

IMPERIAL CHEMICAL INDUSTRIES LIMITED



ANNUAL REPORT

FOR THE YEAR

1954

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IMPERIAL CHEMICAL INDUSTRIES LIMITED

(Honorary President : THE RT HON LORD MCGOWAN, K.B.E., D.C.L., LL.D.)

TWENTY-EIGHTH ANNUAL REPORT

1954

DIRECTORS

Chairman ALEXANDER FLECK, D.Sc., LL.D., F.R.S.

Deputy Chairmen STANLEY PAUL CHAMBERS, C.B., C.I.E.
ALEXANDER JOHNSTONE QUIG
SIR EWART SMITH

PETER CHRISTOPHER ALLEN
JOHN LEONARD ARMSTRONG
RICHARD ALFORD BANKS
ERIC ALBERT BINGEN
STEPHEN FRANCE BURMAN, C.B.E.
THE RT HON VISCOUNT CHANDOS,
P.C., D.S.O., M.C.
THE RT HON LORD GLENCONNER
RONALD HOLROYD
CLIFFORD PAINE

CHARLES ROSS PRICHARD
DAVID JOHN ROBARTS
WILLIAM DONALD SCOTT
PERCIVAL KAY STANDRING
JOSEPH LINCOLN SPEDDING STEEL
JAMES TAYLOR, M.B.E., D.Sc.
ROBERT CHARLES TODHUNTER
THE RT HON VISCOUNT WAVERLEY,
P.C., G.C.B., G.C.S.I., G.C.I.E., F.R.S.
WALTER JOHN WORBOYS

Secretary
RICHARD ANTROBUS LYNEX

Treasurer
JOHN HORACE COTTON

Registered and Transfer Office
IMPERIAL CHEMICAL HOUSE, MILLBANK, LONDON, S.W.1

Registrar
EDWARD GEORGE LAMBERT

Auditors
PRICE WATERHOUSE & CO, 3 Frederick's Place, London, E.C.2
THOMSON McLINTOCK & CO, 33 King William Street, London, E.C.4

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REPORT OF THE DIRECTORS 1954

TO BE SUBMITTED

TO THE MEMBERS AT THE

TWENTY-EIGHTH ANNUAL GENERAL MEETING

TO BE HELD ON 16TH JUNE 1955

The Directors of Imperial Chemical Industries Limited submit the Twenty-eighth Annual Report, together with the Accounts of the Company for the year 1954.

REVIEW OF OPERATIONS

The value of the whole Group's consolidated sales (which includes £25 million in respect of new subsidiaries) was £352,100,000, a notable increase over the 1953 total of £281,900,000, and the value and volume of the Company's sales both in the home and in the export markets were records. The Company's direct exports in 1954 were £67½ million compared with £58 million in 1953. These improvements came not only from the general prosperity of world trade and from the high level of industrial activity at home, but also from the Company's increased ability to meet demands both for old and new products as a result of its heavy capital investment since the war. Much of this new capital has now started to make a significant contribution to the Company's turnover both in increased sales of old-established products and in substantial sales of products which were not on the selling range before the war.

The policy of the Company of keeping prices as low and as stable as possible was pursued throughout the year. A few increases and a few

decreases in price were made but, on the average, the Company absorbed practically the whole of the rise in costs of wages, transport and raw materials, including fuel. The following table illustrates what has been achieved in this respect:

<i>Year</i>	<i>I.C.I. Pur- chasing Price Index</i>	<i>I.C.I. Index of Earnings per Worker</i>	<i>Board of Trade Wholesale Price Index</i>	<i>I.C.I. Home Sales Price Index</i>
1938	100	100	100	100
1948	251	197	216	145
1953	366	277	323	190
1954	372	302	325	191

Of the Company's new products, sales of 'Terylene' polyester fibre (the main plant for which is rapidly working up to full production) continued to increase, and plant for additional capacity is already in hand. New organic products

from both Billingham and Wilton are making an increasing contribution to turnover. During the year there was a big demand for plastics, including polyvinyl chloride which is now used extensively for the manufacture of conveyor belting in coal mines, and a large quantity of 'Alkathene' (the Company's brand of polythene) will be supplied for the new transatlantic telephone cable. Sales of decorative paints also rose to record levels.

Certain raw materials became rather difficult to get towards the end of the year, but on the whole no serious shortages were felt.

Expenditure on the Company's construction programme (including replacement of old plants) in 1954 amounted to £34 million, making a total expenditure of £190 million on new fixed assets since the end of the war.

The Company continues to make substantial progress in the improvement of productive efficiency as a result of technical advance, capital expenditure, and managerial method, including the use of Work Study. Thus, the 1954 volume of production was approximately double that of 1946, although the total number of employees rose only by 17 per cent over that period.

The use of Work Study, as an aid to improving productive efficiency, was extended, particularly in the design field. Special emphasis was given to the wider use of Method Study, and to some of the newer techniques of work measurement for the pre-determination of the work content of

a wide range of non-repetitive tasks. During the year the number employed on work-studied incentive schemes rose by 3,500 to a total of 27,750.

The Company collaborated with the British Institute of Management and the British Productivity Council in running a Work Study conference for industry generally, which was attended by some 800 executives from a wide variety of organizations. It followed similar lines to the one undertaken with the Company's help by the Association of British Chemical Manufacturers in the previous year.

Work Study techniques are now being applied on an increasing scale in several of the Company's subsidiary and associated companies overseas; and in every case there has been a notable increase in productive efficiency.

Accident prevention in the Company's factories was given unremitting attention, and the accident rate is now down to one lost-time accident per 100,000 hours worked. This is approximately one-third of the level in 1946, and the objective now is to achieve a further reduction of 50 per cent.

In spite of difficulties, intensive training and exercises in Civil Defence continued, and there was a good degree of enthusiasm amongst those taking part. The Company's Industrial Civil Defence Service now numbers about 4,500.

A more detailed review of the operations of each Division will be found in the Appendix on page 13.

EXPORT AND OVERSEAS ACTIVITIES

The value of the Company's exports showed an increase of 16 per cent over 1953, compared with an increase of 3 per cent for United Kingdom exports as a whole.

There was, generally, a relaxation in import restrictions in overseas markets, notably in India, Australia and Argentina. Exports to Brazil and Turkey continued to be severely restricted by the acute shortage of sterling in these countries.

The increase in exports was spread over many products but particularly those of the Alkali, Dyestuffs and Plastics Divisions which contributed respectively £2.45 million, £2.74 million, and £1.8 million to the total increase of £9.3 million. The Plastics Division, which exports products which were little known before the war, has multiplied its exports almost five times since 1948, and now ranks as a major exporting Division.

Largely as a result of the activities of these three Divisions the Company's exports to European markets increased considerably.

There was keen competition from other major chemical producing countries, notably America, Germany and Japan. In some countries, particularly in South America, competitors

were helped by the currency situation, but where the Company was able to compete on equal terms this competition was successfully countered and the Company strengthened its position.

A review of the Company's overseas interests will be found in the Appendix on page 23.

RESEARCH AND DEVELOPMENT

The need and scope for research and development continue to increase, and expenditure on these activities now exceeds £8 million a year.

During the year there was a noticeably increased call in the manufacturing Divisions of the Company for research directed towards improvements to existing processes not necessarily requiring major new capital expenditure. Past experience has proved that such work, although not spectacular, can improve efficiency and be remunerative.

Schemes for the modification of some of the Company's older manufacturing processes, in order to incorporate improvements resulting from recent rapid advances in technology throughout the world, called for more research and development effort, and more attention was also devoted to basic engineering and chemical engineering research, particularly in the fields of instrumentation and automatic control.

Research and development to provide new products and processes for the further extension of the Company's business were maintained at substantially the same level as in recent years, and accounted for over half the total effort. Some of the more important objectives are referred to in the review of the Divisions in the Appendix at the end of this Report.

Although the ultimate object of the Company's research and development work is the practical one of improving old processes and products and developing new ones, it is essential to have the strong backing of basic scientific research, and some

15 per cent of the research effort of the Divisions is devoted to work of this nature. In addition to the research work done in the Divisions, some forty scientists are carrying out basic researches in chemistry, physics and biology in the laboratory at The Frythe, Welwyn, which has been re-named the Akers Research Laboratories in memory of the late Sir Wallace Akers, who was Research Director of the Company until May 1953.

Apart from the value of its own work, the Akers Research Laboratories provide a useful link with scientific research work in universities which it has been the Company's policy over many years to encourage. Since this subject was last touched upon in the Annual Report for 1949, the system of grants to University Departments of Chemistry for the purchase of chemicals and apparatus has been extended to include Departments of Chemical Engineering, Mechanical Engineering and Metallurgy. The I.C.I. Research Fellowship scheme now includes the University of Wales, and substantial grants have also been made towards the cost of buildings and equipment for research purposes at a number of universities including Cambridge, Edinburgh, Nottingham, Oxford, Southampton and the Royal Technical College, Glasgow.

A further contribution to the general advance of scientific knowledge is the publication of the results of the Company's more fundamental work, and in 1954 some 350 papers, articles and lectures on scientific subjects, by members of the Company's staff, were published.

PERSONNEL

At the end of 1954 the Company's employees in the United Kingdom numbered 112,000 (2,500 being employed in H.M. Government Agency factories) of whom 86,340 were men and 25,660 were women, a total increase of about 4,400 during the year.

Very few people were discharged, although unfortunately I.C.I.'s oldest factory and the oldest privately owned gunpowder mill in the country, at Roslin, Midlothian, had to be closed on account of the danger of subsidence from coal mining. This factory, which had some 70 employees, had made gunpowder since 1790, and the figures '1815' carved on a rock in the factory commemorate the part played by Roslin's gunpowder in the battle of Waterloo. Wherever possible employees were found work in other I.C.I. factories, and others were paid gratuities based on length of service.

The Company's relations with the Trade Unions continued to be friendly and co-operative. Since the last Annual Report, wage applications were lodged with the Company on behalf of general workers and tradesmen, and the Company agreed to wages increases of 2½d. an hour for general workers, and 3d. an hour for tradesmen. If the Company's labour force and level of production remained constant, the effect of these increases would be to add about £2½ million to the Company's wages bill in a full year. However it is hoped that this additional cost will, in many, if not in most cases, be offset by an increase in productivity through such means as improved methods and equipment and better use of labour, and towards this end the further co-operation of the Unions was enlisted.

The current wage rates of the Company compare favourably, without being out of step, with rates in industry generally. For the Company's male general workers the minimum basic rate is 144/10d. a week, with earnings averaging about 219/- a week (equivalent to a rate of £570 a year), and for engineering tradesmen the basic rate is 176/- a week with average earnings of 258/- (equivalent to a rate of £670 a year).

The Company's Works Council machinery, which was set up more than 25 years ago, has been reviewed both by a management committee and by the Works Councils themselves, in order to determine whether it meets present-day needs adequately. These Councils exist at three levels—one for each Works, one for each Division, and a Central Council—and it is a tribute to the sound principles upon which the Scheme is based that after an exhaustive examination it is likely that little change will be needed.

The recruitment of scientists and engineers of the high calibre needed continues to demand the closest attention. The recruitment of young engineers presents a special problem because of the many other industries which offer them attractive careers. As the Company employs about 1,500 graduate and professional engineers in the United Kingdom, considerable effort is needed to obtain sufficient recruits in order to cover losses by retirement and in other ways, and for the expansion of the Company's activities. Ex-service officers and colonial administrators with appropriate qualifications are willingly considered for employment and about a dozen of these are now engaged on engineering work.

In any assessment of technical manpower in the chemical industry, the chemical engineer must be recognized as increasingly important. About 100 chemical engineers who have graduated as such, or who have added post-graduate studies to a degree course in chemistry or engineering, are engaged in development, plant design, and in other fields in the Company; and in addition there are many hundreds more who have graduated either as chemists or engineers and have become chemical engineers by reason of their added experience in industry.

During the year there was fortunately a growing awareness on the part of educationalists, industrialists, and the general public of the shortage of young men with technical qualifications, which if it is not corrected may retard the country's economic development. In view of this shortage,

efforts are being made to ensure that the Company obtains its proper share, and encouragement is being given to measures which will increase the flow of young men of all-round ability who are prepared to undergo technical training. An important aspect of this problem is the shortage of graduate science teachers in the schools; and the Company has had discussions with other companies and with the Federation of British Industries. So far there is little evidence of any improvement in the situation but the Company will continue to press for bold and effective measures that will help to solve this serious problem.

In addition to seeking graduates of high calibre, the Company is taking every care that its junior technical and clerical staffs are of a high standard. The importance of this aspect is emphasized in the knowledge that in 1954 the Company recruited some 628 laboratory assistants and 1,813 clerical staff of both sexes. In all districts the Company likes to maintain contacts with local schools, training colleges and similar institutions, and in many parts of the Company training is provided for young women who wish to follow secretarial careers. In London, for example, the Company is in touch with a large number of high schools and county grammar schools from which it recruits suitable girls to fill vacancies in the Head Office Training School, and since 1947 practically all the Company's women staff in London have been recruited in this way. It is perhaps worth noting that the losses of women staff from all causes are now steady at about 14 per cent per annum, whilst in the case of men, losses have diminished in recent years to 4.8 per cent.

It is the Company's policy to organize training programmes which will advance the knowledge and skills that modern business operations demand, and to promote, by means of residential facilities wherever possible, closer contacts between senior executives and other employees in the Company's service both at home and overseas. An outstanding development during the year was the establishment of the Company's residential training centre

at Warren House, Kingston Hill, Surrey. Staff, commercial, work study, and other courses which have been developed within the Company during the post-war years, are now being brought together in this building, and the new facilities will provide opportunities for extension of these activities. About 400 members of the staff will be able to attend the training centre annually. The organization of central courses in no way minimizes the importance of local training activities, and training of plant managers, foremen and other supervisors continues as before, and about 2,000 have attended courses during the past year. Progress continues in apprentice training schemes, and in four Divisions new buildings or enlargements of existing buildings are in course of planning and construction. Nearly 400 apprentices were recruited during the year, and keen competition continues for places in these schools. Although much attention is paid to training within the Company to meet specific needs, many employees also attend courses provided by outside organizations. Two of the senior staff are attending the Advanced Management Course at Harvard University; eight more, including two from overseas companies, attended the Administrative Staff College at Henley-on-Thames during the year; and others attended the Young Business Executives Course at Worcester College, Oxford, the Cheshunt College Course at Cambridge, the first course for industrialists at William Temple College, Rugby, and the British Institute of Management's Executive Development Programme in London. Some forty younger employees attended the Outward Bound School and the Brathay Hall Course. By these and other means the Company is continually seeking ways of promoting the efficiency of its staff.

The Company has always worked on the principle that the men and women who serve it are its most valuable asset, and the Directors wish to express their thanks to the employees both at home and abroad; it is mainly to their loyal and zealous service that the Company's continued prosperity is due.

PROFIT SHARING SCHEME FOR EMPLOYEES

The Profit Sharing Scheme mentioned in the Annual Report for 1953 has now been introduced and has been welcomed by the employees. The scope of the Scheme was extended to cover all employees with the requisite age and service qualifications, other than the Directors of the Company. The Scheme will be administered by nine Trustees, all of whom are employees of the Company, including some drawn from the works payroll. A large amount of the administrative work has been decentralized.

The Directors retain complete discretionary control over the Scheme in all its aspects, including the decision to be made each year on whether or not bonus under the terms of the Scheme will be

paid. Towards the end of 1954 the Board decided that bonus will be paid for that year, subject to the total dividend on the Ordinary Stock of the Company for the year ended 31st December 1954 exceeding 5 per cent. As stated in the Annual Report for 1953, the bonus will be 1 per cent of yearly remuneration of every eligible employee for each 1 per cent of total annual dividend in excess of 5 per cent paid on the Ordinary Stock of the Company.

Under the Scheme the cash bonus, after payment to the Inland Revenue of individuals' income tax under P.A.Y.E. procedure, is required to be paid to the Trustees not later than four weeks after the Annual General Meeting of the Company. It is then the duty of the Trustees, acting for the employees, to apply and pay for Ordinary Shares of the Company.

FINANCE

The audited Accounts of the Company are presented on pages 30 to 35 and consist of the Consolidated Profit & Loss Account and the Profit & Loss Appropriation Account for the year 1954, together with the Balance Sheet of Imperial Chemical Industries Ltd and the Consolidated Balance Sheet of the Company and its one hundred and three Subsidiaries at 31st December 1954. Notes on the Accounts for 1954 amplifying certain of the figures are given on pages 36 and 37.

There is also given on pages 38 and 39 the customary financial statistical record, covering the period of ten years to 31st December 1954.

PROFITS

The total Manufacturing and Trading profits for 1954 of the Company and all its subsidiaries, after providing for depreciation, amounted to £49,505,459 as compared with £35,943,499 for 1953, an increase of £13,561,960. The figures for the two years however are not strictly comparable

because for 1954 they include amounts of the order of £2,250,000 representing the trading results of the new subsidiaries in South America (for twelve months) and Canada (for six months), whereas for 1953 the income from those Companies was brought in at a later stage in the Profit & Loss Account as dividends from Associated Companies.

Home Manufacturing Divisions, aided by new plants which came into commission, operated at a high level of production throughout the year. The higher outputs resulted in a record volume of sales, and this, coupled with improvements in manufacturing efficiency, accounts for the increase in profits from Home production. Increases in turnover and in trading profits were also shown by most of the Company's Manufacturing and Merchanting Subsidiaries overseas. As mentioned at the outset of this Report the consolidated turnover of the Company and all its Subsidiaries, Home and Overseas, was £352,100,000, a figure which considerably exceeded the previous record of £281,900,000 made in 1953.

The provision for depreciation by the group was £16,617,557 compared with £11,551,012 in 1953. Depreciation charged in the accounts of new subsidiaries together with the depreciation on new plants coming into commission necessarily increased the total provision for the year. In addition the Divisions made during the year a review of the estimated economic working lives of all operating units in the United Kingdom. The fruits of research and continued technological improvements, both inside and outside the Company, are such that many plants may need to be replaced or modernised in the future whilst still physically capable of production, if the best economic efficiency is to be achieved. Accordingly, the estimates of the remaining working lives of many of the producing units, particularly those in the newer and rapidly changing fields of chemistry, have been reduced and the annual provisions for depreciation correspondingly increased.

There is included in the accounts for the first time a provision for the Company's liability under the Employees' Profit Sharing Scheme. This provision of £2,652,857 in respect of the year 1954 represents the estimated gross amount of Profit Sharing Bonus based on the recommended Ordinary Dividend for the year. After deduction therefrom, for payment to the Inland Revenue, of individual beneficiaries' income tax under P.A.Y.E., the balance will be handed to the Trustees of the Scheme in July to be applied by them in accordance with the terms of the Scheme.

Taxation, both United Kingdom and Overseas, has been fully provided on the profits of the year, the overseas taxation of new subsidiaries now consolidated being reflected in the total charge. Overprovisions in past years amounting to £1,836,026 have been credited and credit has also been taken for the Investment Allowances relating to new capital construction as from 6th April 1954. These latter have operated to relieve the charge for taxation for the year by £2,022,922. The amount of £61,954 has been added to the charge for taxation and credited to the Reserve for Deferred Income Tax Liabilities, as representing the calculated net beneficial effect of Initial

Allowances for 1954 and previous years on the income tax liability on 1954 profits.

The Consolidated Income after taxation amounts to £26,458,372 and after deducting dividends paid to minority members of subsidiaries and the undistributed income of subsidiaries, the Net Income of the Company for 1954 was £21,741,904 as compared with £17,604,068 in 1953.

APPROPRIATIONS

With the balance of £4,644,401 brought forward from the previous year the total profits available for appropriation amount to £26,386,305.

In recent years there has been shown in the Appropriation Account a transfer to or from the Stock Replacement Reserve. This Reserve was created by substantial appropriations, totalling £11 million, from profits in 1950 and 1951 when growing inflation made it prudent to adopt this procedure. In 1953 the movement in holding values of stocks was such as to enable the Board to re-transfer £2,500,000 from this Reserve to the credit of Appropriation Account, and this amount was effectively included in the appropriation last year of £6,500,000 to Revenue Reserve. Calculations made on the same basis as in previous years show a relatively unimportant movement during 1954 in the replacement values of our stocks rendering unnecessary any transfer to or from the Stock Replacement Reserve.

From the total profits available for appropriation the Directors have transferred £7,000,000 to the Obsolescence and Replacement of Assets Reserve and £4,000,000 to Revenue Reserve. In the opinion of the Directors, the tax relief of approximately £2,000,000 resulting, as mentioned earlier, from Investment Allowances granted as from 6th April 1954 especially to promote and encourage new capital construction should be dealt with so as to serve that purpose and not be regarded as divisible profit of the year. They have therefore specifically appropriated £2,000,000 to Capital Reserve—General.

These transfers to Capital and Revenue Reserves will further strengthen the internal resources of

the Company having regard in particular to the many extensions and developments which are planned.

A Final Dividend of six per cent is recommended on the Ordinary Stock which, with the Interim Dividend of four per cent paid in December 1954, makes a total distribution of ten per cent for 1954. The dividend of fifteen per cent paid for 1953 on the issued Ordinary Capital before it was doubled by the scrip issue in 1954 was the equivalent of a dividend of seven and one-half per cent on the present issued Ordinary Stock. The Final Ordinary Dividend will be paid less income tax at the United Kingdom standard rate for 1955/56 on 30th June 1955, to members on the register on 13th May 1955.

After making the foregoing appropriations to Reserves and deducting the net dividends paid or payable on the Preference and Ordinary Stocks the carry forward on Profit & Loss Appropriation Account is decreased by £168,668 to £4,475,733.

COMPANY BALANCE SHEET

The authorised and issued share capitals reflect the increases effected at the Extraordinary General Meeting of the Company and the separate Class Meetings of Ordinary and Preference Stockholders held on 17th June 1954, when the Company's authorised capital was increased to £220,000,000 and the sum of £80,282,240 was capitalised from reserves and applied as to:—

- (a) £9,631,078 in allotting to Preference Stockholders two new 5% Preference Shares of £1 each fully paid for each £5 of 7% Preference Stock held, the existing 7% Preference Stock being simultaneously converted into 5% Preference Stock,
- and (b) £70,651,162 in allotting to Ordinary Stockholders one new Ordinary Share of £1 fully paid for each £1 of Ordinary Stock held,

the new shares being in both instances immediately converted into stock.

The effects of these changes on the movements in Reserves are referred to in notes (2) and (3) of the Notes on the Accounts.

Unsecured Loans at 31st December 1954, include the £30,000,000 raised in the early part of the year in the form of Unsecured Loan Stock 1972/74, issued at par and bearing interest at four and one-half per cent. The stock was subscribed entirely by Preference and Ordinary Stockholders.

As mentioned elsewhere in this Report, the severance of the joint Canadian interests of the Company and Messrs E. I. du Pont de Nemours & Company was completed at the end of June 1954 and as from 1st July 1954 the Company became, through its fully-owned subsidiary, Imperial Chemical Industries of Canada Ltd, the principal shareholder in a new 82.3% Subsidiary—Canadian Industries (1954) Ltd—instead of being, as previously, the holder of 41.8% of the Common Stock of the original Canadian Industries Ltd. Accordingly there has been a transfer from “Shares and Debentures in Associated Companies” to “Shares in Subsidiaries”, which is reflected under these headings, whilst the effect on the Capital Reserves in the Balance Sheet due to the value placed on the shares of Imperial Chemical Industries of Canada Ltd consequent on its acquisition of the holding in Canadian Industries (1954) Ltd is shown in note (2) of the Notes on the Accounts on page 36.

Gross capital expenditure by the Company during the year on new physical assets amounted to approximately £34,500,000, as shown in Note (1) (a) on page 36.

The net liquid assets of the Company after deducting current liabilities increased during the year to £51,400,000 as compared with £30,700,000 at the end of 1953.

CONSOLIDATED BALANCE SHEET

The Consolidated Balance Sheet presented on pages 34 and 35 combines, as at 31st December 1954, the Accounts of the Company and one hundred and three Subsidiaries.

Gross capital expenditure by the Group on physical assets during the year amounted to approximately £45,500,000 as shown in note (1) (b) on page 36.

The total capital shown by the Consolidated

Balance Sheet to have been employed as at 31st December 1954, consisting of issued share capital, reserves and loan capital, was approximately £438,000,000 compared with £360,000,000 as at the end of 1953.

CONSOLIDATED ACTIVITIES: STATISTICAL SUMMARY

The gross proceeds from operating activities and income from investments, etc., and the manner in which those proceeds were utilized are shown in the following table:—

1954—IMPERIAL CHEMICAL INDUSTRIES LTD AND 103 SUBSIDIARIES (1953 Imperial Chemical Industries Ltd and 100 Subsidiaries)

	1953 £m.	1954 £m.
Gross manufacturing and trading proceeds and gross income from investments, etc.	<u>285.6</u>	<u>357.1</u>
Raw materials for production and maintenance, purchases for re-sale, and all payments for external services, excluding all wages and salaries	169.7	207.7
Wages and Salaries	62.8	77.0
Pensions and contributions to Pension Funds	4.5	5.4
Depreciation of plants	11.6	16.6
Employees' Profit-Sharing Bonus	—	2.7
United Kingdom and overseas taxation	17.2	21.2
Retained as Reserves for employment in the business	12.5	16.8
Distributed as net dividends to stockholders	7.3	9.7
	<u>£m285.6</u>	<u>£m357.1</u>

BOARD OF DIRECTORS

It is with deep regret that the Board record the death during 1954 of two former Directors; Sir Wallace Akers, C.B.E., D.C.L., F.R.S. (who retired from the Board as recently as 30th April 1953) died on 1st November 1954, and Mr J. H. Wadsworth (who retired on 29th March 1949) died on 17th October 1954.

Mr A. T. S. Zealley resigned from the Board of the Company on his retirement on 31st January 1955 after 35 years' service with the Company and

its predecessors. He joined Brunner, Mond & Co Ltd in 1920 and later transferred to Synthetic Ammonia & Nitrates Ltd, becoming Works General Manager and then Chairman of the Company's Billingham Division. In 1951 he was appointed to the Board as the Director in charge of Group C (Ammonia & Agriculture) and Wilton Works. His colleagues on the Board wish to record their warm thanks to Mr Zealley for his valuable services to the Company, which owes

him a great debt not only for his work at Billingham from its earliest days but also for his outstanding record of interest and effectiveness in human relations.

The Board appointed two Executive Directors and one non-Executive Director; Mr C. Paine and Mr W. D. Scott were appointed as Executive Directors on 23rd December 1954, and the Rt Hon Viscount Chandos, P.C., D.S.O., M.C., was appointed as a non-Executive Director on 13th January 1955. Mr Paine was Chairman of the Dyestuffs Division and Mr Scott was a Managing Director of the Billingham Division. Lord Chandos (who, as the Rt Hon Oliver Lyttelton, was the former Secretary of State for the Colonies until his resignation in 1954), is Chairman of Associated Electrical Industries Ltd, and his wide experience of industry and of public service will give added strength to the Board.

It gives his colleagues on the Board great pleasure to record that Dr Fleck was elected a Fellow of the Royal Society on 17th March 1955 in recognition of his valuable work in the field of chemistry.

On 27th January 1955, Sir Ewart Smith, the Technical Director, was elected a Deputy Chairman of the Board.

With effect from 1st February 1955 a new Group, styled Group F (Fibres), was created because of the importance of the Company's extensive and increasing interest in man-made fibres. The new Group is in the charge of Mr P. C. Allen who, as Fibres Director, will be responsible to the Board for the 'Terylene' Council and for furthering the interests of the Company and its subsidiaries in research on, and the development, manufacture and sale of man-made fibres, in particular 'Terylene' and 'Ardil'.

As a result of these changes, the responsibilities of individual Executive Directors are now as follows:—

Chairman	-	-	-	Dr Alexander Fleck
Deputy Chairmen	-	-	-	Mr S. P. Chambers
				Mr A. J. Quig
				Sir Ewart Smith

Functional Directors

Commercial	-	-	-	Mr W. J. Worboys
Development	-	-	-	Mr C. Paine
Finance	-	-	-	Mr J. L. Armstrong
Overseas	-	-	-	Mr E. A. Bingen and Mr C. R. Prichard
Personnel	-	-	-	Mr R. A. Banks
Research	-	-	-	Dr R. Holroyd
Technical	-	-	-	Sir Ewart Smith

Operational Directors

Group A (Heavy Chemicals)	-	Mr J. L. S. Steel
Group B (Dyestuffs & Pharmaceuticals)	-	Mr P. K. Standring
Group C (Ammonia & Agriculture) (which also includes Wilton Works organization)	-	Mr W. D. Scott
Group D (Metals & Nobel)	-	Dr J. Taylor
Group E (Paints & Plastics)	-	Mr R. C. Todhunter
Group F (Fibres)	-	Mr P. C. Allen

Under Article 80 The Rt Hon Viscount Chandos, P.C., D.S.O., M.C., Mr C. Paine and Mr W. D. Scott retire and are recommended for re-election, together with Mr J. L. Armstrong, Dr R. Holroyd, Sir Ewart Smith, Mr P. K. Standring, Mr J. L. S. Steel and Mr R. C. Todhunter who retire under Article 98.

AUDITORS

The Auditors, Messrs Price Waterhouse & Co and Messrs Thomson McLintock & Co, are willing to continue in office, and a resolution fixing their remuneration will be submitted to the Annual General Meeting.

By Order of the Board,
R. A. LYNEX,
Secretary.

Imperial Chemical House,
Millbank,
Westminster,
London, S.W.1.

28th April 1955.

APPENDIX

REVIEW OF DIVISIONS FOR THE YEAR 1954

ALKALI DIVISION

The recovery in home trade sales of alkalis, which was referred to in the Annual Report for 1953, continued. The volume of sales was 9 per cent above that of 1953 and $2\frac{1}{2}$ per cent above that of the previous highest year, 1951; and the increased sales were well distributed over the principal consuming industries.

The volume of alkali exports was high and reached 90 per cent of the record tonnage of 1951; if the important Brazilian market had not been closed for currency reasons the 1951 figures would have been exceeded. There was increased competition, which reduced the Division's realizations, and for the first time since the war Japanese alkali appeared in some Asian markets. There was also keen American competition, particularly in the Caribbean area.

There were record outputs of caustic soda, calcium chloride, ammonium chloride and sodium silicate, for which production capacities had recently been increased. There was an increased demand for polythene, and both home and export sales were higher than ever before, being 39 per cent above the figure for the previous best year, 1953. In order to expand business still further, prices were substantially reduced both at home and overseas. In most of the export markets there was active competition from United States producers of polythene.

Much effort was concentrated on improving production efficiency by the installation of labour-saving equipment and by other means. Substantial economies were also effected in raw material consumption.

Good progress was made with the erection of plant for disposing of the waste material of the ammonia-soda process in the underground cavities made by brine-pumping. It is hoped that the whole of the waste mud from the Division's three

largest works in Mid-Cheshire will be disposed of in this way before the end of 1955, and so avoid further additions to the unattractive dumps which up to now have been a general feature of inland ammonia soda factories.

During the year the Division received from polythene licensees more than £1 million, of which a large proportion was in dollars.

A great deal of the Division's research is devoted to a scientific study of products and has led to the introduction, on an experimental or commercial scale, of products of increased value to the customer. These include new varieties of polythene (including that used for film manufacture), a free-flowing sodium bicarbonate, non-caking ammonium chloride, and various water-treatment chemicals. The Division has for long had an interest in reinforcing fillers for rubber. It manufactures 'Winnofil', an activated calcium carbonate, for this use, and experimental work is continuing with the object of introducing other white inorganic reinforcing fillers for natural and synthetic rubber.

GENERAL CHEMICALS DIVISION

The Division's products were in great demand throughout the year, and the volume of sales of most products approached the limit of manufacturing capacity in spite of the additional new plant which came into operation. The total value of sales to all markets in 1954 was 26 per cent greater than in 1953. The output of chlorine, which is widely used in industry and is also employed as an intermediate in the manufacture of other products of the Division, was approximately 24 per cent higher than in the record year 1951.

It is interesting to note that, in spite of the record production figures for the year, the number of employees in the Division at the end of 1954 was

approximately 600 less than it was five years ago.

Although the Division's exports were 38 per cent greater in value than in 1953, they did not reach the peak level of 1951, partly on account of the increased demand in the home trade and partly because of currency difficulties in overseas markets. Exports to Europe played an important part in this increase, and there were also increased sales in dollar markets, South America and Africa. Another important factor was the extended range of products sold in export markets, particularly 'Arcton' refrigerants.

The Division's construction and modernization programme made good progress, and a new chlorine plant, at Bain Works, Wilton, and new modern type mercury cell units at Castner-Kellner and Cassell Works were brought into production during the year.

Satisfactory progress was made in research on titanium, and a process has been evolved for manufacture on a commercial scale by the reduction of titanium tetrachloride by sodium. A large new plant to operate the new process is being erected and will come into production in 1955.

Particular attention was given to new applications based on the non-inflammable properties of chlorinated organic products such as trichlorethylene, 'Cereclor' and 'Alloprene'. Important improvements were made in the I.C.I. degreasing process, which uses trichlorethylene, and which the Division originated some twenty-five years ago, and also in the design of mechanized equipment for use in the casehardening and heat-treatment of steels. The Company recently acquired the British rights in the 'Sulfinuz' process, which is a French invention of a new heat-treatment method which reduces the coefficient of friction of ferrous metal surfaces and increases their resistance to seizure and wear and tear. The new process is applicable to cast iron and to carbon and alloy steels, including tool steels. Work continued on new methods of treatment for the extraction of gold and other metal ores by using chemicals manufactured by the Division. New bleaching techniques are being studied for use in the pulp,

paper and textile industries, and for man-made fibres.

LIME DIVISION

Production of washed graded limestone for the Alkali Division was considerably higher than in 1953, and production of 'Limbox' hydrated lime was again increased by more than 10 per cent. Sales of lime and ground limestone to agriculture were affected by bad weather.

The Division continued its policy of increasing production of lime at the most efficient works by the adoption and consolidation of techniques established by research, and for the third successive year the output of those works was a record.

Good progress was made with the installation of rotary kilns for the production of the highest quality lime and with extensions to the hydrated lime plants; and extensions to the workshops were completed.

Quarry waste at Tunstead Works has been reduced by nearly 40 per cent since 1951, and the bulk of the remaining material has been disposed of in old workings as part of a restoration scheme. Many thousands of trees have been planted on the Tunstead site as the first stage of a major scheme to improve amenities.

SALT DIVISION

Sales of salt exceeded those for 1953, and there was an encouraging increase in the Division's production efficiency. Of the two special grades of vacuum salt, granular salt is now firmly established, and dendritic salt, which was released for general sale in the home market during the year, has aroused considerable interest.

A new drying plant and improved loading arrangements for dried vacuum salt at Weston Point Works were completed, and dried salt can now be loaded in bulk into road vehicles. This method of delivery, which started during the year, should be attractive to large consumers of salt located near the Works.

An important step towards the more hygienic handling of foodstuffs was taken at the end of the year when the Company, in conjunction with other members of the British Salt Federation, decided that, in future, it would not accept customers' returned bags for refilling.

The more modern and efficient vacuum plant method of salt manufacture continued to replace the open-pan process. The Middlesbrough Works, with its open-pan production, was closed, and every employee who so wished was found work at either Billingham or Wilton. At other open-pan works, considerable progress was made with the fitting of mechanized stokers to replace hand-firing, with a consequent increase in efficiency and a decrease in the quantity of smoke produced, which is a useful contribution to the campaign against atmospheric pollution.

DYESTUFFS DIVISION

Sales for 1954, both at home and overseas, were the highest in the Division's history.

The turnover in dyestuffs in the home market was the highest ever recorded, and the year was characterised by the consistent level of demand from almost all the principal consuming industries. The total sales of non-dyestuffs products were also satisfactory, and the sales of those chemicals, of which the Division is a major supplier to other chemical manufacturers, reflected the general expansion of industrial activity. The sale of chemicals to the rubber industry was exceptionally high, undoubtedly stimulated by the record production of motor vehicles. Synthetic resins were in great demand for the paint and printing ink industries.

Sales overseas, both in dyestuffs and non-dyestuffs products, have shown a steady expansion since the recession in 1952, and during 1954 the Division increased its share of the world export markets. There was a further increase in sales in India which is the Division's biggest single overseas market, but local manufacture of dyestuffs in that country will have an important effect on future business. Sales in Pakistan continued to expand;

and the Division improved its position in the expanding market in Africa and further increased its sales in China. In Europe, there were increased sales but extremely keen competition is being met from Continental manufacturers.

Production was uniformly at the level demanded by the increased sales of the Division's products, and an outstanding feature was the increased production of fast vat dyestuffs.

The new nylon plant at Billingham, with a capacity of 10,000 tons a year, was brought into operation in the early part of the year. Production increased steadily during the year and the plant should reach full output in 1955; and plans are being prepared for an additional nylon plant with the same capacity to be erected at Wilton.

The new bulk medicinals manufacturing plant, designed to make medicinal products under the most hygienic conditions, came into operation during 1954.

During the year some thirty new products were added to the selling range and work has gone on actively in improving the existing range.

Early in 1955 a yellow and two green 'Alcian' dyes were released for sale as complements to the very successful 'Alcian' Blue.

Work continued on dyeing processes for man-made fibres including 'Ardil', 'Terylene' and nylon, and a successful method of dyeing 'Ardil' in cotton and viscose unions with vat dyes was evolved, which should increase the attractiveness of these fabrics because of the dye's particular fastness.

The Division's well-known 'Nonox' range of antioxidants was further strengthened by the addition of 'Nonox' WSL, which has outstanding non-staining properties and is of great interest to manufacturers of white and light coloured rubber goods such as white-walled tyres.

PHARMACEUTICALS DIVISION

The value and volume of sales of pharmaceuticals in the home market was the highest in the history of the Division. In spite of three major price reductions during the year the value of sales was

13.5 per cent higher than in the previous record year, 1953. Because of these price reductions, the value of sales of penicillin and 'Sulphamezathine' fell, but this fall was more than compensated for by increases in the value of sales of other products, in particular 'Mysoline', the Division's new anti-epileptic drug, and 'Cetavlon'. Home sales of 'Mysoline' were more than double those of 1953, and this product has already been responsible for restoring to a useful and normal life several thousand epileptics who hitherto were considered to be unemployable.

An interesting new venture in 1954 was the marketing of 'Savlon' antiseptic cream. 'Savlon' cream is based on cetrimide, a quaternary ammonium antiseptic first introduced by the Division over ten years ago, and since marketed for a wide variety of uses in the professional medical and veterinary fields. As a result of the Division's prolonged experience of this product, and of its efficacy and safety, it was decided to make a specially formulated cream available for home use, and to advertise it through the popular press.

The most successful exclusively veterinary product in 1954 was 'Minel', a mineralized formulation of phenothiazine and hexachloroethane, sales of which were nearly twice those of 1953. Towards the end of the year sales were beginning of a number of formulations of 'Hibitane' in both the medical and veterinary fields. 'Hibitane' is a powerful new antiseptic of an entirely new chemical type, and its addition to the range is the culmination of three years' work in the Division's research laboratories, combined with clinical and field testing.

After a two years' decline, the value of overseas sales of pharmaceuticals in 1954 increased by 5.4 per cent over that of 1953. This increase was achieved in the face of intense competition and represents a much greater increase in the volume of sales. Substantial increases in sales of sulpha drugs were made and the Division's position in the penicillin market was well maintained. As in the home market, sales of 'Mysoline' showed a good increase. A decrease in sales of 'Paludrine' reflects the success of mosquito control measures

throughout the world with a consequent decrease in the incidence of malaria. Although import restrictions affecting the Division's products were relaxed in a few countries, there was, generally speaking, no reversal during the year of the trend towards protection of local pharmaceutical industries. In addition, the Division was affected by foreign currency stringency in certain countries including Brazil, Turkey and Yugoslavia.

Substantial improvements in the technical efficiency of the fermentation process of penicillin production resulted in a considerable reduction in the cost of manufacture and an increase in capacity.

The synthesis and evaluation of potential new medicinals for use in human and veterinary medicine continued. A number of new drugs have passed the stage of laboratory evaluation, and are now ready for the crucial test of trial in man or domestic animals. Research on manufacturing methods for drugs already on the Division's sales range has led to a steady improvement in efficiency, with resultant economy in production costs.

BILLINGHAM DIVISION

The demand for the Division's products was such that nearly all its factories worked to capacity throughout the year.

Extensions to the boiler, power, ammonia and nitric acid plants came into operation, and record quantities of ammonia and methanol were made and used. The high demand for industrial products based on ammonia, absorbed more than the whole of this increased production, and the total output of fertilizers as a consequence was slightly below the record figure of the previous year. Fertilizer sales in the home market were high in the first half of 1954, and although demand fell from July onwards on account of the wet weather, this allowed the Division to increase its exports of sulphate of ammonia to overseas markets where there was a firm demand and rising prices. Home sales of methanol and urea were a record and so was the export of urea to the United States. The recently built plants for the manufacture of amines, which are used as intermediates in rubber

chemicals production, were well employed; and the new large kiln for the manufacture from anhydrite of sulphuric acid and cement came into operation at the end of the year.

Production of organic products, such as ethylene, 'Alphanol', nonanol and other industrial alcohols and derivatives, which have been developed over the last few years, continued to expand rapidly and all the plants worked at high rates. The first para-xylene plant for making one of the raw materials for 'Terylene' came into operation at the end of the year.

A smaller amount of aviation spirit, but a much larger tonnage of Premium motor spirit, was made than in 1953; and additional quantities of phenol and associated products were made in the recently extended plants.

The introduction of modern mechanization in the anhydrite mine reached the stage where almost two-thirds of the stone is now being won by these methods which have further reduced the physical labour required and greatly increased the output per man-shift. There was also a noteworthy reduction in the already low accident rate in the mine.

Since its construction during the war, H.M. Government's factory for the manufacture of sulphate of ammonia at Prudhoe-on-Tyne has been operated by the Division on an agency basis. This factory was purchased by the Company from H.M. Government during the year and is continuing to operate at a high output.

Because of the increase in outlets for alcohols such as butanol, 'Alphanol', and nonanol used as solvents and for plasticiser manufacture, substantial extensions to the plant making them will soon be started at Billingham. As an off-shoot of ammonia manufacture, a plant for separating pure argon in quantity from the gases available is being erected; the argon will be used in the manufacture of titanium and for argon arc-welding processes.

At Wilton, construction will begin in 1955 on a plant for making butadiene, on the second oil-cracking unit, and on the second plant for making para-xylene which will be used as a raw material for the extended production of 'Terylene'.

In addition to continuous research on improving existing plants and processes, a considerable advance was made in the use of instruments to replace chemical methods of analysis and in automatic control of plant processes for greater efficiency. New products, related to those already being manufactured or to the techniques of the Division, are being made on a laboratory scale and on a pilot plant scale for commercial evaluation. Further research was done on the quality, composition and manufacture of fertilizers, supported by scientifically controlled trials under actual farming conditions.

CENTRAL AGRICULTURAL CONTROL

Agricultural research seldom produces results quickly, and efforts in this intricate field are generally rewarded by a gradual accumulation of knowledge from which discoveries eventually emerge. Although 1954 produced no outstanding results, it was a year of steady progress in many directions.

Knowledge acquired from the continued study of grassland technology has enabled development and educational work to demonstrate how production and the use of herbage from the country's extensive grasslands, can be increased and soil fertility improved.

Much effort has been devoted to a search for the optimum relationship between legumes, such as clovers, which fix nitrogen naturally, and the use of synthetic nitrogenous fertilizers. This study is of great importance because leguminous crops, both alone and as components of pastures, are essential features of the British agricultural system.

For grass silage, hay and cereals it has been shown that dressings of nitrogenous fertilizers, applied late in the growing period, lead to much increased yields of protein per acre. The behaviour of improved varieties of cereals is being closely studied in relation to the use of heavy dressings of fertilizer, particularly nitrogen, because not only can yields be increased but there is a distinct possibility that quality also may be improved.

From time to time, the Company publishes the results of its studies of particular farming enterprises, and a notable publication during the year was "Progress in Milk Production" which gave the results of the Company's examination of 40 farms for the years 1949 to 1952 inclusive. This was acclaimed by authorities on the subject as providing important additions to knowledge and a valuable text for teachers and lecturers.

In the Annual Report for 1953 reference was made to the work which the Company was doing on the production of mutton, as well as beef and milk, from intensively managed grassland. This work continued in 1954, and valuable information was obtained not only at home, but also in a tour of New Zealand by representatives of the Company's agricultural and veterinary staffs. The heavy losses which occurred through parasitic infection of flocks in the northern counties in 1954 emphasized the importance of this investigation.

Intensive research continued on crop protection, and an examination is being made of a new group of organic phosphorus compounds which shews great promise in the control of red spider mites of fruit trees at extremely low dosage rates, and also holds out hope of advance in one of the more difficult field problems, the control of scale insects on citrus trees.

Visits were paid to Africa, to the Sudan, to Australia and New Zealand and to Canada in order to help the Company's subsidiary and associated companies in those territories, and help was also given to the Colonial Office on matters connected with rice growing in Uganda, and to the Sudan Government on the statistical examination of field experimental results.

WILTON WORKS

Capital expenditure on physical assets at Wilton for manufacturing plants and service installations amounted to nearly £10 million in 1954, which brings the total capital expenditure on this site to £40 million. Three more Division plants came into operation, including one for the manufacture of

chlorine, and at the year end some sections of the 'Terylene' plant were in production. Although the value of new construction work was greater in 1954 than in any previous year, the point has now been reached when there is more activity at Wilton on production than on construction.

The most careful consideration was given during the year to schemes and estimates for the mining and refining of Whitby potash, based on the reports of the mining consultants employed by the Company and by Fisons Ltd. It became clear that the winning of the deposits would involve difficult problems which could only be solved by an organization familiar with special deep-mining techniques which the Company, as a manufacturer of chemicals, does not possess. The alternative of extracting the potash in solution from the deposits, using techniques of which the Company has long and special experience, had already been proved to be impracticable after many months of operation of an experimental brinewell. The Board therefore reluctantly came to the conclusion, which was notified to the Board of Trade, that the Company was not in the position to proceed with the development of the deposits. The geological and other technical information in the possession of the Company is now available to H.M. Government or freely at the disposal of Fisons Ltd should they wish to proceed.

METALS DIVISION

Before the beginning of the year, demand for many of the Division's non-ferrous metal products had shown a considerable increase from the low level of 1953, and this trend continued throughout the year and affected a wider range of products. By the Autumn of 1954, the Division was embarrassed by the volume of demand for some of its products which exceeded its capacity to produce. The recovery of demand for wrought aluminium was slower but it quickened appreciably towards the end of the year, and the higher level of activity is expected to continue in 1955.

The expansion planned by the motor industry,

which is an important customer of the Division, is a challenge to that industry's suppliers and the Division intends to play its full part in meeting this.

There was an increased demand for the Division's non-ferrous metal products in export markets, and sales, particularly to North America, were further expanded. Unfortunately much of this increased demand was for products for which the Division's manufacturing capacity was already stretched to its present limit.

One of the Division's main anxieties was the supply and price of its raw materials. Strikes in several copper-producing areas, and the dock strike at home, interrupted supplies and caused continuous fluctuations in price. The most disturbing feature was the excessively high price of copper in the United Kingdom market, which severely handicapped the export trade in wrought products and manufactures using these products.

The modernization of the Witton Strip Mill was completed, and cold-rolled sheet manufacture was concentrated in the Holford Strip & Sheet Mill. Record outputs were achieved in each. The titanium pilot melting plant was operated successfully throughout the year, and preliminary trials were carried out on the first units of the 1,500 ton plant which should reach full capacity by August 1955. To meet the power requirements of these projects the generating capacity of the power station at Kynoch Works is being increased.

Broughton Works was closed at the end of October 1954, and all copper tube production is now concentrated at Kirkby Works. The manufacture of tube fittings, a record number of which was sold during the year, was concentrated in Fyffe Works, Dundee.

Progress was made with the modernization of the aluminium strip and sheet rolling plant at Waunarlwydd, and most of the new equipment is expected to be installed in 1955.

A considerable amount of research has been done into various aspects of titanium technology, and has produced valuable results which are now being used in production processes. Research on new titanium alloys is also yielding promising results. Good progress was made with investiga-

tions into problems associated with the joining of various non-ferrous metals and alloys, by welding and other methods, and new techniques were developed.

The recently developed 'Kynalok' secret-fix roofing and side-walling system for buildings, which uses aluminium sheet and extruded sections, was placed on the selling range. In the field of rail transport further progress was made in extending the use of wrought aluminium alloys.

The demand for small arms ammunition was maintained. In the face of increasing competition from new and re-established factories in Europe, the Division secured, with H.M. Government approval, new contracts which, together with orders from the British Government, will keep production at its present high level until the end of 1955. Sales of shotgun cartridges in the home market again suffered from the effects of exceptionally bad weather on game birds, and from the destruction of rabbits by myxomatosis. The loss was, however, more than off-set by increased exports following the easing of currency restrictions in certain markets.

A new company called Suez Contractors (Ammunition) Ltd has been formed by the Company to undertake on behalf of the War Office the management of the Ammunition Depot in the Suez Canal Zone on the termination of the former Anglo-Egyptian Treaty. The manager and his senior technical assistant have been appointed from within the Company and some of the technical and semi-technical jobs will also be filled by I.C.I. employees.

Business in fabricated metal products was well maintained, although the post-war demand for coinage appears to have passed its peak.

The demand for 'Lightning' slide-fasteners continued to increase, and sales in the home and overseas markets were at a satisfactory level, although production was lower than in 1953 because of high stocks. Steps were taken to improve delivery service and to increase efficiency by the introduction of new methods of production and stock control. The trading position of the Company's overseas slide-fastener companies was

satisfactory, and close technical and commercial liaison with them was maintained.

There were increased sales of flexible fuel tanks and other products made by the wholly-owned subsidiary, Marston Excelsior Ltd, and the demand from the aircraft industry was at a high level. Further improvements were made in the manufacture of flexible fuel tanks for aircraft, and new uses for this type of product and for reinforced plastic laminates are being developed.

The Company's wholly-owned subsidiary, Steatite & Porcelain Products Ltd, had a record trading year, and began production of a new dielectric material for ceramic condensers, 'Faradex' H.

NOBEL DIVISION

Sales of industrial explosives and accessories, at home and overseas, were greater than ever before. On the export side this is particularly satisfactory in view of the growth of foreign competition and the shortage of sterling in certain markets.

There was a well-sustained demand for the Division's chemicals, of which the more important are nitrocellulose, pentaerythritol, potassium nitrate, 'Cellofas' and waterproofing compounds. In the home trade there was a significant upwards movement towards the end of the year which raised the Division's total sales of chemicals above the figure for 1953. There was keen competition in export markets from Continental manufacturers, notably in nitrocellulose, but sales were well maintained, particularly in Commonwealth markets.

Selling prices generally were stable but early in the year the prices of certain products were increased on account of the higher cost of raw materials and increases in freight charges and wages.

Good progress was made with the standardization of blasting explosives compositions and cartridge sizes, and with the introduction of improved manufacturing techniques and methods of working; and in furtherance of the Division's

efforts to reduce costs, schemes of incentive payments were extended. Particular attention was given to problems relating to the mechanization of blasting explosives and accessories, with special emphasis on the operation of plants by remote control. Although the main purpose of this programme of mechanization and remote control is to increase the safety of manufacture, it is hoped that economies may also result.

A new sulphuric acid plant came into production in the early part of 1954, and work is well advanced on the construction of a plant for the manufacture of a wide range of silicone products, the market for which is being satisfactorily developed. The new pentaerythritol plant, which is being erected at Dumfries, is expected to be in production by mid-1955 and will provide high quality pentaerythritol in sufficient quantity to meet the expanding needs of the paint and other industries for some years to come.

Increasing interest is being shown in the use of isopropyl nitrate as a monofuel for starting turbo-jet engines and as an additive to improve the ignition qualities of diesel fuels. A pioneer plant is operating with sufficient capacity to meet the immediate demands for this product.

A novel method of winning coal by the use of explosives in conjunction with "water-infusion" was considerably developed during the year. The saturation of coal seams under water pressure was initially introduced into certain mines to suppress dust, and thereby reduce the danger of pneumoconiosis in mining operations when using coal-extracting machinery. Water is also very effective when used with explosives in preventing ignition in 'fiery' mines and in reducing 'fumes'. The experience gained in various coal fields has shown, also, that this technique, combined with the use of explosives specially developed to function in water under pressure, is of great potential importance in coal mining, particularly its application in pre-softening harder coals which makes easier the winning of coal by mechanical loading in conjunction with coal ploughs, and replaces the conventional undercutting and blasting method.

The use of 'Ardil' protein fibre is developing gradually in the textile world both in Britain and overseas. The blends with cotton and rayon now coming forward from Lancashire are of importance because of foreign competition in cotton textiles. A market is being found in children's clothes, shirting and dress weight fabrics. The range of colours in mass dyed 'Ardil' fibre was extended during the year, and development work is going forward in the carpet industry.

LEATHERCLOTH DIVISION

Although trading conditions were increasingly competitive, both at home and abroad, sales of Leathercloth Division products were markedly better than in 1953.

'Vynide', the Division's polyvinyl-coated fabric, maintained its good reputation in the motor and general upholstery trades. 'Rexine', based on nitrocellulose, also maintained its popularity for many uses, notably for bookbinding and for covering cases and fancy goods, but the trend towards the polyvinyl-coated fabric continued during the year, and sales of 'Vynide' exceeded the sales of 'Rexine' for the first time.

Research was confined largely to production problems and the development of new and modified products for use in the motor, footwear and clothing industries. Marked success was achieved by efforts to improve productivity. The development of sales in trades which are design and colour conscious kept the design section fully and successfully employed.

The extension of production capacity at Hyde is nearing completion, and the provision of increased facilities for research, development and other services should be completed in 1955.

PAINTS DIVISION

Sales to all the more important of the Division's home markets reached new high levels, and the year's turnover was a record. The largest increase was shown in sales of 'Dulux' building finishes,

but substantial progress was also made in the markets for industrial and transport finishes, where the Division has long been established as a leading supplier. Although exports were not a record, they were very satisfactory and, if allowance is made for the increasing number of overseas markets in which the Company has had to initiate local manufacture of paint, they compare favourably with any past results.

Except for brief periods at the beginning and end of the year, the Division's works were fully occupied. There was a progressive increase in plant and process efficiency, and the cumulative effect of the improvements of the past few years is now very marked, as is evidenced by the ability of the larger works consistently to operate at production levels substantially in excess of their designed capacity. Notwithstanding this situation, the demand for the Division's products has increased so rapidly that large extensions were approved which came into operation in the early part of 1955.

The Division's business, and particularly the requirements of the retail market, involves a large amount of clerical work which, with the increasing scale of its operations, has become a major problem; and it has been decided to instal an electronic calculator which, in conjunction with normal punch card equipment, will be employed for work on costing, stock control and invoicing.

Research and development work led to the addition of two new products to the selling range. 'Hilux', a nitrocellulose lacquer with exceptionally high gloss, had an encouraging reception from leading motor car manufacturers, and a 'Dulux' flat finish possessing novel technical features was released experimentally to the decorator.

PLASTICS DIVISION

The demand for the Division's products continued to increase, and sales at home in 1954 were nearly 20 per cent greater in value than the record sales of 1953; overseas sales increased by 30 per cent. Sales of some of the Division's products were limited by plant capacity; and increases in capacity

to produce 'Corvic', 'Welvic', 'Perspex' acrylic sheet, and 'Fluon' are being made.

The third 'Corvic' (polyvinyl chloride) plant came into operation in the summer. The market for this thermoplastic polymer, however, continues to grow so steadily that work has already begun on a further increase in production capacity. As a result of research and development work, a new electrical grade polymer and a polymer in a form suitable for use in relatively low viscosity pastes for spreading, dipping, or moulding were added to the 'Corvic' range.

The small pioneer plant for 'Fluon' production, which was started in 1953, is already operating at its full output, and a ten-fold increase in plant capacity is being pressed forward.

A plant to produce butadiene copolymers was designed during the year, and construction work started at the beginning of 1955. In the meantime, development quantities of rubber-reinforcing types of copolymer, principally for shoe soling, are being made, and it is hoped that limited quantities of these can be offered in 1955. Development quantities of copolymer latices were also produced for evaluation in emulsion paints, and good progress is being made in determining process details for oil-resistant synthetic rubber production.

Development quantities of 'Melinex' film, based on the same raw material as 'Terylene', were favourably received by potential users, and a first use for the film is expected to be in the electrical industry. The product also shows promise as a packaging material and as a photographic film base.

Plant to produce a special nylon composition for moulding and extrusion came into operation during the year, and an increasing market for this promising group of products is expected.

The market for 'Alkathene' is expanding rapidly. The principal increases in its use continue to be in household and especially kitchen articles, film, and pipes for cold water plumbing. Advances have been made in compounding it with new materials to improve its resistance to weathering, and to avoid the formation of static charges. A method of producing 'Alkathene' compounds in

the form of spherical granules has also been evolved. This form, which is easily handled, is expected to increase the capacity of customers' existing plants.

It has been decided to consolidate the Division's headquarters at Welwyn Garden City, and to replace temporary accommodation. During the year a new block of offices was erected, the old Welwyn Garden City factory was converted into accommodation for pilot-scale operations, and the first steps were taken in erecting a building for technical service and development work.

The polythene film factory at Stevenage of British Visqueen Ltd (whose capital is held as to two-thirds by the Company and as to one-third by The Visking Corporation) came into operation during the year and operated profitably from the start.

Good progress was also made with the production of polyvinyl chloride on the Continent by the Solvic group of companies, in which the Company is associated with Solvay et Cie.

'TERYLENE' COUNCIL

The construction of the first 'Terylene' plant at Wilton, with a capacity of 11,000,000 lb. a year, proceeded according to programme during 1954. As a result of experience gained by operating prototypes of the new equipment on the Huddersfield and Hillhouse pilot plants, some changes were made in the Wilton equipment, involving short delays in the completion of the staple fibre and chemical intermediates sections. However, the polymerisation and filament yarn sections started regular production from stocks of intermediates on a small scale in November 1954, and the staple fibre section started in January 1955. The plan to complete the extension of the plant to a capacity of 22,000,000 lb. of 'Terylene' a year at the beginning of 1956 remains unchanged.

Steady progress was made in both the apparel and industrial fields. The ready acceptance of 'Terylene' was exemplified by the success

of pleated skirts, of which about 200,000 were sold in a wide variety of styles, from their introduction in February to the end of the year. The demand for 100 per cent 'Terylene' socks continues to increase, and sound, if relatively slow, progress was made in men's suitings. As examples of progress in the industrial field, 'Terylene' is becoming established in the important application of "dry-end" felts in paper-making machines, and the development of uses in conjunction with rubber for conveyor belting, v-belts, pressure hose and the like, continued.

The increased flow of staple fibre from the pilot plant enabled experimental work to be extended to include the cotton system, which may be expected to become a substantial consumer of the fibre, mainly in blends with other fibres. The textile and other user industries gave valuable help to the Company in installing and operating new equipment, including that for processing, heat-setting, dyeing and finishing 'Terylene'.

Interest in 'Terylene' overseas further increased, and it was possible to start active selling in selected

export markets and to lay the foundations for selling in all the important textile countries whose markets are open to the Company. Canadian Industries (1954) Ltd and the licensees of 'Terylene' in Europe have started pilot production and market development.

Good progress was made in the building of laboratories and offices at Harrogate. A technical service laboratory, offices and ancillary buildings were completed and occupied, as planned, in the autumn of 1954, in which some 300 staff are employed, many of whom were recruited locally. Proximity of the new headquarters to customers in Lancashire and Yorkshire has already shown the expected advantages in speed of service. The transfer of staff from Dyestuffs and Plastics Divisions will be completed in the autumn of 1955, when the first section of a main research building, semi-technical laboratories and extensions of the office building are due to be finished. All research on 'Terylene' and related fibres, including small-scale semi-technical work on improved processes, will then be concentrated at Harrogate.

REVIEW OF THE COMPANY'S OVERSEAS INTERESTS FOR THE YEAR 1954

AFRICA

African Explosives & Chemical Industries Ltd (in which De Beers Industrial Corporation and Imperial Chemical Industries (South Africa) Ltd each own one half of the ordinary shares) had a good year. The financial results shew an increase in turnover and profits compared with 1953. The increased profits reflected not only increased trade, but also the profit which is now coming in from capital investment in new plant.

Explosives sales continued to rise, mainly as a result of increased development in the Free State gold mines, and fertilizer sales were at a slightly higher rate than last year in spite of a shortage of

rail transport. Sales of chemicals also increased on account of the general expansion of business in South Africa.

New plant came into operation in the Union to produce ammonia and granulated fertilizers, and in East Africa to produce insecticides. In 1955 there will be a further increase in ammonia capacity, and new plants to produce chlorine and chlorine derivatives and sulphuric acid should come into operation.

Imperial Chemical Industries (South Africa) Ltd, which sells most of the imported I.C.I. products, had a record year with a turnover of £3,600,000, and it is expected that this turnover will again increase in 1955. Since the close of the

year, I.C.I. (South Africa) started production of slide-fasteners at Port Elizabeth.

Although the alkali works of the Company's subsidiary, Magadi Soda Co Ltd, at Lake Magadi (70 miles from Nairobi) is not in the Mau Mau terrorist area, some degree of tension among the staff and their dependants is inevitable. Appropriate security measures are in force and employees are also playing their part by participating in the general defence organizations of the country.

NORTH AMERICA

Canada

As foreshadowed in the Annual Report for 1953, the interests of the Company and of E. I. du Pont de Nemours and Company in the former Canadian Industries Ltd were segregated on 30th June 1954. I.C.I.'s interests in the former C.I.L. are now represented by its 82 per cent interest in a new company, Canadian Industries (1954) Ltd, the remaining shares being held by the public. The new company began operations on 1st July 1954.

Sales by the departments taken over by C.I.L. (1954) were much as they were in the same period of the previous year, although profits were about 28 per cent lower. The main causes of this fall were the loss of alkali and chlorine production from the works at Windsor, which were put out of action by a subsidence, production difficulties in the new polythene plant at Edmonton, and lower sales of paints combined with higher costs. The loss of Windsor Works is being made good by extensions at other plants.

The 'Terylene' plant, which Imperial Chemical Industries of Canada Ltd (a wholly-owned subsidiary which was formed to hold I.C.I.'s Canadian investments) started to build in 1953, was sold during the year to Canadian Industries (1954) Ltd. The pilot plant is already in operation, and extensive market development work is being carried out. It is expected that fibre will be produced at the main plant by the middle of 1955.

During the year, Canadian Industries (1954) Ltd issued \$25,000,000 3¾ per cent Sinking Fund Debentures and offered to existing shareholders one new common share for each five common shares held at a price of \$18.50 a share. The Company and Imperial Chemical Industries of Canada Ltd between them subscribed for the whole of I.C.I. of Canada's rights to the new common shares. Both the debenture and the common share issues were fully subscribed and raised a total of more than \$50 million. This sum should be sufficient not only to repay all temporary borrowings in Canada and to complete the Company's present expansion programme, but also to provide funds for further development.

United States of America

The level of business in the United States textile industry remained low throughout 1954, and the company's manufacturing subsidiary, Arnold, Hoffman & Company Inc, had another difficult year. Its troubles were aggravated by damage caused by the hurricane "Carol" which swept the eastern seaboard of the United States, and it was decided that it would be prudent not to declare a dividend for the third and fourth quarters of the year.

It is expected that the multi-products vat dyestuffs plant, which cost approximately U.S.\$4 million and came into production early in the year, will broaden Arnold, Hoffman's range with advantageous results. However, the benefits from this plant will accrue only slowly, and active steps are being taken to improve Arnold, Hoffman's present position.

Exports of I.C.I. products to the United States were maintained at the high level which was reached in 1953.

CARIBBEAN ZONE

Exports to the Caribbean Zone, including the dollar countries of Central America, continued to increase and reached a total of more than £3½ million.

SOUTH AMERICA

There was a further improvement in the Company's exports to Argentina during the year, resulting from an easing in Argentina's exchange position.

Consideration is being given to expanding the activities of the Company's subsidiary, Industrias Quimicas Argentinas "Duperial" S.A, by undertaking new manufactures, either alone or with associates, and making use of blocked funds for this purpose. Authority to proceed with these manufactures is under discussion with the appropriate Argentine Government departments but it is unfortunate that the Government is still not prepared to make the investment of foreign capital in Argentina attractive.

The Company's export trade to Brazil was very limited owing to sterling exchange being available only from the middle of June until early November, and then for only relatively small amounts and at high premiums. Nevertheless, Companhia Imperial de Industrias Quimicas do Brasil (I.C.I. Brazil) was able to achieve satisfactory trading results by obtaining its supplies of products, which it normally gets from the Company, from various other sources for which exchange was available.

Companhia Brasileira de Cartuchos S.A. (in which the Company and Remington Arms Company Inc each own one half of the issued capital), which is primarily concerned with the manufacture in Brazil of shotgun and commercial metallic ammunition, had a record year. Prospects are good, and that company has decided to use a substantial part of its accruing balances to increase present capacity in certain basic lines by about 50 per cent.

In July the Company contracted to buy substantial quantities of Chilean copper, and it is hoped that as a result of this deal more sterling import licences will be made available to the Chilean subsidiary company.

AUSTRALASIA

Trading in both Australia and New Zealand was good throughout 1954. Imperial Chemical Industries of Australia and New Zealand Ltd had

record sales and its profits were higher than in 1953.

Gradual relaxation of import restrictions during 1954 enabled I.C.I. exports to both Australia and New Zealand to be substantially increased. In Australia, production in I.C.I.A.N.Z. factories accounted for 72 per cent of that company's sales as against 76 per cent in the previous year.

Towards the end of 1954, the Chairman paid a brief visit to the factories and offices of I.C.I.A.N.Z. in Australia and New Zealand. He opened the new agricultural research station at Merrindale, near Melbourne, which is expected to make an important contribution to technical progress in Australian primary industries. I.C.I.A.N.Z. is also increasing its expenditure on general research work, and plans have been approved for a new research laboratory in Melbourne.

A new polyvinyl chloride plant, with a designed capacity of 6,000 tons a year, was completed towards the end of 1954, together with the necessary extensions to the chlorine plant at Botany Factory.

I.C.I.A.N.Z. exchanged its shareholding in Metal Manufactures Ltd for the shares held in BALM Paints Pty Ltd by North Broken Hill Ltd and Broken Hill South Ltd, and so increased its shareholding in BALM Paints Pty Ltd to 69.4 per cent.

EUROPE

The year was a prosperous one for almost every country in Western Europe, and in the face of intense competition from other European producers the Company's sales to this area showed an increase of 17½ per cent over the previous year. After the war the Company's selling organization in Europe had to be built up afresh; and that it is now established and working well is shown by the continuous increase in sales over the past years.

FAR EAST

Sales to China, which are of course of goods which are not subject to the United Nations embargo,

continued at a level slightly above that of 1953, but the profit was absorbed by the requirement of the Chinese Government that staff in Shanghai, who are surplus to the number needed under current conditions, should continue to receive their salaries. Although Imperial Chemical Industries (China) Ltd received permission from the Chinese Government to close the remaining outport offices, it was not allowed to discharge redundant Chinese staff in Shanghai.

Representatives of the Company visited Peking in November with a party of British business men organized by the Sino-British Trade Committee, and it is hoped that this visit, in addition to the existing contacts in Shanghai and Hongkong, and with the Chinese Purchasing Office in Berlin, will increase trade in non-strategic products.

Slow but steady progress was made in the Philippine Islands. Trade with Taiwan, however, continued to be limited by import controls. The possibility of developing sales in South Korea was investigated and some progress was made.

Although sales to Japan fell considerably owing to the deflationary policy of the Japanese Government, it was considered that Japan would, in the future, be a market of importance for a range of the newer I.C.I. products. The staff of Imperial Chemical Industries (Japan) Ltd was therefore strengthened and the Kobe office was moved to Osaka, where it will be nearer to the main industrial area.

A number of enquiries were received for licences for the production in Japan of some I.C.I. products, including 'Terylene' and polythene.

Sales by Imperial Chemical Industries (Malaya) Ltd were higher than in 1953, but did not reach the high level of 1952. Higher rubber prices resulted in increased consumption of fertilizers, and the increase in the proportion of rubber exported in the form of concentrated latex called for large quantities of anhydrous ammonia.

The economy of Indonesia continued to give cause for misgiving, and reserves of gold and foreign exchange fell in June almost to the statutory limit. Nevertheless the policy of co-operation with

Indonesian importers showed good results and shipments increased by 39 per cent over those of 1953.

INDIA

A more liberal import policy improved the opportunities of trade with India and, in spite of intense competition, sales of I.C.I. products showed an increase over the figure for 1953. The total turnover of Imperial Chemical Industries (India) Ltd was only a little below the record figure for 1952, and there were particularly satisfactory increases in sales of alkalis, dyestuffs, pharmaceuticals and plastic products.

The Company has always taken a keen interest in the industrial development of India, and through frequent visits of technical staff it keeps under constant review the possibilities of economic local manufacture. Apart from the operations of Imperial Chemical Industries (India) Ltd in the mixing and processing of dyestuffs and in the manufacture of 'Alkathene' film from imported granules, that company's subsidiary, The Alkali & Chemical Corporation of India Ltd, has for some years operated successfully near Calcutta, and its products now include chlorine, caustic soda, benzene hexachloride and 'Gammexane' formulations, and paints. Last year, mention was made of the agreement reached in 1953 with the Indian Government for the formation of a new company, Indian Explosives Ltd, to manufacture commercial blasting explosives in India. Much progress was made in the preparatory work for this project, and it is hoped that negotiations over the site with the Government of Bihar will shortly be concluded, so that building can begin. Agreement was reached between the Company and Atul Products Ltd, an Indian company already engaged in the manufacture of certain dyestuffs, for the establishment of a joint company to manufacture Jade Greens on a portion of the Atul factory site at Bulsar, Bombay State. The Company will provide technical information and advice, and the factory is expected to be in production by the end of 1955.

PAKISTAN

The continuing severe restrictions on imports imposed by the Pakistan Government made it another difficult year for traders. In the circumstances it is particularly satisfactory that Imperial Chemical Industries (Pakistan) Ltd increased its sales turnover to a figure which almost equalled the record sales of 1952.

The Khewra Soda Company Ltd, in which the Company holds a 70 per cent interest, had another successful year and achieved a record level of production of soda ash, which met the entire requirements of West Pakistan and part of those of East Pakistan. The question of extending this plant in order to

meet the growing demand is under consideration.

NEAR EAST

The agreement on the evacuation of the Suez Canal Zone, the settlement of the oil dispute in Persia, and the increased purchasing power through the improvement of prices of agricultural commodities and increased oil revenues, all had a beneficial effect on economic conditions throughout the Near East. As a result there was an increase in the turnover of the Company's selling organizations throughout this territory, except in Turkey where the ambitious expansion programme of the Government produced a severe shortage of foreign exchange.

IMPERIAL CHEMICAL INDUSTRIES LIMITED

ACCOUNTS
FOR THE YEAR 1954

(1953 figures cover I.C.I. Ltd. and 100 subsidiaries)

30

1953			
£		£	£
19,758,624	CONSOLIDATED INCOME AFTER TAXATION brought forward ..		26,458,372
510,688	Less: Net Dividends of Subsidiaries appropriate to Minority Members ..	802,948	
380,933	Undistributed Income of Subsidiaries appropriate to Minority Members ..	477,160	
891,621			1,280,108
18,867,003			25,178,264
1,262,935	Less: Undistributed Income of Subsidiaries appropriate to Imperial Chemical Industries Ltd. ..		3,436,360
£17,604,068	NET INCOME OF IMPERIAL CHEMICAL INDUSTRIES LTD. FOR THE YEAR carried to Profit and Loss Appropriation Account ..		£21,741,904

**PROFIT AND LOSS APPROPRIATION ACCOUNT
OF IMPERIAL CHEMICAL INDUSTRIES LIMITED
FOR THE YEAR ENDED 31st DECEMBER 1954**

1953			
£			£
17,604,068	NET INCOME OF IMPERIAL CHEMICAL INDUSTRIES LTD. FOR THE YEAR 1954 from Consolidated Profit and Loss Account		21,741,904
4,796,044	Add: Balance brought forward from 1953 ..		4,644,401
22,400,112			26,386,305
2,500,000	Transfer from Revenue Reserve—Stock Replacement ..		—
24,900,112			
	Less: Appropriations	£	£
7,000,000	Capital Reserve—Obsolescence and Replacement of Assets		7,000,000
—	Capital Reserve—General ..		2,000,000
6,500,000	Revenue Reserve—General ..		4,000,000
	Dividends (less tax) for 1954		
	Paid		
463,495	(a) 7% Cumulative Preference Stock, half-year to 30th June 1954 ..	463,495	
2,331,488	(b) Ordinary Stock, Interim Dividend 4% ..	3,108,651	
2,794,983			3,572,146
	Provided		
463,495	(a) 5% Cumulative Preference Stock, half-year to 31st December 1954 ..	463,495	
3,497,233	(b) Ordinary Stock, Final Dividend 6% ..	4,874,931	
3,960,728			5,338,426
20,255,711			21,910,572
£4,644,401	BALANCE carried to Balance Sheet page 32 ..		£4,475,733

IMPERIAL CHEMICAL

BALANCE SHEET at

1953 £		£	£
I. SHARE CAPITAL AND RESERVES			
Capital			
	Authorised in Shares of £1 each		
24,081,956	5% Cumulative Preference Shares	33,708,773	
70,651,162	Ordinary Shares	141,302,324	
25,266,882	Unclassified Shares	44,988,903	
<u>£120,000,000</u>		<u>£220,000,000</u>	
Issued and converted into Stock			
24,077,691	5% Cumulative Preference Stock	33,708,773	
70,651,162	Ordinary Stock	141,302,324	
94,728,853			175,011,097
Capital Reserves (Note 2a)			
64,758,544	General	22,740,333	
19,599,456	Share Premium Account	—	
37,933,466	Revaluation of Physical Assets	37,943,332	
22,000,000	Obsolescence and Replacement of Assets	29,000,000	
144,291,466			89,683,665
Revenue Reserves (Note 3a)			
25,941,648	General	25,395,832	
502,580	Metal Stocks Contingency	502,580	
9,200,000	Stock Replacement	9,200,000	
4,644,401	Profit and Loss Appropriation Account	4,475,733	
40,288,629			39,574,145
279,308,948			304,268,907
II. FUTURE UNITED KINGDOM INCOME TAX			
10,707,071	Reserve for estimated liability 1955/56	13,463,190	
11,609,000	Reserve for deferred liability due to initial allowances	11,690,000	
22,316,071			25,153,190
III. UNSECURED LOANS			
340,103	4% Loan Repayable by 1958	269,660	
20,000,000	4% Loan Stock Repayable 1958/60	20,000,000	
—	4½% Loan Stock Repayable 1972/74	30,000,000	
20,340,103			50,269,660
IV. CURRENT LIABILITIES AND PROVISIONS			
22,436,912	Sundry Creditors, Short-term Deposits and Accrued Charges	23,957,666	
618,036	Bank Overdrafts: Secured	600,714	
3,284,764	Unsecured	—	
3,902,800			600,714
20,817,683	Provisions for Taxation and other Specific Liabilities	24,886,280	
3,960,728	Dividends (less tax) provided as shown in Profit and Loss Appropriation Account	5,338,426	
51,118,123			54,783,086
<u>£373,083,245</u>			<u>£434,474,843</u>
	J. H. COTTON, Treasurer.		

INDUSTRIES LIMITED
31st DECEMBER 1954

<div>1953</div> <div>£</div>	I. FIXED ASSETS						At cost or as revalued at 1st January 1950 £	Depreciation and amounts written off £	Net Book Value £
	Physical Assets (<i>Note 1a</i>)								
60,721,829	Land and Buildings	..	..	..	..	..	72,351,463	8,682,921	63,668,542
166,566,866	Plant and Machinery	..	..	..	..	..	217,204,051	33,263,303	183,940,748
5,563,949	Transport and Rolling Stock, etc.	..	..	..	..	..	8,243,608	2,582,461	5,661,147
232,852,644							£297,799,122	£44,528,685	253,270,437
	Loose Tools, Office Furniture and Sundry Equipment at net book value at 31st December 1954						..	..	2,333,342
2,143,694									255,603,779
234,996,338	Intangible Assets at cost less amounts written off								
15,069,970	Patents, Processes, Mineral Rights, Trade Marks and Goodwill	..				..			15,167,265
II. INTERESTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES									
Shares in and advances to and from Subsidiaries including dividends (less tax) due for the year 1954									
18,816,565	Shares at cost or as revalued less provisions and amounts written off							38,295,682	
18,233,146	Advances to Subsidiaries	..	..	..	..	..	..	18,583,151	
37,049,711								56,878,833	
5,770,075	Less: Advances from Subsidiaries	..	..	..	..	..	..	6,033,376	
31,279,636									50,845,457
12,353,059	Shares and Debentures in Associated Companies at cost or as revalued	..				..		7,324,720	
2,408,102	Less: Provisions and amounts written off	..	..	..	..	..		655,570	
9,944,957									6,669,150
III. CURRENT ASSETS									
50,927,347	Stocks of Raw Materials, Stores, Finished Goods, etc., at or under cost							58,190,015	
25,438,568	Sundry Debtors, Housing and Other Loans and Payments in Advance							28,163,788	
2,500	Loan to Trustees of Employees' Share Investment Scheme	..	..					7,500	
1,577,968	Marketable Investments (Market value £3,013,153)	..	..	..				1,365,561	
—	Tax Reserve Certificates	..	..	..	..	..	..	12,000,000	
3,845,961	Cash at Bankers and in hand	..	..	..	..	..	..	6,462,328	
81,792,344									106,189,192
£373,083,245	ALEXANDER FLECK } J. L. ARMSTRONG }						Directors.		£434,474,843

CONSOLIDATED BALANCE SHEET OF IMPERIAL CHEMICAL INDUSTRIES

(1953 figures cover I.C.I. Ltd)

1953 £	I. SHARE CAPITAL AND SURPLUS OF MEMBERS OF IMPERIAL CHEMICAL INDUSTRIES LIMITED										Authorised in Shares of £1 each £	Issued and converted into Stock £
	£	Capital										
24,077,691	24,081,956	5% Cumulative Preference Shares	..	..	..	..	..	..	..	33,708,773	33,708,773
70,651,162	70,651,162	Ordinary Shares	..	..	..	..	..	..	..	141,302,324	141,302,324
—	25,266,882	Unclassified Shares	..	..	..	..	..	..	..	44,988,903	—
94,728,853	£120,000,000									£220,000,000	175,011,097	
		Surplus										
148,429,171		On Capital Account (Note 2b)	..	..	..	..	..	..	..	94,839,278	
50,951,780		On Revenue Account (Note 3b)	..	..	..	..	..	..	..	53,083,656	
199,380,951											147,922,934	
294,109,804											322,934,031	
12,829,659											19,421,933	
		II. SHARE CAPITAL AND SURPLUS OF MINORITY MEMBERS OF SUBSIDIARIES	..	..	..	..	..	..	..
		III. FUTURE UNITED KINGDOM INCOME TAX										
12,034,420		Reserve for estimated liability 1955/56	..	..	..	..	..	..	..	14,904,280	
11,832,241		Reserve for deferred liability due to initial allowances	..	..	..	..	..	..	..	11,893,195	
23,866,661											26,797,475	
		IV. DEBENTURES AND LOANS										
9,052,357		Debentures and Secured Loans (Subsidiaries)	..	..	..	..	..	..	..	18,514,335	
20,340,103		Unsecured Loans (Parent Company)	..	..	..	..	..	..	..	50,269,660	
29,392,460											68,783,995	
		V. CURRENT LIABILITIES AND PROVISIONS							£			
35,554,726		Sundry Creditors, Bills Payable, Short-term Deposits and Accrued Charges	..	..	..	..	..	..	..	40,125,766	
660,977		Bank Overdrafts: Secured	..	..	..	..	..	..	1,130,295		
11,050,396		Unsecured	..	..	..	..	..	..	4,452,786		
11,711,373										5,583,081		
27,743,963		Provisions for Taxation and other Specific Liabilities	..							34,532,018		
3,960,728		I.C.I. Ltd. Final Dividends (less tax)	..	..	..					5,338,426	
78,970,790											85,579,291	
£439,169,374											£523,516,725	
		J. H. COTTON, Treasurer.										

at 31st DECEMBER 1954

LIMITED AND 103 SUBSIDIARIES

and 100 subsidiaries)

1953

£

I. FIXED ASSETS

Physical Assets (Note 1b)

		At cost or as revalued principally at 1st January 1950	Depreciation and amounts written off	Net Book Value
		£	£	£
77,391,281	Land and Buildings	107,999,488	17,676,735	90,322,753
176,903,396	Plant and Machinery	253,968,756	49,974,402	203,994,354
6,701,290	Transport and Rolling Stock, etc.	11,831,095	4,675,237	7,155,858
260,995,967		<u>£373,799,339</u>	<u>£72,326,374</u>	<u>301,472,965</u>
2,956,399	Loose Tools, Office Furniture and Sundry Equipment at net book value at 31st December 1954			3,581,929
263,952,366				<u>305,054,894</u>
16,780,620	Intangible Assets at cost less amounts written off Patents, Processes, Mineral Rights, Trade Marks and Goodwill			16,721,318

II. INTERESTS IN ASSOCIATED COMPANIES

20,403,839	Shares and Debentures at cost or as revalued	15,638,618
2,708,818	Less: Provisions and amounts written off	959,155
17,695,021		<u>14,679,463</u>

III. CURRENT ASSETS

82,341,800	Stocks of Raw Materials, Stores, Finished Goods, etc., at or under cost	96,350,367
46,123,640	Sundry Debtors, Housing and Other Loans and Payments in Advance	53,615,547
2,638,839	Marketable Investments (Market value £9,294,136)	7,631,220
931,380	British Government Securities (Market value £969,668)	990,163
—	Tax Reserve Certificates	12,050,000
8,705,708	Cash at Bankers and in hand	16,423,753
140,741,367		<u>187,061,050</u>

£439,169,374

ALEXANDER FLECK }
J. L. ARMSTRONG } Directors.

£523,516,725

NOTES ON THE ACCOUNTS FOR 1954

The foregoing accounts should be considered in conjunction with the following notes:—

(1) Movements in Physical Assets during 1954.

The following table shows the movements in physical assets during 1954, both in the case of the Company and in the case of the Group.

	LAND AND BUILDINGS			PLANT AND MACHINERY			TRANSPORT AND ROLLING STOCK			TOTAL
	At cost or as revalued £	Less amounts written off £	Net Book Value £	At cost or as revalued £	Less amounts written off £	Net Book Value £	At cost or as revalued £	Less amounts written off £	Net Book Value £	Net Book Value £
(a) Company										
Per Balance Sheet at 31st December 1953	67,265,677	6,543,848	60,721,829	190,594,780	24,027,914	166,566,866	7,787,092	2,223,143	5,563,949	232,852,644
Capital Expenditure during year	5,349,974	—	5,349,974	28,065,586	—	28,065,586	1,071,136	—	1,071,136	34,486,696
	72,615,651	6,543,848	66,071,803	218,660,366	24,027,914	194,632,452	8,858,228	2,223,143	6,635,085	267,339,340
Sales, Demolitions and other adjustments during year	264,188	146,465	117,723	1,456,315	873,879	582,436	614,620	367,396	247,224	947,383
	72,351,463	6,397,383	65,954,080	217,204,051	23,154,035	194,050,016	8,243,608	1,855,747	6,387,861	266,391,957
Depreciation	—	2,285,538	2,285,538	—	10,109,268	10,109,268	—	726,714	726,714	13,121,520
	72,351,463	8,682,921	63,668,542	217,204,051	33,263,303	183,940,748	8,243,608	2,582,461	5,661,147	253,270,437
Per Balance Sheet at 31st December 1954										
	72,351,463	8,682,921	63,668,542	217,204,051	33,263,303	183,940,748	8,243,608	2,582,461	5,661,147	253,270,437
(b) Group										
Per Balance Sheet at 31st December 1953	87,814,663	10,423,382	77,391,281	208,031,232	31,127,836	176,903,396	10,218,424	3,517,134	6,701,290	260,995,967
New subsidiaries	12,084,828	4,551,980	7,532,848	12,613,451	8,219,655	4,393,796	925,768	608,251	317,517	12,244,161
Capital Expenditure during year	8,627,715	—	8,627,715	35,173,155	—	35,173,155	1,677,182	—	1,677,182	45,478,052
	108,527,206	14,975,362	93,551,844	255,817,838	39,347,491	216,470,347	12,821,374	4,125,385	8,695,989	318,718,180
Sales, Demolitions and other adjustments during year	527,718	304,297	223,421	1,849,082	1,382,317	466,765	990,279	623,430	366,849	1,057,035
	107,999,488	14,671,065	93,328,423	253,968,756	37,965,174	216,003,582	11,831,095	3,501,955	8,329,140	317,661,145
Depreciation	—	3,005,670	3,005,670	—	12,009,228	12,009,228	—	1,173,282	1,173,282	16,188,180
	107,999,488	17,676,735	90,322,753	253,968,756	49,974,402	203,994,354	11,831,095	4,675,237	7,155,858	301,472,965
Per Balance Sheet at 31st December 1954										
	107,999,488	17,676,735	90,322,753	253,968,756	49,974,402	203,994,354	11,831,095	4,675,237	7,155,858	301,472,965

(2) Capital Reserves.

(a) The decrease in the Company Capital Reserves of £54,607,801 (from £144,291,466 to £89,683,665) consists of: (1) £75,705,922 withdrawn from the reserves representing the Share Premium Account (£19,599,456) and part (£56,106,466) of the General Reserve applied in the scrip issues in 1954 to Preference and Ordinary Stockholders; and (2) £500,000 being stamp duty on the increase in the Authorised Share Capital; less amounts added to reserves of (3) £7,000,000 appropriated from profits for Obsolescence and Replacement of Assets; (4) £2,000,000 appropriated from profits to Capital Reserve—General; (5) £9,354,564 being surplus arising from an exchange of shares in Canadian Industries Ltd. (an associated company) for shares in I.C.I. of Canada Ltd. (a new subsidiary) the valuation of shares in the latter company being based on the book value of the net assets (excluding Goodwill) taken over by its subsidiary, Canadian Industries (1954) Ltd. from Canadian Industries Ltd. on segregation; (6) £2,827,913 profit on realisation of investments; and (7) £415,644 being other capital receipts and profit on realisation of physical assets less amounts written off physical assets.

(b) The decrease in the Consolidated Capital Surplus of £53,589,893 (from £148,429,171 to £94,839,278) consists of the above decrease of £54,607,801 less additions to reserves of £1,017,908 arising on consolidation of subsidiaries, viz. (1) £87,922 from revaluation of physical assets; (2) £199,974 from realisation of physical assets; (3) £526,185 transferred from revenue reserves; and (4) £446,688 from partly-owned companies becoming subsidiaries during the year; less (5) £242,861 due to changes in percentage holdings, exchange differences and adjustments on consolidation.

(3) Revenue Reserves.

(a) The decrease in the Company Revenue Reserves of £714,484 (from £40,288,629 to £39,574,145) consists of: (1) £4,576,318 capitalised and applied in the scrip issues in 1954 to Preference and Ordinary Stockholders; and (2) £168,668 decrease in the Profit & Loss Appropriation carry forward; less (3) £4,000,000 appropriated to Revenue Reserve—General; and (4) £30,502 transferred from a subsidiary.

(b) The increase in the Consolidated Revenue Surplus of £2,131,876 (from £0,951,780 to £53,083,656) consists of the above decrease of £714,484 and additions to reserves of £2,846,360 arising on consolidation of subsidiaries, viz. (1) £3,436,360 from undistributed income; and (2) £81,284 from partly-owned companies becoming subsidiaries during the year; less (3) £526,185 transferred to capital reserves; and (4) £145,099 due to changes in percentage holdings, exchange differences and adjustments on consolidation.

(4) Commitments.

Commitments for Capital Expenditure at the date or dates of the respective balance sheets amounted in the case of the Company to approximately £m18.4 (1953 £m17.3) and in the case of the Group (i.e. the Company and its subsidiaries) to approximately £m21.2 (1953 £m21.0).

The Company is committed to pay to the Trustees of the Workers' Pension Fund twenty-two annual instalments of (a) £189,417 on account of the initial liability assumed in 1936 in respect of the past services of workers and (b) £303,600 for the cost of improvements in benefits granted from 1st October 1952. There is a further commitment to pay to the Trustees of the Staff and Foremen's Pension Funds three annual instalments of £397,000 to meet the cost of increases in pensions operating from 1st April 1952, against which £907,000 has been provided in the Company Balance Sheet.

(5) Contingent Liabilities.

Contingent liabilities existed at 31st December 1954 in connection with (a) guarantees and uncalled capital relating to subsidiaries and associated companies, and (b) guarantees relating to the Company's Pension Funds.

(6) Loan Stock and Scrip Issue Expenses.

The expenses of these issues, including underwriting commission, brokerage and stamp duty relating to the issue of the 4½% Unsecured Loan Stock 1972/74, together with legal and other expenses, amounted to £627,770 which has been written off in arriving at the Manufacturing and Trading Profits of the year.

(7) Taxation.

The appropriate provisions for U.K. and Overseas Taxation have been made (a) in the Company's Balance Sheet on profits earned to 31st December 1954, and (b) in the Consolidated Balance Sheet on profits earned to the dates of the respective Balance Sheets included therein.

The transfer of £61,954 to Reserve for Deferred Income Tax Liability due to Initial Allowances shown in the Consolidated Profit & Loss Account is the estimated benefit for the year from the temporary saving in U.K. income tax due to initial allowances for 1954, less the additional income tax arising because annual allowances have been reduced by reason of initial allowances in previous years.

The net tax charge for the year has been computed after deducting relief of £2,022,922 in respect of investment allowances.

(8) Depreciation.

The increase in the charge to Profit & Loss Account for depreciation compared with 1953 arises from: (a) inclusion of new subsidiaries; (b) the additional charge in respect of assets coming into production during the year; and (c) a review during the year of the estimated economic working lives of assets which resulted in an increase in the annual charge.

(9) Remuneration of Directors.

The remuneration of the Directors of the Company included as a charge in the year's accounts amounted to £337,457 made up of Fees £40,098, Other Emoluments £213,097, and Pensions and Gratuities to former Directors £84,262. Directors received £7,473 by way of Fees from other companies to whose Boards they were nominated by the Company.

(10) Balance Sheet Dates.

Without unduly delaying the preparation of the Consolidated Accounts it is impracticable for thirty-five overseas subsidiaries to provide accounts made up to a date later than 30th September and in addition, owing to local conditions, ten make up their accounts at earlier dates. In the case of twenty-three of the home subsidiaries, seasonal trade or overseas interests preclude the making up of accounts to 31st December. The consolidation accordingly includes the accounts of all these subsidiaries made up to dates within the financial year, ranging from 31st March 1954 to 30th September 1954. The net difference on inter-company accounts from this cause amounts to £315,486 and is included in Sundry Debtors.

(11) Conversion of Currency Assets and Liabilities.

Currency assets and liabilities have been converted into sterling at the rates of exchange ruling at the dates of the respective balance sheets except in the case of the subsidiaries in Brazil, where the rate ruling at 31st December 1954 has been used. The Consolidated Balance Sheet includes net current assets to an amount of £2,115,997 (including cash of £951,486) in respect of the subsidiaries in Argentina where currency restrictions operate.

AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL CHEMICAL INDUSTRIES LIMITED

In our opinion and to the best of our information and according to the explanations given to us:

(i) the annexed balance sheet of the company with the annexed group accounts and the above notes on the accounts gives a true and fair view of the state of the company's affairs as at 31st December 1954 and

(ii) the group accounts comprising a consolidated balance sheet and consolidated profit and loss account with the above notes on the accounts give, from the standpoint of the members of the company, a true and fair view of the state of affairs as at 31st December 1954 and of the profit for the year ended on that date of Imperial Chemical Industries Limited and its subsidiaries, so far as is practicable having regard to the fact that accounts of some of the subsidiaries are made up to dates other than 31st December.

The accounts of certain of the operating divisions and subsidiaries have been audited by other firms.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit. In our opinion, the company has kept proper books of account and received audited returns adequate for the purposes of our audit from the operating divisions not visited by us, and the above mentioned balance sheet, which is in agreement therewith, gives with the group accounts and the notes in the prescribed manner the information required by the Companies Act, 1948.

London, 29th April, 1955.

PRICE WATERHOUSE & CO.
THOMSON McLINTOCK & CO.

**IMPERIAL CHEMICAL
FINANCIAL STAT
For the years**

	1945	1946	1947
	£	£	£
ISSUED CAPITAL			
5% Cumulative Preference Stock (7% until 1954)	24,077,691	24,077,691	24,077,691
Ordinary Stock	50,401,861	50,465,116	50,465,116
Total	74,479,552	74,542,807	74,542,807
RESERVES			
Capital:			
General—including in 1950 £58,227,768 freed on revaluation of			
Physical Assets	2,323,129	2,452,645	2,460,079
E.P.T. Post-War Refund	—	2,111,294	2,111,294
Share Premium Account	—	—	—
Revaluation of Physical Assets—excess over £58,227,768 included			
in General Reserve	—	—	—
Obsolescence and Replacement of Assets	—	—	—
Revenue:			
General	10,100,000	14,401,513	15,441,648
Metal Stocks Contingency	—	—	—
Stock Replacement	—	—	—
War Contingency	3,250,000	—	—
Profit & Loss Appropriation Account	1,337,280	3,305,815	3,250,175
Total	17,010,409	22,271,267	23,263,196
TOTAL CAPITAL & RESERVES	91,489,961	96,814,074	97,806,003
UNSECURED LOANS			
4% Loan Repayable by 1958	813,598	762,284	708,897
4% Loan Stock Repayable 1958/60	—	—	—
4½% Loan Stock Repayable 1972/74	—	—	—
Total	813,598	762,284	708,897
FUTURE U.K. INCOME TAX			
Reserve for estimated liability for next fiscal year and (1949 onwards)			
deferred liability due to initial allowances	3,214,000	2,988,000	4,286,000
CENTRAL OBsolescence & DEPRECIATION PROVISION	15,281,308	20,191,415	25,985,005
CASH, TAX RESERVE CERTIFICATES & BRITISH GOVERNMENT SECURITIES less BANK OVERDRAFTS	14,505,537	19,581,456	8,233,333
NET INCOME AFTER TAXATION	4,770,062	7,171,109	7,646,933
Appropriations:			
Deferred Income Tax liability due to initial allowances	—	—	—
Central Obsolescence Provision (additional)	1,500,000	1,500,000	3,000,000
Capital Reserve—General	—	—	—
Capital Reserve—Obsolescence and Replacement of Assets	—	—	—
Revenue Reserve—General	—	—	1,000,000
Revenue Reserve—Stock Replacement	—	—	—
Carry forward	192,006	1,968,535	—55,640
Preference Dividend (less tax)	891,878	926,994	926,992
Ordinary Dividend (less tax)	2,186,178	2,775,580	2,775,581
Total	4,770,062	7,171,109	7,646,933
RATE PER CENT OF GROSS ORDINARY DIVIDEND	8	8	10
		and bonus 2	

INDUSTRIES LIMITED
ISTICAL RECORD
ended 31st December

1948	1949	1950	1951	1952	1953	1954
£	£	£	£	£	£	£
24,077,691 ..	24,077,691 ..	24,077,691 ..	24,077,691 ..	24,077,691 ..	24,077,691 ..	33,708,773
60,558,139 ..	60,558,139 ..	60,558,139 ..	60,558,139 ..	70,651,162 ..	70,651,162 ..	141,302,324
84,635,830 ..	84,635,830 ..	84,635,830 ..	84,635,830 ..	94,728,853 ..	94,728,853 ..	175,011,097
4,460,079 ..	4,960,079 ..	65,484,134 ..	65,039,400 ..	64,738,276 ..	64,758,544 ..	22,740,333
2,112,219 ..	2,111,800 ..	— * ..	— ..	— ..	— ..	—
9,777,450 ..	9,777,450 ..	9,777,450 ..	9,777,450 ..	19,599,456 ..	19,599,456 ..	—
— ..	— ..	37,892,505 ..	37,914,261 ..	37,914,261 ..	37,933,466 ..	37,943,332
— ..	— ..	5,000,000 ..	10,000,000 ..	15,000,000 ..	22,000,000 ..	29,000,000
16,441,648 ..	17,441,648 ..	17,441,648 ..	17,441,648 ..	19,441,648 ..	25,941,648 ..	25,395,832
502,580 ..	502,580 ..	502,580 ..	502,580 ..	502,580 ..	502,580 ..	502,580
— ..	— ..	4,000,000 ..	11,000,000 ..	11,700,000 ..	9,200,000 ..	9,200,000
— ..	— ..	— ..	— ..	— ..	— ..	—
4,009,435 ..	4,328,249 ..	4,424,588 ..	4,845,188 ..	4,796,044 ..	4,644,401 ..	4,475,733
37,303,411 ..	39,121,806 ..	144,522,905 ..	156,520,527 ..	173,692,265 ..	184,580,095 ..	129,257,810
121,939,241 ..	123,757,636 ..	229,158,735 ..	241,156,357 ..	268,421,118 ..	279,308,948 ..	304,268,907
653,352 ..	595,564 ..	535,442 ..	472,890 ..	407,811 ..	340,103 ..	269,660
— ..	— ..	20,000,000 ..	20,000,000 ..	20,000,000 ..	20,000,000 ..	20,000,000
— ..	— ..	— ..	— ..	— ..	— ..	30,000,000
653,352 ..	595,564 ..	20,535,442 ..	20,472,890 ..	20,407,811 ..	20,340,103 ..	50,269,660
5,224,000 ..	6,655,000 ..	14,536,879 ..	18,339,074 ..	20,067,000 ..	22,316,071 ..	25,153,190
32,053,636 ..	35,158,887 ..	— * ..	— ..	— ..	— ..	—
12,743,460 ..	4,298,398 ..	10,712,584 ..	-5,643,545 ..	-2,170,803 ..	-56,839 ..	17,861,614
10,850,414 ..	9,791,503 ..	16,843,912 ..	20,382,548 ..	13,498,956 ..	17,604,068 ..	21,741,904
— ..	2,215,000 ..	2,960,000 ..	2,944,000 ..	— ..	— ..	—
3,000,000 ..	1,500,000 ..	— ..	— ..	— ..	— ..	—
2,000,000 ..	500,000 ..	— ..	— ..	— ..	— ..	2,000,000
— ..	— ..	5,000,000 ..	5,000,000 ..	5,000,000 ..	7,000,000 ..	7,000,000
1,000,000 ..	1,000,000 ..	— ..	— ..	2,000,000 ..	6,500,000 ..	4,000,000
— ..	— ..	4,000,000 ..	7,000,000 ..	700,000 ..	-2,500,000 ..	—
759,260 ..	318,814 ..	96,339 ..	420,600 ..	-49,144 ..	-151,643 ..	-168,668
926,992 ..	926,992 ..	926,992 ..	884,856 ..	884,856 ..	926,990 ..	926,990
3,164,162 ..	3,330,697 ..	3,860,581 ..	4,133,092 ..	4,963,244 ..	5,828,721 ..	7,983,582
10,850,414 ..	9,791,503 ..	16,843,912 ..	20,382,548 ..	13,498,956 ..	17,604,068 ..	21,741,904
10 ..	10 ..	12 ..	13 ..	13 ..	15 ..	10†

* Transferred to Capital Reserve—General in 1950.

† Paid on capital as doubled by scrip issue.

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IMPERIAL CHEMICAL INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN that the TWENTY-EIGHTH ANNUAL GENERAL MEETING of the COMPANY will be held at Wigmore Hall, 36 Wigmore Street, London, W.1, on Thursday, the 16th day of June 1955, at 11.30 a.m., for the following purposes:—

1. To consider the Company's Accounts and the Reports of the Directors and Auditors for the year ended 31st December 1954.
2. To confirm and declare dividends.
3. To elect Directors in place of those retiring.
4. To fix the Auditors' remuneration.
5. To transact other ordinary business of the Company.

Any member of the Company entitled to attend and vote may appoint another person (whether a member or not) as his proxy to attend and vote instead of him. The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Office, Imperial Chemical House, Millbank, London, S.W.1, not less than 48 hours before the time fixed for the Meeting.

Dated this 19th day of May 1955.

IMPERIAL CHEMICAL HOUSE,
MILLBANK,
LONDON, S.W.1.

By Order of the Board,
R. A. LYNEX,
Secretary.

Preference Stockholders are reminded that under the Company's Articles of Association (as amended on 17th June 1954) they are not entitled to attend or vote at this Meeting because the business to be transacted does not fall within the terms of Article 65.

The final dividend will be payable on 30th June 1955 to Ordinary Stockholders registered in the books of the Company on 13th May 1955. Warrants will be posted on 29th June 1955.