



No. 28

1955

## VICKERS-ARMSTRONGS LIMITED

WE HEREBY CERTIFY THAT THIS IS A TRUE COPY OF  
THE ONLY BALANCE SHEET (INCLUDING EVERY DOCUMENT REQUIRED  
BY LAW TO BE ANNEXED THERETO) LAID BEFORE THE COMPANY IN  
GENERAL MEETING DURING THE PERIOD TO WHICH THIS RETURN  
RELATES, WITH THE REPORTS OF THE DIRECTORS AND AUDITORS  
ATTACHED THERETO.

  
DIRECTOR.  
  
SECRETARY.

# VICKERS-ARMSTRONGS LIMITED

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of the Members of the Company will be held at the Registered Office, Vickers House, Broadway, Westminster, S.W.1, on Thursday, 24th May, 1956, at 10.00 o'clock in the forenoon, and that the business to be brought before the Meeting will be :—

To receive the Balance Sheet of the Company as at 31st December, 1955, including every document required by law to be annexed, with the Reports of the Directors and the Auditors attached thereto.

To declare a dividend of 9 per cent, *less* income tax, on the Ordinary Shares in respect of the year 1955, such dividend to be payable on 25th May, 1956.

To fix the fee to be paid to the Auditors of the Company.

To confirm the action taken by the Directors in the following matters :—

- (a) In accepting from Vickers Limited a charge of £462,941 in respect of the services of that Company during the year 1955, such charge including a charge for the services of the following gentlemen, of which the sum of £2,625 was in respect of their services as Directors of Vickers-Armstrongs Limited :—

Mr. A. O. Bluth (from 17th March, 1955)	Mr. G. R. Edwards (from 16th June, 1955)
Major-General C. A. L. Dunphie	Mr. P. H. Muirhead
Mr. E. J. Waddington	

- (b) In fixing the remuneration of the undermentioned Directors for the year 1955 :—

Mr. A. O. Bluth (to 16th March, 1955)	Mr. G. H. Houlden
Mr. P. H. Carey (to 30th June, 1955)	Mr. J. R. Kelly (to 30th June, 1955)
Mr. G. R. Edwards (to 15th June, 1955)	Mr. F. P. Laurens
Mr. T. Gammon (to 30th June, 1955)	Mr. W. D. Opher (to 30th June, 1955 and from 24th October, 1955)
Mr. A. H. Hird	
Mr. R. P. H. Yapp	

By Order of the Board,

E. P. TOMLINSON

Secretary

1st May, 1956.

Any Member entitled to attend and vote at the above-mentioned meeting is entitled to appoint a proxy (who need not be a member) to attend and vote instead of him at the said meeting.

# VICKERS-ARMSTRONGS LIMITED

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## DIRECTORS

Major-General C. A. L. DUNPHIE, C.B., C.B.E., D.S.O. (*Chairman and Managing Director*)

A. O. BLUTH

G. R. EDWARDS, C.B.E., B.Sc., F.R.Ae.S., A.M.I.STRUCT.E.

T. GAMMON, O.B.E., M.I.MECH.E.

A. H. HIRD, A.C.G.I., B.Sc., M.I.MECH.E.

G. H. HOULDEN, C.B.E., M.I.N.A.

F. P. LAURENS, O.B.E., M.I.MECH.E.

P. H. MUIRHEAD, C.B.E.

W. D. OPPER, M.I.MECH.E.

E. J. WADDINGTON, A.C.A.

R. P. H. YAPP

## SPECIAL DIRECTORS

A. LAWRENCE COOPER

M. G. SPRIGGS, M.A., A.C.A. (*Chief Accountant*)

E. P. TOMLINSON, A.C.A. (*Secretary*)

## AUDITORS

DELOITTE, PLENDER, GRIFFITHS & CO.

## REGISTERED OFFICE

VICKERS HOUSE

BROADWAY, WESTMINSTER, LONDON, S.W.1

# REPORT OF THE DIRECTORS

## CAPITAL STRUCTURE

At an Extraordinary General Meeting of the Members of the Company held on 27th June, 1955, the capital of the Company was increased from £30,000,000 to £35,000,000 by the creation of 5,000,000 new Ordinary Shares of £1 each, ranking *pari passu* with the existing Shares.

## REORGANISATION

Under date of 30th June 1955, the undermentioned Agreements were entered into by the Company and :—

(a) Vickers-Armstrongs (Aircraft) Limited—

For the sale of the Aircraft business of the Company carried on at Weybridge, Supermarine and other Works, including plant, leasehold property, dwelling houses outside the Works' boundaries and other assets, but excluding all other land and buildings.

(b) Vickers-Armstrongs (Engineers) Limited—

For the sale of the Engineering business carried on at Barrow-in-Furness, Elswick, Scotswood, Crayford and other Works, including plant, leasehold property, dwelling houses outside the Works' boundaries and other assets, but excluding all other land and buildings.

(c) Vickers-Armstrongs (Shipbuilders) Limited—

For the sale of the Shipbuilding business carried on at Barrow-in-Furness and the Naval Yard, Walker, Newcastle upon Tyne, including plant, dwelling houses outside the Works' boundaries and other assets, but excluding all other land and buildings.

The consideration was :—

- (i) The discharge by the respective purchasers of the liabilities stated in the Sale Agreements and  
(ii) The undermentioned amounts satisfied by the allotment to the Company of Ordinary Shares of £1 each, credited as fully paid up, in the capital of the respective purchasers, namely :—

In the case of Vickers-Armstrongs (Aircraft) Limited, the sum of .. ..	£13,249,900
In the case of Vickers-Armstrongs (Engineers) Limited, the sum of .. ..	£13,249,900
In the case of Vickers-Armstrongs (Shipbuilders) Limited, the sum of .. ..	£3,749,900

In each case the sales were deemed to have taken effect as from the opening of business on 1st January, 1955.

As a result of the sales the Company became a Holding Company, and Group Accounts are attached to this Report.

## DIRECTORATE

On 30th June, 1955, the undermentioned gentlemen relinquished their seats on the Board of the Company on being appointed Directors of one or other of the above-mentioned Subsidiary Companies :—

Mr. P. H. Carey

Mr. J. R. Kelly

Mr. T. Gammon, O.B.E., M.I.Mech.E.

Mr. W. D. Opher, M.I.Mech.E.

Mr. W. D. Opher re-joined the Board on 24th October, 1955, and Mr. T. Gammon on 1st January, 1956.

## APPROPRIATION OF PROFIT

The profit of the Company after taxation, as shown in the Group Profit and Loss Account on page 4, is £1,757,142. Of this amount, the Directors have transferred £201,933 to Reserves. After deducting the proposed dividend, there remains a balance of profit of £106,209, which, together with £3,393,730 brought forward from the previous year, makes a total of £3,499,939 to be carried forward to 1956.

## AUDITORS

The Auditors, Messrs. Deloitte, Plender, Griffiths & Co., have intimated that they are willing to continue in office and a Resolution will be proposed at the forthcoming Annual General Meeting concerning their fee.

## DIRECTORS' REMUNERATION AND MANAGEMENT CHARGE

The Shareholders are asked to confirm the action taken by the Directors in the following matters :—

- (a) In accepting from Vickers Limited a charge of £462,941 in respect of the services of that Company during the year 1955, such charge including a charge for the services of the following gentlemen, of which the sum of £2,625 was in respect of their services as Directors of Vickers-Armstrongs Limited :—

Mr. A. O. Bluth (from 17th March, 1955)

Mr. G. R. Edwards (from 16th June, 1955)

Major-General C. A. L. Dunphie

Mr. P. H. Muirhead

Mr. E. J. Waddington

- (b) In fixing the remuneration of the undermentioned Directors for the year 1955 :—

Mr. A. O. Bluth (to 16th March, 1955)

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Mr. G. R. Edwards (to 15th June, 1955)

Mr. F. P. Laurens

Mr. T. Gammon (to 30th June, 1955)

Mr. W. D. Opher (to 30th June, 1955 and from 24th October, 1955)

Mr. A. H. Hird

Mr. R. P. H. Yapp

Signed on behalf of the Board,

C. A. L. DUNPHIE

Chairman

13th April, 1956

**VICKERS-ARMSTRONGS LIMITED**  
(A Company of the Vickers Group)

**GROUP PROFIT AND LOSS ACCOUNT**

FOR YEAR ENDED 31st DECEMBER, 1955

	NOTES	1955		1954	
		£	£	£	£
<b>TRADING PROFIT</b> , partly based on estimates and including adjustments relating to earlier years .. .. .	<i>I</i>		5,972,782		3,933,169
<i>Add :</i>					
Sundry Interest .. .. .			74,604		90,000
			<hr/>		<hr/>
			6,047,386		4,023,246
<i>Deduct :</i>					
Interest paid to Vickers Ltd. .. .. .			393,003		453,945
			<hr/>		<hr/>
<b>PROFIT BEFORE TAXATION</b> .. .. .			5,654,383		3,569,301
<i>Deduct :</i>					
<b>Taxation</b>					
Income Tax .. .. .		2,326,917		1,519,630	
Profits Tax .. .. .		707,285		443,486	
		<hr/>		<hr/>	
		3,034,202		1,963,116	
		224,213		289,744	
<i>Less :</i> Adjustments relating to previous years .. .. .			<hr/>		<hr/>
			2,809,989		1,673,372
<b>PROFIT AFTER TAXATION</b> .. .. .	<i>3</i>		2,844,394		1,895,929
Dealt with in the accounts of Vickers-Armstrongs Ltd.		1,757,142		1,895,929	
Retained in the accounts of subsidiaries .. .. .		1,087,252		<hr/>	<hr/>
		<hr/>			
<i>Deduct :</i> Net dividend of 9% less tax at 8/6 .. .. .			1,449,000		1,193,500
			<hr/>		<hr/>
<b>RETAINED PROFIT</b> .. .. .			1,395,394		702,429
<i>Deduct :</i> Net transfers to reserves—					
Vickers-Armstrongs Ltd.					
Reserve for replacement of fixed assets .. .. .		180,000		—	
Investment allowances reserve .. .. .	<i>3</i>	21,933		153,000	
Subsidiaries					
Reserve for replacement of fixed assets .. .. .		650,000		—	
Investment allowances reserve .. .. .	<i>3</i>	289,285		—	
General reserve .. .. .		2,317		—	
		<hr/>		<hr/>	
			1,143,535		153,000
<b>UNAPPROPRIATED PROFIT OF THE YEAR</b> .. .. .			251,859		549,429
Vickers-Armstrongs Ltd. .. .. .		106,209		549,429	
Subsidiaries .. .. .		145,650		<hr/>	<hr/>
		<hr/>			
		£251,859			
Brought forward from previous year .. .. .		3,393,730			2,844,301
<i>Add :</i> Balance in accounts of Company acquired from Vickers Ltd. .. .. .		2,317			
		<hr/>			<hr/>
			3,396,047		
<b>UNAPPROPRIATED PROFIT CARRIED FORWARD TO NEXT YEAR</b> ( <i>per Balance Sheet</i> ) .. .. .			3,647,906		3,393,730
Vickers-Armstrongs Ltd. .. .. .		3,499,939		£3,393,730	
Subsidiaries .. .. .		147,967		<hr/>	<hr/>
		<hr/>			
		£3,647,906			

*To be read in conjunction with the Balance Sheet*

**VICKERS-ARMSTRONGS LIMITED**  
(A Company of the Vickers Group)

**GROUP BALANCE SHEET**

AT 31st DECEMBER, 1955

	NOTES	£	1955 £	£	£	1954 £	£
		Cost (or Valuation)	Depreciation		Cost (or Valuation)	Depreciation	
<b>Fixed Assets</b>	<b>4</b>						
Land and buildings .. .. .		10,581,512	3,486,651	7,094,861	10,531,895	3,303,953	7,227,942
Plant and other equipment .. .. .		19,356,949	9,088,002	10,268,947	17,656,448	8,488,937	9,167,511
		<u>£29,938,461</u>	<u>£12,574,653</u>	<u>17,363,808</u>	<u>£28,188,343</u>	<u>£11,792,890</u>	<u>16,395,453</u>
Investment in subsidiary company not consolidated—shares at cost .. .. .				71,653			400
				<u>17,435,461</u>			<u>16,395,853</u>
<b>Current Assets</b>							
Stocks and work-in-progress .. .. .		91,085,510			82,476,262		
Less: Instalments on contracts .. .. .	<b>5</b>	<u>71,986,670</u>			<u>58,138,482</u>		
			19,098,840			24,337,780	
Debtors, bills receivable and payments in advance .. .. .			26,071,560			17,248,094	
Amount owing by subsidiary company not consolidated .. .. .	<b>8</b>		856,849			—	
Amounts owing by other Vickers Group companies .. .. .			821,185			696,496	
Balances at bankers and cash in hand .. .. .			<u>1,600,079</u>			<u>761,682</u>	
			<u>48,448,513</u>			<u>43,044,052</u>	
Less:							
<b>Current Liabilities and Provisions</b>							
Creditors and accrued expenses .. .. .		10,645,528			7,016,657		
Amounts owing to Vickers Group companies .. .. .		12,396,629			11,900,339		
Current taxation .. .. .		848,221			891,082		
Provision for further expenditure on completed work .. .. .		1,046,766			1,045,834		
Provision for pensions .. .. .		686,619			718,785		
Proposed dividend to Vickers Ltd. .. .. .		<u>1,449,000</u>			<u>885,500</u>		
			27,072,763			22,458,197	
			<u>21,375,750</u>			<u>20,585,855</u>	
Less:							
Amount set aside for future taxation .. .. .	<b>3</b>		2,581,663			2,149,872	
				18,794,087			18,435,983
<b>NET ASSETS</b> .. .. .				<u>£36,229,548</u>			<u>£34,831,836</u>
Representing:							
<b>Share Capital</b>							
Ordinary shares of £1 each fully paid (Authorised £35,000,000) .. .. .				28,000,000			28,000,000
<b>Reserves and Unappropriated Profit</b>							
Capital reserve .. .. .			35,106			35,106	
Reserve for replacement of fixed assets .. .. .			830,000			—	
Investment allowances reserve .. .. .			464,218			153,000	
General Reserve .. .. .			3,252,318			3,250,000	
Unappropriated profit (per Profit and Loss Account) .. .. .			<u>3,647,906</u>			<u>3,393,730</u>	
				8,229,548			6,831,836
<b>TOTAL FUNDS EMPLOYED</b> .. .. .				<u>£36,229,548</u>			<u>£34,831,836</u>

C. A. L. DUNPHIE  
E. J. WADDINGTON } Directors  
E. P. TOMLINSON Secretary

with notes on page 7

**VICKERS-ARMSTRONGS LIMITED**  
(A Company of the Vickers Group)

**BALANCE SHEET**

AT 31st DECEMBER, 1955

	1955			1954		
	£	£	£	£	£	£
	Cost (or Valuation)	Depreciation		Cost (or Valuation)	Depreciation	
<b>Fixed Assets</b>						
Land and buildings .. .. .	9,844,993	3,222,417	6,622,576	10,531,895	3,303,953	7,227,942
Equipment .. .. .	4,720	944	3,776	17,656,448	8,488,937	9,167,511
	<u>£9,849,713</u>	<u>£3,223,361</u>	<u>6,626,352</u>	<u>£28,188,343</u>	<u>£11,792,890</u>	<u>16,395,453</u>
Investments in subsidiary companies—shares at cost .. .. .			30,379,753			400
			<u>37,006,105</u>			<u>16,395,853</u>
<b>Current Assets</b>						
Stocks and work-in-progress .. ..	—			82,476,262		
Less: Instalments on contracts .. ..	—			<u>58,138,482</u>		
					24,337,780	
Debtors, bills receivable and payments in advance .. .. .		326,102			<u>17,248,094</u>	
Amounts owing by subsidiaries .. ..		3,090,359				
Amounts owing by other Vickers Group companies .. .. .		20,848			696,496	
Balance at bankers and cash in hand ..		<u>44,457</u>			<u>761,682</u>	
		3,481,766			<u>43,044,052</u>	
<i>Less:</i>						
<b>Current Liabilities and Provisions</b>						
Creditors and accrued expenses .. ..	181,069			7,016,657		
Amounts owing to subsidiaries .. ..	395,787			—		
Amounts owing to other Vickers Group companies .. .. .	2,941,493			11,900,339		
Current taxation .. .. .	52,000			<u>891,082</u>		
Provision for further expenditure on com- pleted work .. .. .	—			1,045,834		
Provision for pensions .. .. .	309,467			<u>718,785</u>		
Proposed dividend to Vickers Ltd... ..	<u>1,449,000</u>			<u>885,500</u>		
		5,328,816			22,458,197	
		1,847,050 Cr.			20,585,855	
Amount set aside for future taxation ..		19,077			2,149,872	
		<u>1,866,127 Cr.</u>				<u>18,435,983</u>
<b>NET ASSETS</b> .. .. .		<u>£35,139,978</u>				<u>£34,831,836</u>
<i>Representing:</i>						
<b>Share Capital</b>						
Ordinary shares of £1 each fully paid (Authorised £35,000,000) .. .. .		28,000,000				28,000,000
<b>Reserves and Unappropriated Profit</b>						
Capital reserves .. .. .		35,106			35,106	
Reserve for replacement of fixed assets ..		180,000			—	
Investment allowances reserve .. .. .		174,933			153,000	
General reserve .. .. .		3,250,000			3,250,000	
Unappropriated profit ( <i>per Profit and Loss Account</i> ) .. .. .		<u>3,499,939</u>			<u>3,393,730</u>	
		7,139,978				6,831,836
<b>TOTAL FUNDS EMPLOYED</b> .. .. .		<u>£35,139,978</u>				<u>£34,831,836</u>

C. A. L. DUNPHIE  
E. J. WADDINGTON  
E. P. TOMLINSON } *Directors*  
*Secretary*

To be read in conjunction with notes on page 7.



## NOTES ON THE ACCOUNTS

### 1. TRADING PROFIT

The trading profit of the Group is arrived at after charging the following items :—

	£ 1955	£ 1954
Depreciation (in addition, a sum of £830,000 (1954—Nil) has been appropriated out of profits for replacement of fixed assets) .. .. .	1,334,954	1,197,872
Provisions for further expenditure on completed work and possible losses on work-in-progress .. .. .	1,094,725	986,704
Provision for pensions .. .. .	—	80,000

### 2. VICKERS-ARMSTRONGS DIRECTORS' EMOLUMENTS

The directors' emoluments of Vickers-Armstrongs Ltd. were as under :—

	£ 1955	£ 1954
For services as directors .. .. .	2,625	2,580
For other services .. .. .	69,593	79,060
	<u>£72,218</u>	<u>£81,640</u>

In addition, payments of £3,102 (1954 £1,980) to secure pension benefits have been charged to Provision for Pensions.

### 3. TAXATION

The charge of £2,809,989 in the Profit and Loss Account broadly represents the estimated liability on the profits brought to credit in the year's accounts. The anticipated tax relief (£843,752, 1954 £631,225) on expenditure provided in the accounts but not allowable for tax purposes until actually incurred has been carried forward in a suspense account and deducted from the amount shown as set aside for future taxation. Tax relief received on initial allowances on capital expenditure up to 6th April, 1954 is being credited to revenue over ten years, the balance (£700,159, 1954 £849,597) available for future credit to revenue being included in the amount shown as set aside for future taxation.

The amount shown as set aside for future taxation includes the provision for income tax due 1st January, 1957 (£2,725,256, 1954 £1,931,500), together with the adjustments referred to above.

Credit has been taken for relief from tax arising from investment allowances on capital expenditure of the year, but an approximately equivalent amount has been appropriated out of profits to Investment Allowances Reserves.

The Group, of which this Company is a member, has been given Profits Tax non-distribution relief, and accordingly a distribution charge might, in certain circumstances, become payable in the future.

### 4. FIXED ASSETS

(a) With the exception of a relatively small part which is based on valuations, the fixed assets are included at original cost (partly estimated) to the companies or their predecessors, and depreciation has been calculated thereon from the dates of erection or valuation as the case may be.

(b) Commitments for capital expenditure are estimated at £1,418,000 (1954 £1,043,919).

### 5. CURRENT ASSETS

Instalments on contracts £71,986,670 include instalments on certain contracts estimated to be in excess of expenditure to an amount of £10,900,000 (1954 £10,200,000).

### 6. CONTINGENT LIABILITIES

There are contingent liabilities in respect of bills discounted amounting to £110,250 (1954 £173,250).

### 7. CONVERSION INTO STERLING

Assets in currencies other than sterling have been converted into sterling at the rates ruling at the 31st December, 1955.

### 8. COMPANY NOT CONSOLIDATED

During the year a new subsidiary was formed in the U.S.A., viz. Vickers-Armstrongs Incorporated, for which it has not been practicable to produce accounts in time for incorporation in the Group Accounts.

9. The financial year of a subsidiary company in Australia ends on 31st October.

# REPORT OF THE AUDITORS

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company so far as appears from our examination of those books. We have examined the foregoing Balance Sheet which is in agreement with the books of account. In our opinion and to the best of our information and according to the explanations given us the said Balance Sheet gives the information required by the Companies Act, 1948, in the manner so required, and gives a true and fair view of the state of the Company's affairs as at 31st December, 1955.

We have also examined the foregoing Group Accounts comprising Group Balance Sheet and Group Profit and Loss Account of the Company and its Subsidiaries with the audited accounts of those Companies, certain of which have not been audited by us. Subject to the foregoing, in our opinion such Group Balance Sheet and Group Profit and Loss Account have been properly prepared in accordance with the provisions of the Companies Act, 1948, so as to give a true and fair view respectively of the state of affairs and of the profit of Vickers-Armstrongs Limited and its Subsidiaries, and so far as is practicable having regard to the fact that the accounts of one of the Subsidiaries covers a different period from those of Vickers-Armstrongs Limited.

DELOITTE, PLENDER, GRIFFITHS & CO.

*Chartered Accountants*

5, LONDON WALL BUILDINGS,  
LONDON, E.C.2.

*13th April, 1956.*