



NBPM AG 25/7 a.d.

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From the Minister of State for Industry

Norman Lamont MP

The Prime Minister
10 Downing Street
LONDON
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25 July 1984

Dear Prime Minister see p. 145

When I wrote you on 23 November last giving my latest monthly report on the finances of the Shiprepairing Division of British Shipbuilders, I promised to let you have a report on the position at the end of the financial year.

As you know, BS disposed of Grangemouth late last year and Tyne Shiprepair was taken over, after some doubts on the part of its labour force, by a group of its managers in February. Falmouth has now been offered for sale and it is likely to have numerous interested buyers. In the case of Vospers we were committed to await the completion of the Saudi royal yacht 'Abdul Aziz'. This is now delivered and plans for the sale of the yard are well in hand.

The financial outcome yard by yard for the financial year 1983/4 is as follows.

Trading profit (loss)	£
Falmouth Shiprepair Ltd	773,000
Vosper Shiprepairers Ltd	457,000
Grangemouth Dockyard Ltd (to 3 November 1983)	(172,000)
Tyne Shiprepair Ltd (to 5 February 1984)	(5,195,000)
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	(4,137,000)
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Both Falmouth's and Vosper's profits would have been the better but for industrial action at the end of 1983, which, in the case of Vosper, lost it the 'Canberra' refit to the continent. The losses quoted at the two yards now sold exclude costs arising from the writing down of fixed assets and other extraordinary costs of closure: these are £1.3 million at Grangemouth and £3 million at Tyne Shiprepair.

Yours
Norman
NORMAN LAMONT

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