Another

Sir George Nelson Reports Another Year of Progress to our Annual General Meeting

Sir George said:

IT GIVES ME great pleasure to report that we have again greatly increased our turnover over 1951, our deliveries being increased by £3,600,000, which has yielded a correspondingly greater trading profit.

The profit for the year before providing for taxation and after deducting all charges is £601,704 which is £245,323 greater than in 1951. Taxation is £212,813 heavier at £384,527, thus the net profit for the year after allocating a further sum of £25,000 to the depreciation equalisation reserve, is £192,177 which means that from the Company's greatly increased turnover the net profit is only £32,510 more than 1951 owing to increased taxation chiefly due to Excess Profits Levy.

The year's net profit of £192,177 added to the amount brought forward of £285,228 brings the available profit to £477,405. The Preference dividend has absorbed £9,188, and your directors recommend the payment of a dividend of seven per cent, less tax, on the Ordinary Shares, amounting to £74,240, leaving to carry-forward £393,977, being £108,749 more than last year.

Balance-sheet Items

TURNING TO THE Balance Sheet, you will observe that capital and reserves amount to £4,476,944, an increase of £310,637.

Current liabilities at £6,369,865 are higher by £1,789,505, of which £879,933 is in respect of trade creditors and receipts in advance, and £740,692 for bank borrowings utilised to finance our continued expanded production.

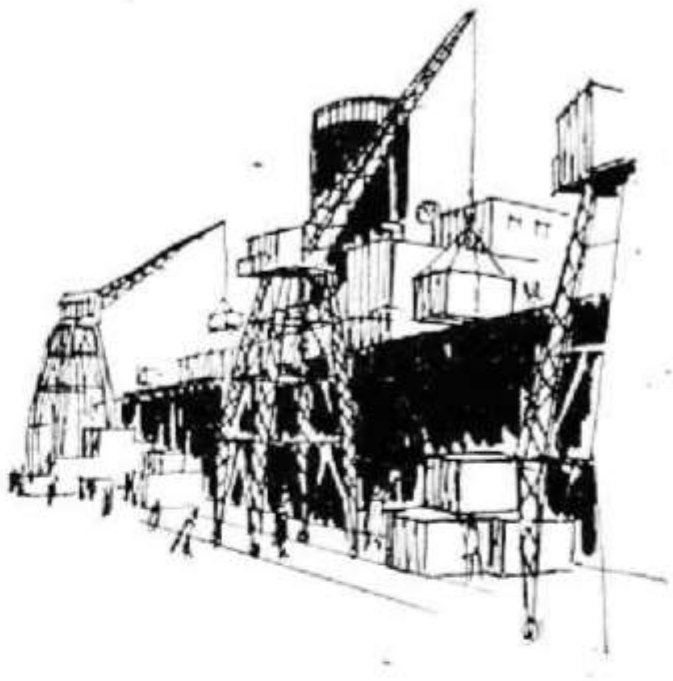
Total Fixed assets show a net increase of £304,272. The additions to our Buildings, Plant and Equipment amounted to £290,422 after deducting provision for depreciation.

Current Assets have risen by £1,789,223, which reflects the Stocks and Work-in-Progress for our large and expanded order book.

LAST YEAR, you will recall, I was able to bring you a highly satisfactory account of the state of affairs of your Company. I am similarly fortunate today. For every activity of the Company —which, as you know, produces the widest range of electronic equipment— it has been a year of consistent progress.

Defence

I CANNOT of course give you any very revealing account of what has been our contribution towards the strengthening



of the defences of our country, the Commonwealth and foreign countries, but I can assure you that we have met the substantial demands made on us in a way of which we may justly be proud and still have on hand large orders from those quarters.

In spite of these demands for rearmament our shipments to home and over-

Year of Progress

seas clients for normal products reached a new high level last year.

Communications

ONE OF THE greatest benefits to mankind—though by no means, of course, the most spectacular—is radiocommunication and to us today, radio telegraphy and radio telephony are commonplace. There are, however, vast areas of the globe without proper communication systems and where radio is the most practical solution. We are now executing contracts which provide for 8500 miles of very high frequency multichannel route—the latest application of radio to internal communications. In terms of the total length of telephone channels combined, this means an overall mileage of more than a quarter of a million. Our Survey teams of engineers have completed operations for new systems in several territories and are active at this moment in various parts of the world. In addition to performing this most valuable function of planning modern communications systems for the Administrations of our Colonial territories, these engineers are accumulating, for the general advancement of science, a priceless store of knowledge about the propagation of radio waves at very high frequencies. At the same time we have made good progress with our mobile radio telephone equipment which finds its most enthusiastic customers in police, public utility and similar bodies. It has been a great source of satisfaction that we have been able to supply this equipment to places where, due to disturbance or calamity, its use has been of enormous value, namely, in Kenya and Malaya. In Malaya, most Police posts and a large number of mines and estates have installed Marconi equipments to the number of more than 1700, and unquestionably they are playing an extremely effective part in safeguarding life and in enabling the courageous, law-abiding citizens of that territory to carry on their magnificent work in the face of formidable difficulties.

Air Radio

MARCONI AIRBORNE radio equipment has a deservedly high reputation; facts are more convincing than any mere claims. For the Saro "Princess" flying boat, the de Havilland "Comets" Mark I and II, and the Bristol "Britannia" Marconi equipment has been selected. The Royal Australian Air Force have ordered our airborne equipment for their new "Canberra" bombers, the Royal New Zealand Air Force for their "Sunderlands", "Bristol Freighters", and "Devons", the Royal Canadian Air Force for their Mark I "Comets". Among the airlines which have placed orders with us are British Overseas Airways Corporation, British European Airways, Canadian Pacific Airlines, Air France and Union Aeromaritime de Transport. Our equipment played a large part in the striking success of all the long-distance flights made in 1952 by "Canberra" aircraft—notably in the

double crossing of the Atlantic last August—and in the Royal Air Force's triumphant goodwill mission to South America towards the end of the year.

A new version of our airborne communications transmitter for a pilot-operated radio-telephony equipment, has been ordered by British Overseas Airways Corporation for their Mark II "Comets" as well as for the re-equipment of their "Argonaut" and "Hermes" fleets.

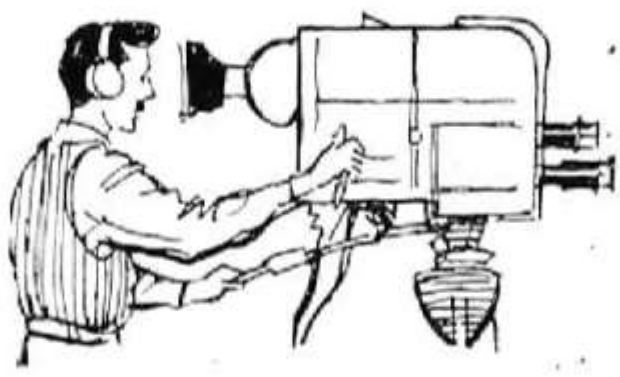
BRITISH MANUFACTURERS of jet aircraft, as well as many overseas Governments, have recognised the unique capabilities of our very high frequency direction finding equipment and have installed or ordered it for their airfields. We completed the design of a very high frequency omnirange beacon system last year and submitted the beacon to the Civil Aeronautics Administration of the United States for trials. This has also been accepted by the International Civil Aviation Organisation as a world standard.

Safety at Sea

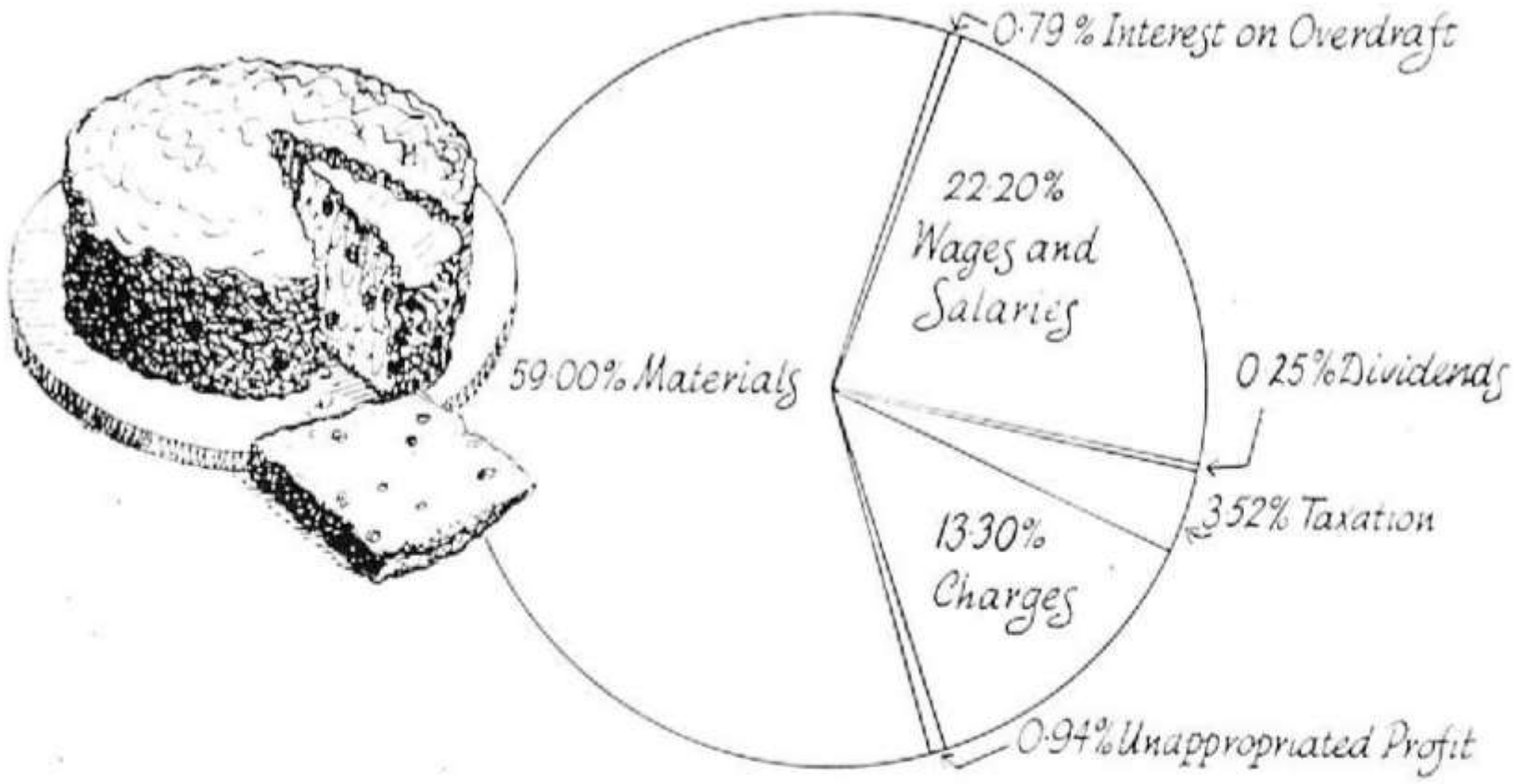
IT IS WELL known that the inspiration of Marconi's earliest researches was to reduce the perils for ships at sea by communication and aids to navigation. The Company, in fact, fitted the first lightship in the world, on the East Goodwins, with wireless as long ago as 1898. We are particularly proud to have secured in 1952, from Trinity House and other Lighthouse Authorities in the United Kingdom and Eire, contracts to supply more than forty-five duplicated radio beacons required to meet the terms of a recent international agreement reorganising the beacon facilities in European waters. When these are installed, every marine approach and marker beacon round the coasts of the United Kingdom and Eire will be of Marconi design.

Broadcasting and Television

THE B.B.C. and Colonial territories have continued their policy of expanding their sound broadcasting services and we have received orders for transmitters from the B.B.C., Uganda, the Gold Coast, Nigeria and Sarawak. Kenya, the Gold Coast and Cyprus have ordered our latest range of studio equipment. So, nearer home, has Eire. The B.B.C. has signed a contract for twelve of our standard studio control consoles. The South African Broadcasting Corporation has given us an impressive order for



nine high frequency broadcasting transmitters which will enable the entire Union of South Africa to receive their three programmes. We have delivered and installed a 20 kW broadcaster for Cyprus and are building a 100 kW transmitter for the same Colony. Another equipment of similar design is under construction for the Sudan. Outside the Commonwealth a transmitter of ours has gone into service in Iceland, and high power transmitters in Sweden; and we have secured a further contract for two large transmitters to carry, in parallel, the national programme of Denmark. I may perhaps mention here that our



How the Company's financial cake is cut

high power unattended broadcast transmitters—which took over the B.B.C.'s Third programme in 1951—have been running unattended and without interruption for more than a year, sufficient tribute in itself to the excellence of the design and workmanship of what is probably the most powerful, remotely controlled broadcast transmitting station in the world.

WE CONTINUE to play a great part in Television in the U.K. but the television event of the year for us was the opening of the Canadian Broadcasting Corporation's first large television studio centres in Montreal and Toronto. Both were equipped by us, and the fact that the Canadian Broadcasting Corporation has since entrusted us with the supply of the television transmitter for Ottawa to be installed next autumn demonstrates clearly the satisfaction of the Canadian authorities with the performance of our equipment. In South America we secured a contract to supply the television station for Caracas, the capital of Venezuela. The equipment has been delivered and will shortly be on the air. Another contract for television camera and transmitter equipment came to us from Thailand. Radio Audizione Italiana have recently placed with us a very large contract for television equipment. It provides for the supply of a large studio and control centre at Milan, a transmitter at Pisa, and two large studios, a control centre, a transmitter and two outside broadcast units for Rome. At home the B.B.C. continue to show confidence in our television equipment. Our latest studio equipment is now being installed at Lime Grove Studio Centre. We have also received from the B.B.C. contracts to supply six additional sets of medium power television transmitters.

You will remember my reference last year to the development of underwater television by your Company in collaboration with the world-famous firm of underwater experts, Siebe, Gorman and Co. The first fruits of that collaboration are now being gathered. We have made the first export sale in history of such equipment, to the Yugo-Slav Government. We are perfectly confident that our apparatus is well ahead in design and effectiveness of competitive equipment.

Research

YOU WILL NOT expect me to give you details of the activities of our research departments, a considerable proportion of whose time and effort is devoted to work for the Government. Among other

subjects, however, investigations are in progress with the object of improving public service communications, air traffic control, radar techniques and colour television systems. The Physics Laboratory has done significant work in the field of semi-conductors—of germanium transistors especially—which will certainly be playing an important part in the electronic equipment of the future.

Marconi Instruments

MARCONI INSTRUMENTS LIMITED, your Company's subsidiary in St. Albans, has also had a very successful year, the turnover once again reaching a new high level. No chance, I can assure you, is being missed of widening the scope of the existing range of our proprietary apparatus. On the industrial side, our general purpose moisture meter has now won world-wide recognition. Our medical and surgical instruments are steadily acquiring an excellent reputation. We are producing new designs of electro-medical and X-ray apparatus to meet ever growing demands of modern surgical and diagnostical techniques.

Scanners

1952 WAS the first full trading year, as our subsidiary, of Scanners Limited in Gateshead. They have been occupied mostly during the year on sub-contract work for the parent Company and their additional productive capacity has greatly helped us in the task of meeting our export radar commitments.

TO MEET THE ever growing demand for the Company's products, our manufacturing facilities are being expanded at our subsidiary Companies at St. Albans and Gateshead. On the advice of the Government Ministries concerned, we are establishing an entirely new Works at the new town of Basildon in Essex only fifteen miles from our Chelmsford Works, where an adequate supply of houses and labour will be available, these will be in production in the second half of this year, and will provide a much needed addition to the Company's manufacturing capacity.

Overseas

WE CONTINUE to have happy relations with our controlled and associated companies overseas and are able through our great research activities to assist them in their developments in their own countries and they have played their part in our success in obtaining the large increase in our overseas orders.

Chairman's Tribute

BEFORE I GO ON to the business of the meeting I should like to offer to Mr. Sutherland and his staff and to the whole of the employees of the Company the most grateful thanks of the Board and myself for the way in which they shouldered the great burden resulting from the expansion of business. It was a great effort and the results which have been achieved are a credit to them and to the Company. We are all most grateful.

I would also like to say how delighted I am to welcome the recent addition to your Board, Sir Noel Ashbridge. As you probably know, Sir Noel was Director of Technical Services of the B.B.C. and prior to his service with that corporation he was with the Marconi Company. His return to us is therefore especially welcome as his wide experience will prove of great benefit to the Company.