printing disputes and general depression on the Stock Exchange, received mixed attention in the British press. Newspapers hailing the much higher shipping profits were matched by those focussing on the tour losses.

Looking at prospects for the current year's results, the B&C board commented that, though it was too early to make a firm estimate, "present indications are that they will not be dissimilar to those of 1973."

TOUR OPERATING: major reorganisation for Castle Holidays

A major reorganisation of Castle Holidays is being planned. A. F. Nickalls has resigned as managing director and has retired from the board. Gerry Risby and Len Higgs have been appointed joint managers of the company and will be based at Swanley. Other changes will be announced when the reorganisation has been completed.

In the light of the current difficulties prevalent throughout the travel industry it has been decided not to go ahead with a winter programme for 1974-75, but to concentrate on summer 1975. In the meantime, the summer arrangements for 1974 will be carried out as planned.

UNION-CASTLE: cargo mailship returns to Cape route

Good Hope Castle (10,538 tons), one of the two cargo vessels operated by Union-Castle in the weekly mail service to South Africa, resumed sailings on May 31. The ship has been out of service since last summer when a fire caused extensive damage.

Good Hope Castle left Southampton for

■ May 31 in Southampton Docks—and the mail route to Cape Town welcomes back Good Hope Castle, sailing for the first time since she was refitted following fire damage. On the right at the arrival berth is Edinburgh Castle. Picture: Dick Patience.

