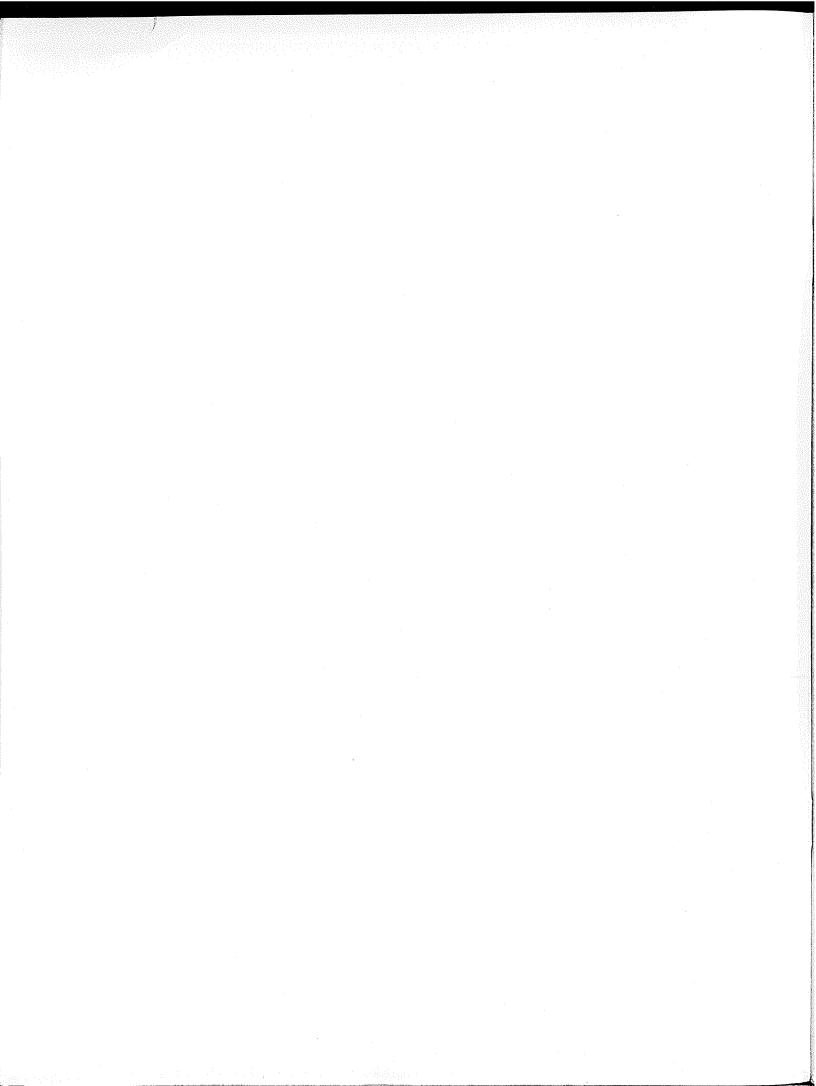


THE RANK ORGANISATION 1962

25



THE RANK ORGANISATION LIMITED

ANNUAL REPORT AND ACCOUNTS
For the 53 weeks ended 30th June 1962



During the year, a standard livery of black and white and green was adopted for the vans run by every Division of the Organisation, at home and abroad.



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Directors

Chairman

THE LORD RANK, J.P.

Deputy Chairman and Managing Director

JOHN H. DAVIS

Assistant Managing Director

KENNETH WINCKLES, M.B.E.

J. A. CALLUM

Col. A. CHRISTIE, C.M.G., D.S.O.

W. M. CODRINGTON, C.M.G., M.C.

WILLIAM E. JENKINS, C.B.E.

F. KEIGHLEY

Col. SIR LEONARD ROPNER, Bt., M.C., T.D., D.L., M.P.

THE RT. HON. VISCOUNT ROTHERMERE

EARL ST. JOHN (U.S.A.)

G. I. WOODHAM-SMITH

S. E. A. PITMAN, 11 Belgrave Road, London, S.W.1

NATIONAL PROVINCIAL BANK LIMITED

PEAT, MARWICK, MITCHELL & CO.

Secretary and Registered Office

Bankers

Auditors and Consultant Accountants

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Twenty-fifth Annual General Meeting of the Company will be held at The Dorchester Hotel, London, W.1, on Thursday, the 11th day of October, 1962, at 12 noon, for the following purposes:—

- (i) To receive, approve and adopt the Accounts for the 53 weeks ended 30th June, 1962, and the Reports of the Directors and Auditors thereon.
- (ii) To declare a Final Dividend on Ordinary and 'A' Ordinary Shares.
- (iii) To elect Directors, including

Colonel A. Christie who became 72 on 30th September, 1961.

Mr. Earl St. John who became 70 on 14th June, 1962.

Mr. William E. Jenkins who became 70 on 22nd August, 1962.

- (iv) To fix the Auditors' Fee.
- (v) To transact any other ordinary business of the Company.
- (vi) As special business to consider the following resolution which will be proposed as an Ordinary Resolution:—

RESOLUTION

That the maximum number of Directors prescribed by Article 81 of the Articles of Association of the Company be increased to eighteen.

By Order of the Board,

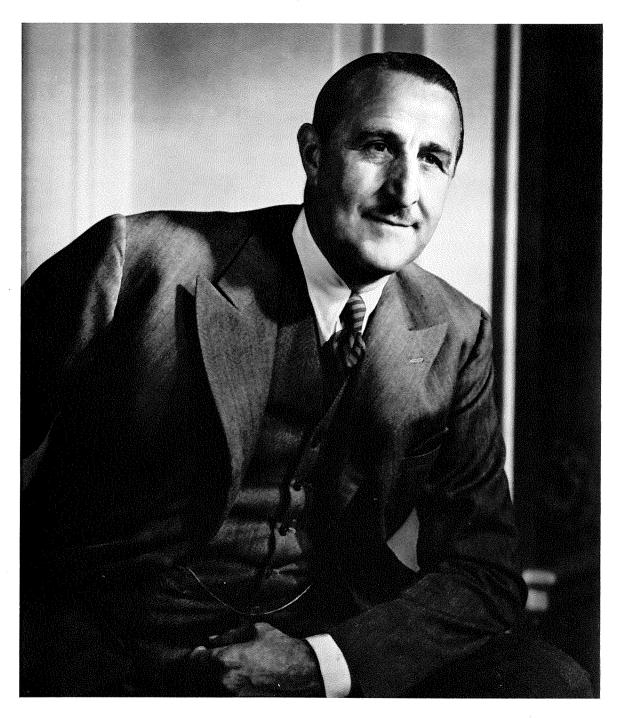
S. E. A. PITMAN,

Secretary.

Dated this 18th day of September, 1962.

Under the Company's Articles of Association only the holders of Ordinary and 'A' Ordinary Shares are entitled to attend the above mentioned meeting but only the holders of Ordinary Shares are entitled to vote. A member entitled to attend and vote at the above-mentioned meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member.

The Lord Rank, J.P.
Chairman of The Rank Organisation Limited 1941-1962



President 1962

THE LORD RANK'S STATEMENT

The past financial period ending on the 30th June, 1962, has been one of the most significant in the Group's history in that, since my last annual Statement, the complete financial merger of The Rank Organisation Ltd. with Gaumont British Ltd. has taken place. As the result, Gaumont British becomes a wholly-owned subsidiary, which has greatly simplified the administration and financing of the Group. In consequence the presentation of the Accounts in the brochure this year is simpler.

Following upon the merger, a further step in the rationalisation of the Group took place in January 1962 when important changes in the management structure were announced. Under these new arrangements the various activities all trade under the name "The Rank Organisation" grouped into trading divisions. My Statement therefore deals with the Group's various activities under these Divisions. This will, I hope, enable shareholders to form a clearer view of the Group's business.

Apart from the Gaumont merger, a number of other important financial developments and changes have taken place which, together with the merger, I will refer to briefly since particulars have been given to shareholders at the relevant times.

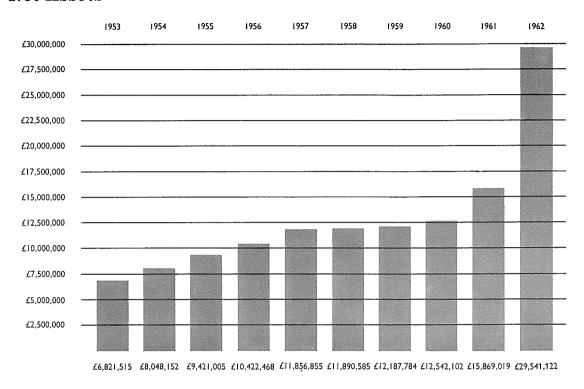
(a) The Merger with Gaumont British was carried through by the issue of Rank Organisation Preference and 'A' Ordinary Shares in exchange for those shares in Gaumont British not held within the Group. As part of the scheme, the dividend rate on the Preference Shares of The Rank Organisation was increased from 6% per annum to $6\frac{1}{4}\%$ per annum and certain of the rights attaching to these shares were modified, including those relating to borrowing powers. A bonus issue of one new Rank Organisation Preference share was made to the holders of every forty existing Preference shares.

The merger resulted in the issue by The Rank Organisation of $4,500,660 6_{4}^{1}\%$ Preference Shares of £1 each and 5,470,029 'A' Ordinary Shares of 5/- each to the holders of Gaumont British Preference, Ordinary and 'A' Ordinary shares and of a further $68,750 6_{4}^{1}\%$ Preference Shares by way of bonus to Rank Organisation Preference shareholders.

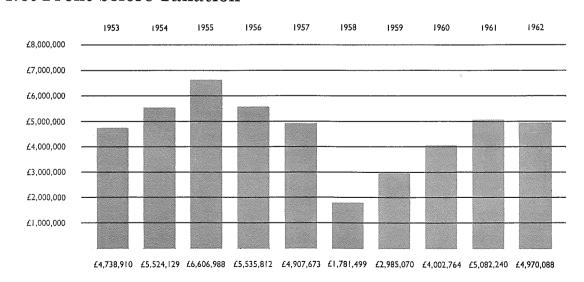
It will be observed from the Accounts and the notes thereon that the shares issued by The Rank Organisation to Gaumont British shareholders have been treated as having been issued at their nominal par value. This basis is one which has been adopted in the case of other comparable mergers in recent times and your Board is of the opinion that this method more realistically reflects the financial aspects of the merger.

THE RANK ORGANISATION LIMITED AND SUBSIDIARIES

Net Assets



Net Profit before Taxation



- (b) Issue of $6\frac{3}{4}\%$ Convertible Unsecured Loan Stock. In order to finance in part a considerable expansion programme including expenditure on tenpin bowling centres, ballrooms, cinemas and the Group's manufacturing activities, shareholders of The Rank Organisation were invited last May to subscribe for £5,750,000 $6\frac{3}{4}\%$ Convertible Loan Stock 1977/82 on the basis of £3 of such stock for every 10 Ordinary or 'A' Ordinary Shares held, the stock carrying options to convert into 'A' Ordinary Shares at fixed prices in 1963, 1964 and 1965. I am pleased to report that the issue was considerably over-subscribed. The net proceeds totalled approximately £5,550,000.
- (c) Offer for the issued Share Capital of Murphy Radio Ltd. The business of Murphy Radio Limited, the well known manufacturers of television and radio receivers and electronic equipment, is comparable in many ways with that of Bush and Rank Cintel. Murphy traded successfully up to 1959 since when the difficult conditions common to companies in the television and radio industries resulted in losses being incurred.

There appeared to be great potential advantages to both Murphy and Bush if their businesses could be integrated. Accordingly, in May 1962 an offer was made by The Rank Organisation, with the unanimous support of the Murphy Board, to acquire the whole of the issued share capital of Murphy and the offer was accepted by more than 90% of the holders of each class of share and became unconditional on 4th June, 1962. Murphy will therefore become a fully-owned subsidiary of the Group.

The last audited accounts of Murphy, prepared before the offer became effective, were made up to 31st December, 1961, and the preparation of audited accounts at 30th June, 1962, would have involved undue delay in finalising The Rank Organisation group accounts. Thus the Murphy accounts have not been included in the consolidated accounts of The Rank Organisation at 30th June, 1962, and reference is made in note 7 attached to the Consolidated Balance Sheet.

To enable the integration of Murphy and Bush businesses to be effected it was announced on 27th July, 1962, that Murphy would offer to acquire the whole of the undertaking and assets of Bush and Rank Cintel Ltd., the consideration for such transfer to be the allotment to Bush and Rank Cintel Ltd., credited as fully paid, of 550,000 5% Cumulative Preference Shares of £1 each of Murphy and 7,072,000 Ordinary Shares of 5/- each of Murphy, the merger to become effective from the 1st July, 1962.

While your Directors are convinced of the long term benefits of the proposed merger to the shareholders of Bush and Rank Cintel Ltd.



An aerial view of the Mitcheldean factory where manufacturing capacity is being expanded by 30 per cent to meet world-wide demand for the XeroX office copier.

they appreciate that the immediate outlook must be judged in the light of current trading conditions in the radio and television industry coupled with the inevitability of profits being adversely affected for a period by reorganisation occasioned by the merger with Murphy.

Accordingly it was decided to offer to acquire all the 991,858 Ordinary Shares of 5/- of Bush and Rank Cintel Ltd. not already controlled by The Rank Organisation, on the basis of 4 Rank Organisation 'A' Ordinary Shares of 5/- each for every 5 Bush and Rank Cintel Ordinary Shares of 5/- each. This offer closes after this statement has gone to press.

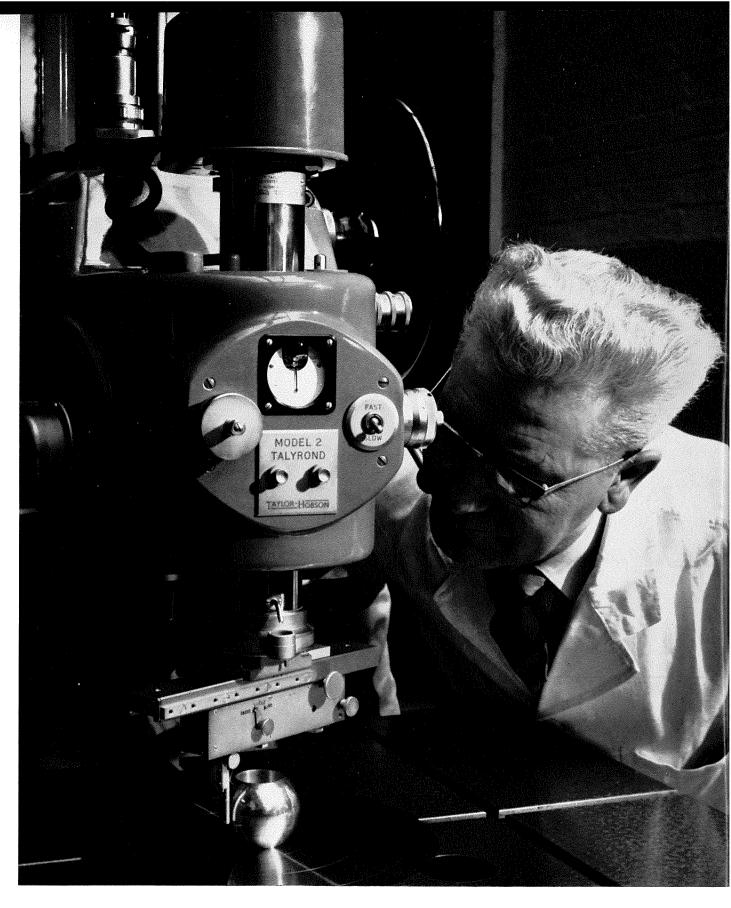
(d) Conversion of General Theatre Corporation Debenture Stock into Gaumont British Debenture Stock. As an important step towards the simplification of the Gaumont British Group of companies, a proposal was made in June 1962 to convert the outstanding Debenture Stock of a wholly-owned subsidiary, General Theatre Corporation Ltd. into Debenture Stock of Gaumont British Ltd. The Debenture Stock of General Theatre Corporation, which carried interest at 3½% was converted into Gaumont British Stock on the basis of £107 10s. 0d. for every £100 of stock held. At the same time, the rights attaching to the Gaumont British Debenture Stock were modified by way of an increase in the interest rate from $3\frac{3}{4}\%$ to 4%. Modifications were also made to the redemption provisions and to the fixed and floating security of the Gaumont British Stock. These proposals, which were approved at meetings of both Gaumont and General Theatre Corporation Stockholders on 29th June, 1962, resulted in Gaumont British issuing approximately £613,000 of Stock to the holders of £570,000 nominal of General Theatre Corporation Stock.

This scheme will free valuable fixed assets previously secured under the General Theatre Corporation Trust Deed and will facilitate the rationalisation of the Gaumont British companies.

(e) Rights Issue by Rank Precision Industries and A. Kershaw & Sons Ltd. The development programme of Rank Precision Industries necessitates the provision of considerable additional finance. In my Statement last year I referred to this and mentioned that one possible method would be by way of a 'rights' issue of ordinary shares.

Accordingly in January 1962 the shareholders of Rank Precision Industries were invited to subscribe for new ordinary shares in the Company on the basis of one new share for every two shares held. This offer resulted in the issue of a further 495,000 Ordinary Shares of £1 each and the net proceeds amounted to approximately £740,000.

A partly-owned subsidiary of The Rank Organisation, A. Kershaw



The new Talyrond Model 2 for measuring roundness. Rank Taylor Hobson instruments have set world standards in accurate measuring and this model is used widely in the motor car industry by such companies as Jaguar, Volkswagen, Fiat and Alfa Romeo.

and Sons Ltd. holds approximately 40% of the Ordinary shares of Rank Precision Industries in addition to certain Preference Shares of that Company. This investment is the principal and virtually the only asset of Kershaw and it was necessary for Kershaw to raise further capital to enable it to subscribe for its appropriate proportion of the Rank Precision Industries new shares.

A 'rights' issue was accordingly made by Kershaw. At the same time, an offer was made on behalf of Rank Television and General Trust to the holders of all classes of shares of Kershaw not owned by the former Company. As a result of this offer Rank Television and General Trust controlled at the 30th June last 76.6% of the Ordinary shares, 77.4% of the 'A' Preference Shares and 83.7% of the 'B' Preference Shares of Kershaw. Taking into account its interest in Kershaw and its direct holdings in Rank Precision Industries, The Rank Organisation now controls 90% of the Ordinary Capital of Rank Precision Industries.

One of the principal assets of Rank Precision Industries Ltd. is a holding of 50% of the Rank Group interest in Rank XeroX Ltd.

The expansion of this Company, owing to the acceptability of its products which are largely marketed on a rental basis, continues at a rapid rate with the result that there is a constant need for further capital. It will be necessary for Rank Precision Industries to provide £675,000 as their share of the estimated capital requirements up to the early part of 1964. In addition, a further £220,000 has to be provided in respect of the acquisition of the whole of the Share Capital of J. Goulder & Sons Ltd., whose activities fit into the expanding Rank Taylor Hobson Division.

Consequently particulars of a further rights issue by both Rank Precision Industries and Kershaw will be issued during the early part of the new year.

Turning to Group profits, which are referred to in more detail under the heading of Consolidated Profit and Loss Account on page 42, and are analysed between activities under Financial Highlights on page 36; it is satisfactory to note that the estimate given to shareholders at the time of the Convertible Loan Stock issue has been exceeded.

GROUP FINANCIAL ACCOUNTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT.

Group trading profits before charging interest and taxation amount to £6,617,026 as compared with £6,450,805 for the previous year.

ABRIDGED CONSOLIDATED PROFITS STATEMENT

	1960 £	1961 £	1962 £
GROUP PROFIT BEFORE INTEREST AND TAX	5,121,766 1,119,002	6,450,805 1,368,565	6,617,026 1,646,938
GROUP PROFIT BEFORE TAXATION	4,002,764 1,961,271	5,082,240 2,732,498	4,970,088 2,613,681
GROUP PROFIT AFTER TAXATION	2,041,493	2,349,742	2,356,407
Less Outside Share- HOLDERS PROPORTION	1,322,544	1,047,765	450,275
	718,949	1,301,977	1,906,132
Add Non-Trading Items ETC.	25,509	(Loss) 137,668	90,921
	744,458	1,164,309	1,997,053
Amounts Retained by Subsidiaries	276,181	220,989	229,748
SURPLUS AVAILABLE IN THE RANK ORGANISATION ACCOUNTS	468,277	943,320	1,767,305
Less Cumulative Preference Dividend Interim Ordinary	(6%)101,062	(6%) 101,062	(6&6\frac{1}{4}%)217,680
DIVIDEND Proposed Final Or-	nil	$(7\frac{1}{2}\%)$ 129,443	$(7\frac{1}{2}\%)$ 219,587
DINARY(15%) 230,371	(15%) 311,663	$(17\frac{1}{2}\%)$ 575,535
De la Car	331,433	542,168	1,012,802
Profit Remaining Car- ried Forward to Next Year	£136,844	£401,152	£754,503
THE TIMES THE ORDINARY DIVIDEND IS COVERED (EXCLUDING NON-TRAD- ING ITEMS) IS	2.7	2.7	2.2

The estimate of 1962 Group profits given at the time of the Convertible Loan Stock Issue was £6,000,000 and as seen above the actual Group profits amounted to £6,617,026. After providing for interest payable, taxation and outside shareholders' interests the net profit attributable to The Rank Organisation was estimated at £1,550,000. It will be seen that the actual net profit comparable with this estimate amounted to £1,906,132.

It will be noted from the Financial Highlights shown on page 37 that Profits from Exhibition in the British Isles have been maintained at approximately last year's level in spite of somewhat lower attendances. This reflects the rationalisation policy to which I have referred in previous years.

Exhibition overseas shows a modest increase in profits.

The high level of Film Production and Distribution profits earned in 1960/61 was not achieved in 1961/62, but the overall result is not unsatisfactory since profits from film production are bound to fluctuate year by year and can be appreciably affected by the outstanding success or failure of one major film.

Profits from the operation of Film Studios and from the Laboratories again show a satisfactory increase.

The manufacturing interests have had a difficult year, particularly as regards the Rank Precision Industries Group.

Profits from "Miscellaneous Activities" show a substantial increase. The full benefit of capital expenditure on the diversified activities included under this head cannot be fully realised for several years, but long term prospects are encouraging.

Interest payable has increased substantially, partly due to the incidence of a full year's interest on the balance of the purchase consideration for the 20th Century-Fox interest in Gaumont British and to borrowings to finance the development of the new non-cinema activities such as tenpin bowling, retail and rental trade.

CONSOLIDATED BALANCE SHEET.

The issued share capital of The Rank Organisation Ltd. has increased materially during the year under review and I set out the various changes in tabular form:

$6^1_4\%$ Pref. Shares £	Ordinary Shares £	'A' Ordinary Shares £
2,750,000	1,893,983	1,487,390
4,500,660		1,367,508
68,750	_	
1,210,000		546,000
		36,625
£8,529,410	£1,893,983	£3,437,523
	Shares £ 2,750,000 4,500,660 68,750 1,210,000	Shares £ £ 2,750,000 1,893,983 4,500,660 — 68,750 — 1,210,000 — — — — —

DOMINION

RODGERS AND HAMMERSTEIN'S

SILITIAL TODD - AO NOW IN ITS 5TH YEAR

"SOUTH PACIFIC" NOW IN ITS 5TH YEAR

ASSESSMENT ANALYSIS STEEN SUUTIFICATION BURDY ADJER SUSSMENT LOCAN

THE RESIDENCE OF THE PARTY OF

The Dominion Theatre, Tottenham Court Road, where "South Pacific" in its 5th year set up a record in the film industry for the longest continuous run at a British Theatre.

ABRIDGED CONSOLIDATED ASSETS STATEMENT

	1960 £	1961 £	1962 £
FIXED ASSETS	44,143,639	45,247,959	48,919,003
NET CURRENT ASSETS	7,376,379	5,698,189	4,991,484
INVESTMENTS	5,888,401	6,213,631	11,090,077
GOODWILL ETC.	1,527,597	5,061,351	5,566,036
	58,936,016	62,221,130	70,566,600
Less: LOANS AND DEFERRED LIA-			
Loans and Deferred Lia- BILITIES	24,737,012	28,974,178	32,116,240
DILITE	21,757,012		
	34,199,004	33,246,952	38,450,360
Less: Outside Shareholders Interest	21,656,902	17,377,933	8,909,238
OUTSIDE SHAREHOLDERS INTEREST	21,030,902	17,377,933	0,909,230
NET ASSETS (including Goodwill)	12,542,102	15,869,019	29,541,122
Less: Preference Share Capital	2,750,000	2,750,000	8,529,410
TREFERENCE SHARE CAFITAL	2,730,000		
Leaving as Your Equity in the			
Organisation	£9,792,102	£13,119,019	£21,011,712
Represented by:			
Share Capital	2,507,442	3,381,373	5,331,506
Reserves	7,284,660	9,737,646	15,680,206
	60.702.102	612 110 010	601.011.710
	£9,792,102	£13,119,019	£21,011,712

Capital Reserves show an increase of £2,505,704 reflecting premiums on the issue of shares principally for the acquisition of the Murphy Radio interests.

Revenue Reserves increased by £3,436,856 to £10,547,576 of which £2,465,000 was previously attributable to the Gaumont British shares held outside the Group now acquired under the merger, the remainder representing undistributed profits for the year.

Issued Capital and Reserves attributable to the members of The Rank Organisation have increased by £13,672,103 to £29,541,122.

Outside Shareholders' share of Net Assets show a material reduction of £8,468,695. This reduction, in the main, represents the net assets previously attributable to the shares in Gaumont British held outside the Group but now acquired under the merger.

Loan Capital has increased from £18,454,548 to £23,775,462 principally on account of the issue by The Rank Organisation of £5,750,000 of $6\frac{3}{4}$ % Convertible Loan Stock. Against this, reductions resulted from normal redemptions £429,086.

Bank Loans and Overdrafts show a net reduction of £2,369,294 reflecting on the one hand the receipt of the proceeds of the issue of Convertible Loan Stock of The Rank Organisation which at the year end had to a considerable extent not been utilised in the expansion programme and on the other increased borrowings overseas.

The net book value of **Fixed Assets** increased by £3,671,044. Substantial expenditure has been incurred on the conversion and equipment of new ballrooms and tenpin bowling centres, and increases have taken place in Retail, Relay and Rental properties and equipment.

Investment at cost in Subsidiary not Consolidated £4,800,244 represents the total cost of the Group's 100% investment in Murphy Radio Ltd. Since the offer became unconditional only in June 1962 and since accounts at 30th June, 1962, would not be available without delaying the presentation of the Group accounts, this item is shown separately. Particulars of the investment are known to shareholders from the documents issued at the time of the offer and further reference is made in Note 7 attached to the accounts.

Trade Investments have increased further to £6,258,087 due to further investment in Rank XeroX and property developments.

The book value of **Film Productions** has increased to £4,268,843 compared with £3,610,912 last year.

Other Current Assets compare reasonably closely with those of the previous year and it is satisfactory that stock levels have been well controlled.

PERSONNEL. In any review of the manner in which the Group's resources are employed, I am conscious that one of our greatest assets tends to be insufficiently recognised. I refer to the loyalty and hard work of the staff, at every level.

We are living in times of great change and challenge, and we have responded as a Group by adjusting our ways of thinking, and the whole basis of our operations. It has not been an easy task. That we have done it with success is due to two things: the courage, foresight and inspired leadership of the Deputy Chairman and Managing Director, Mr. John Davis: and the loyalty and enthusiasm of the Executives and all concerned in carrying out the plans which have been made. Our Group is more than fortunate in the calibre of the 30,000 men and women it employs.

THE DIRECTORATE.

It is with great regret that I have to report that our friend and colleague Earl Winterton died on 26th August, 1962. He joined the Board of The Rank Organisation in April, 1941 having been closely associated with the Group since 1937.

His death is a sad loss not only to us but to the Country. We shall miss the warm advice and friendly guidance which we have so long received from him.

It has been my pleasure during the year to welcome Viscount Rothermere and Mr. Frank Keighley to the Board. Their judgment and experience, combined with their knowledge of the Group's activities over many years, will be of the greatest value.

As previously announced it is proposed that immediately after the General Meeting I should retire as Chairman of your Company and be succeeded by Mr. John Davis, your Deputy Chairman and Managing Director. I shall continue as a Director of the Company and my colleagues on the Board have invited me to accept the title of President which I am happy to do. You can be sure that I shall take the same interest in the affairs of your Company as I have in the past.

It is particularly suitable that Mr. Davis who has done so much to build up The Rank Organisation should become its Chairman in 1962 as this year he celebrates his 21st anniversary as your Managing Director. Mr. Davis will continue to act as Chief Executive of the Group. I am also pleased to announce that Mr. Kenneth Winckles, who has been Assistant Managing Director for eleven years, has been appointed Managing Director.

THE FUTURE. In company with many other businesses the Group experienced difficult trading conditions last year, not only in the traditional cinema business, but in connection with our manufacturing activities. Taking this into account, I feel that the Organisation has done well to increase its profits as compared with the previous year. Your Board is recommending with confidence an increased Ordinary dividend of 25% as forecast, which is adequately covered by net profits.



A cutter at work at the Rank Laboratories, Denham, which celebrated its 25th Anniversary year in 1961.

During the year we have strengthened the Organisation in several directions. The merger of The Rank Organisation and Gaumont British and the General Theatre Corporation scheme have simplified the financial structure. The successful issue of Convertible Loan Stock by The Rank Organisation has provided essential finance for our development schemes. The acquisition of Murphy Radio Limited promises a brighter future for the integrated business of Bush, Rank Cintel and Murphy.

Moreover, the management structure of the Group has been completely re-organised following the Gaumont British merger so that our various activities are operated as Divisions with Management Boards under the chairmanship of the Chief Executive, Mr. John Davis.

We have steadily built up our Rental and Relay Divisions by appropriate acquisitions and are expanding as forecast in the entertainment fields of tenpin bowling, ballrooms, and catering.

The prospects for Rank XeroX are exciting.

As regards the cinema business, which still represents an important part of the Group's activities, it is anticipated that there will be further shrinkage in theatre attendances during the coming year. This may lead to some reduction in profits, although in similar circumstances we maintained profits from Exhibition in the U.K. during 1961/62. I am hopeful, however, that any such reduction will be fully compensated by increased profits from our "Miscellaneous Activities".

Under current economic conditions few Chairmen find it possible to make any firm forecast for the future. However I am hopeful that the Group will increase its profits in 1962/63 in the absence of unforeseen circumstances.

THE DIVISIONAL OPERATIONS

A major re-organisation of the management structure has taken place during the year to enable similar activities within the Group to be brought under unified Divisional management control. This was not possible before the merger with Gaumont British which became effective on the 1st January last.

The purpose of these changes was to increase the efficiency and potential of each Division by grouping related activities under common management, strengthening the management structure, and perhaps most important, increasing the direct responsibility of the Divisional executives and their personnel.

Consequently the Management structure has undergone considerable re-organisation, the full benefits of which were not reflected in the financial year under review.

As part of the re-orientation of management, full advantage has been taken of the trading reputation of the Organisation, coupled with its well known trade mark "The Man with the Gong", which has now been applied to all activities. In future, trading will be under the name of The Rank Organisation both at home and overseas. Details of the Divisional structure are given on page 54 of this report.

FILM ACTIVITIES

Exhibition. The Film Exhibition interests are of material importance to our overall prosperity. It is our belief that on the basis upon which we have rationalised our theatre interests it will continue to be an important contributor to our overall profits, provided that there is sufficient film product particularly from America available to service the theatres. It has become more and more apparent that our flexible booking policies covering 70 mm. activities, extended runs, mass releases coupled with television advertising etc. will play an increasing part in the "new look" of theatre exhibition.

Last year I referred to the fall in attendances appearing to have been largely arrested, but nevertheless a further decline has been a factor in the results which we have produced. Those theatres which are playing the Rank Release have by and large held their own, but those which are playing the non major release known as the Third Release have shown a fall of approximately 7% which is directly related to the shortage of product. In fact the supply of product for the Third Release has largely disappeared as whilst the supply of British product of superior entertainment value has been reasonably maintained the continued fall in the supply of American product is disturbing.

The flexible booking pattern to which I referred has been of great benefit to film producers in increasing their revenue. Outstanding examples are The Parent Trap, The Guns of Navarone, Sergeants Three, El Cid, Exodus, Spartacus and West Side Story. It is anticipated that a further development of flexibility will have been successfully demonstrated by the time this report is published, covering Bon Voyage (Disney) and Tiara Tahiti (Rank) where over 100 prints will have been used in mass release by areas coupled with extensive advertising including television.

Our theatre rationalisation policy has more than justified itself and we know today that had we not put it into effect the profits which we are earning would be considerably less and the whole of the theatre operation might have been placed in jeopardy with great potential harm to producers in general and in particular to British production.

Arguments are put forward within the Trade that it is in the producers' interests to keep open uneconomic theatres, thus giving greater outlets for films. We cannot follow the logic of this. It means duplication of overheads, unprofitable operation and subsidy of uneconomic activity, which is a policy leading to disaster.

Since 1957 we have closed or converted to other uses 148 theatres out of the 507 which we were then operating. During the same period on a national basis 1,630 theatres have been closed out of 4,221 which were open in 1957.

As far as we can see at present our rationalisation programme by and large has been completed and we do not anticipate further closures. There remains the problem of the Third Release involving some 40/50 of our theatres which are a continuing problem, but which we hope by flexible booking policies to retain in operation.

We firmly believe that it was not sufficient to rationalise our activities without at the same time modernising and maintaining in the highest state of efficiency the theatres which we continue to operate. To give effect to this policy we have been spending substantially in excess of £1,000,000 a year carrying out major modernisation schemes. Since 1957 eighty-four theatres have been completely modernised including fifteen in the financial year under review. It is our intention to continue this policy, to ensure that the public see films under the best possible conditions, as we know from experience that given attractive entertainment under such conditions the public will always be ready to "go to the cinema".

The Odeon, Haymarket, was opened to the public on June 4th, 1962, this being our concept of the modern luxury theatre which the public requires. It has been open only for a few weeks but we have had nothing



The Banqueting Suite at the Regal, Edmonton. The Group already operates over a hundred catering establishments, including theatre restaurants, ballroom buffet bars, licensed clubs in bowling centres and many other amenities.

but complimentary comments in regard to its general conception.

This rebuilding policy will be extended to other theatres as we secure planning consent.

We anticipate that as in the past we shall exceed our **Quota** obligations in respect of Rank Release theatres for the quota year ending 31st December, 1962, but have considerable reservations as to the possibility of meeting the requirements in the so-called Third Release theatres as unfortunately there is insufficient British product coming forward for these theatres which is commercially acceptable to the public. We do not believe that the Quota Act was ever intended to ensure that theatre owners should show films and re-issues which are not acceptable as public entertainment.

I have mentioned in the past, and I feel it is only right that I should repeat, that a majority of our successful films played on the Rank Release were British. During the year ending 31st December, 1961, seven out of the twelve most successful were British.

We know that certain producers are pressing for an increase in the quota. It is our considered opinion that if the quota was increased, it could lead to disaster for British film production. British films today are more acceptable at the Box Office than those from any other source, and this arises from their general high quality and entertainment value which are consistently maintained. An increase in the quota could encourage the making of films of second rate quality which could undo all the good work which has been done over the last ten years. We therefore sincerely hope that the Government will not give way to pressures to increase quota merely because more films, in other words celluloid, as opposed to entertainment, might be produced, the governing factor being the shortage of creative talent.

Our film operations **Overseas** have been affected by the general pattern of social and economic change but our partners and managers have continued to be active in meeting this change and adjusting their operations accordingly, with the result that profits have been maintained and our overall investment has shown a reasonable return.

Film Distribution. Our Film Distribution Organisation, both at home and abroad, has continued to adjust its operations to meet the changing patterns not only in this country but throughout the world.

I am pleased to say that our **Domestic** operation in spite of the national theatre closures to which I have referred, continues to secure contracts on individual films which are only some 10% in total less than in the peak period of 1957. We have had outstanding successes with Waltz of the Toreadors, Whistle Down the Wind, and El Cid.

Our relationship with Universal continues to be most harmonious.

We are looking forward to an increasing supply of important product from this source.

The "Look at Life" series has continued to be well received and is now playing in 35 countries overseas.

Our Overseas operation is in a high state of efficiency and is adjusting itself to meet the changing and contracting markets, particularly in the Commonwealth and Western Europe. In the latter connection we believe and hope that with the advent of the Common Market some of the current problems on dubbing, import duties, etc., will be so adjusted that this important market will be increased in size and availability to British product, as in turn this country will be to European product.

We have a happy relationship with the Disney Organisation and are distributing their important product in many parts of the world.

In spite of political and economic problems in Central and South America, we have held our position and continued to receive substantial remittances from these countries.

One disturbing factor is that in some of the overseas countries now securing their independence there is a wish to set up wholly domestic distribution organisations and to preclude foreigners operating in their territories. This we believe to be a short-sighted policy and one which long term will not help their understandable national ambitions.

Film Production. I mentioned a year ago that the pattern of Film Production has continued to change with that of public taste. This change has continued throughout the year but we have met the challenge with some success.

The biggest problem is the continuous and alarming rise in costs particularly of artists and creative talent, largely brought about by scarcity. All producers are competing for the limited supply available. At the moment we see no signs of this situation easing.

Our film earnings overseas continue at a high level being no less than 41% of our total earnings.

The problems of co-production with the three most important film producing countries in the Common Market, France, Italy and Germany, have not been resolved, although some progress has been made. It is a great disappointment to us that the discussions which would make possible this new important opportunity have not yet been brought to fruition.

The Film Processing Division has more than held its own in spite of the world recession in the film production output. It has been assisted during the year by our arrangements with Twentieth Century-Fox, to which I referred in the circular letter to shareholders in May 1961. This enabled us to take over the processing of the Fox newsreel, the full benefit of which will only accrue in the current financial year.

There has been a material growth in the demand for and supply of 16 mm. and 8 mm. film, both in the amateur and professional fields the processing of which we are fully equipped to handle.

Our plant at Acton is today working on a 24 hour basis largely to satisfy the television demand.

As a result of the acceptability of the services which we offer, the facilities for the printing of amateur colour film have been extended to cover the processing of all types of film which are sold to amateurs. In order to assist dealers in giving the public prompt service we have instituted in the Greater London area an Express Collection and Delivery Service, which has been well received. If we find that this is as financially successful as we anticipate, it will be extended.

Advertisers have appreciated the facilities which we offer through Screen Advertising which offers them the opportunity to plan a balanced advertising campaign reaching all sections of the public and is of particular advantage when the advertiser wishes to introduce a campaign on a regional basis.

The Rank Film Library, the most important library in this country, is successful, and its services are appreciated to an ever-increasing extent by all who use it.

Considerable expansion is taking place in new areas in the supply of training films to industry and educational films to the educational bodies.

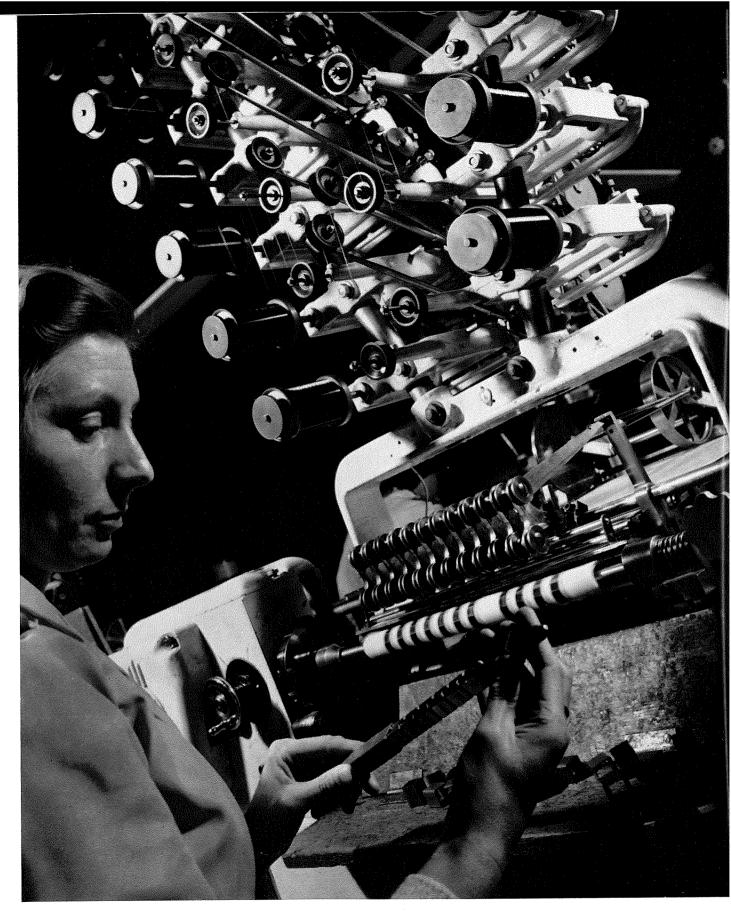
LEISURE SERVICE ACTIVITIES

The greatest potential in this area is **Tenpin Bowling.** We opened a pilot installation in March 1960, at Golders Green, which today is a financial success, and this, together with our experiences in other installations, has satisfied us that this new sport is a potential profit earner in our overall activities.

There are today 24 bowls in this country, of which at 30th June, we were operating eight. By June 1963, we shall have sixteen in operation.

We opened Streatham with forty lanes in January last, the largest bowl in Europe.

These bowls take time to reach full profitability in that the public has to learn the game, and it is necessary to build up league play etc., with the result that from twelve to eighteen months elapse from the time of opening before a bowl is on a representative profitable basis. We are satisfied that the policy which we have adopted is sound, and intend to continue to build further installations over the coming years.



Multiple coil-winding machine producing coils for radio and television sets at the Bush Radio Division's Plymouth factory.

We have taken an active part in helping to form the Tenpin Bowling Association which will help to ensure common standards for all bowls, and thus facilitating national competitions as the interest in Tenpin Bowling grows.

Our efforts to consolidate our position in the highly competitive field of **Ballrooms** have met with some success. Today, we are operating twenty-five, and four more will be opened in the current financial year. The competition which we have had to face has emphasised the need for the most careful forward planning, not only in regard to location, but in décor, furnishing, and equipment.

With this background we have laid down an expansion programme which will take five years to mature, by which time we anticipate that we shall be one of the leading operators in this country.

As part of this plan, consideration has been given to the importance of "private functions", and future ballrooms, where possible, will be equipped with full banqueting facilities to meet the growing demand for this service.

Our **Dance Studios** are being steadily developed. I am happy to say that the turnover is increasing. It is becoming more and more apparent that such Studios can be developed as social centres for the young people and we are actively turning our minds to this approach.

We have been successful in securing contracts for the Service Areas on the M2 at Farthing Corner and on the M6 at Knutsford. These are major developments covering catering from a quality meal to snack bar and lorry driver services, with extensive car parking facilities and petrol pumps. We believe that these two Service Areas will become useful contributors to our profits although not before 1965. We shall endeavour to secure further contracts as these are offered to tender.

Four miles outside Dublin, we acquired during the latter part of the year our first **Motor Hotel** operation, having some 59 bedrooms, with ballroom, banqueting and bar facilities. We have acquired recently a property near Cork upon which we shall erect and have available for the next Tourist season our second Motor Hotel, with some 66 bedrooms and other entertainment facilities.

In the **Retail Shops** after considerable study of the situation we decided to trade under the name of Top Rank Home and Leisure Service and are ensuring that all our retail/rental activities will be of a high quality with high standards of service.

In the year under review, we have reorganised this Division's work, bringing all shops up to the standards which we have set, so that we are now in the position to go forward and steadily expand this potentially profitable activity.

As part of this re-organisation, it was found that reduced costs and benefits would accrue by integrating the **Relay** activities with those of the retail outlets under common management.

Trading has been somewhat difficult through the over-production of television and radio receivers in 1960, many of which were still being sold during 1961 as "distressed merchandise" with the result that the sale of the newer sets has been restricted. This resulted in an increasing demand for television receivers on rental on attractive terms, which development postpones immediate profitability but builds for the future.

We are satisfied that by extending these activities, we are opening up new outlets for our specialised knowledge of marketing. Through the acquisition of existing and new shops, it is our aim to expand into the major shopping centres throughout this country, offering high standards to our customers for the purchase or rental of those domestic appliances which either contribute to the enjoyment of leisure time in the home or make more leisure time available.

Southern Television. The future of this Company, in which we hold a $37\frac{1}{2}\%$ interest is bound up with the future decisions of the Government and Parliament on the future method of operating Commercial Television in this country after 1964, when the present contracts expire. In the meantime costs are rising and there has been some diminution in income, both of which factors are affecting net profits. Consequently considerable care and thought will have to be given when new contracts are being negotiated as to the possibility of making a reasonable profit in what must always be a speculative business.

The Committee on Broadcasting (Pilkington) for reasons which are difficult to follow, recommended against the introduction of Pay-TV, even on an experimental basis, but the Government, whilst taking careful note of the Committee's arguments "recognises that there are cogent considerations in a contrary sense" and reserves its decision on Pay-TV. We hope that our associated Company, **Choiceview**, may be permitted to undertake a field trial of its system of Pay-TV. There is considerable potential in this, both at home and abroad. It would be a tragedy if the Americans were again to get ahead in the entertainment field in a new medium when on this occasion we could have something better than an equal start with them.

MANUFACTURING AND MARKETING ACTIVITIES

These fall into three major sections, Bush and Rank Cintel, Rank Precision Industries and Rank XeroX.

We came to the conclusion after careful investigation that whilst **Bush Radio**, with its great reputation for high quality merchandise, could maintain a useful position in the changing structure of the radio, television and transistorised industries, its size was such that it would find increasingly competitive disadvantages unless it could increase its size and its manufacturing capacity. It would not be inappropriate to mention that in 1956 there were 28 trade brands with 21 manufacturers, whilst five years later there were 28 controlled by ten manufacturers.

We looked for the opportunity of acquiring a company whose products could be successfully integrated with those of Bush. On 11th May last we made an offer for the Issued Share Capital of Murphy Radio Ltd., which offer became unconditional on 4th June, 1962.

The effect will be that we shall be able materially to increase our output by streamlining production, reducing costs and increasing service to the public. The necessary rationalisation and integration will take time. We look for some benefit from this new acquisition in the current financial year and greater benefit in subsequent years.

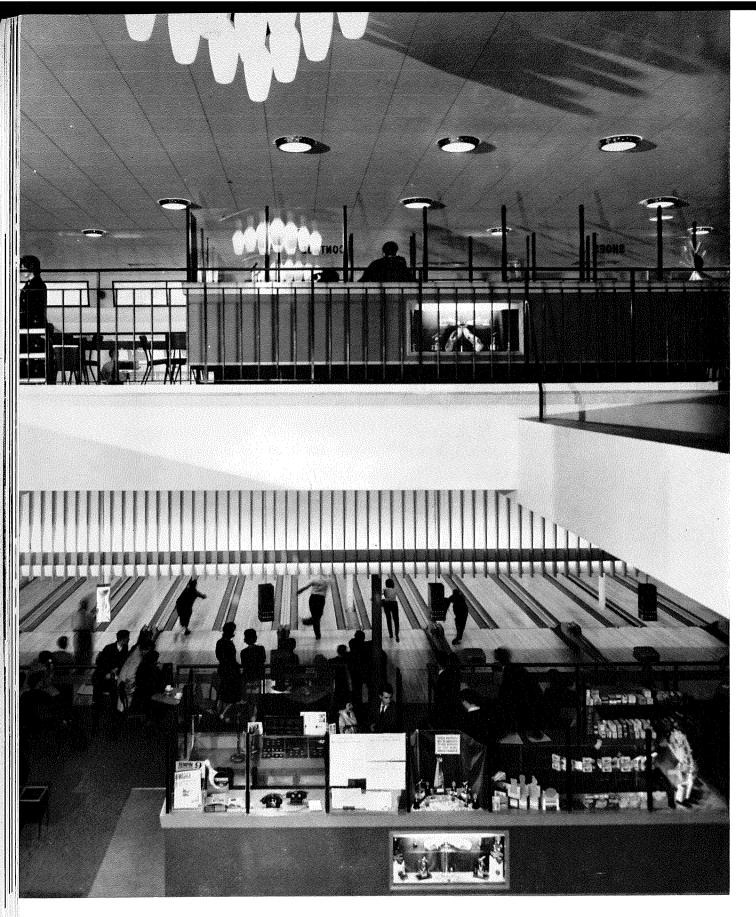
Sales have undoubtedly been affected by the over-production of the industry in 1959/60, which led to a considerable number of sets being sold as "distressed merchandise" in 1961. In addition the high rate of purchase tax has done much to restrict the replacement market and impede efforts in the export market and may have a material bearing on our participation in the Common Market.

There has been a marked change in the trend of public demand away from purchase (by deferred terms or otherwise) to rental, with the result that five times the number of receivers have gone into rental as opposed to sale, and we see this trend continuing in 1962/63.

There has been a buoyant demand for transistorised radios from which we have derived considerable benefit and which has helped to offset the relatively low level of television receiver sales. Further transistorisation of our products will be reflected in our 1962/63 models.

We have expanded our colour development laboratories and have started to put down a pre-production line for colour equipment to meet the orders in hand, and those which we anticipate receiving for experimental and specialised purposes in the coming year.

Colour research and development is moving much faster than we originally anticipated, with the result that we have secured substantial contracts from the B.B.C. and the G.P.O. for the development and production of 625 Line/U.H.F. colour video encoded monitors, decoders and colour receivers. This is a most valuable new development which should be of increasing benefit to us in the coming years.



The new twenty-four lane Top Rank Bowling Centre at Chatham operates on two tiers with twelve lanes on each floor. The picture shows the striking pattern of lines in the open well which integrates the upper and lower bowling areas of this twin level centre.

Rank Cintel, our highly specialised electronic Division, has been going through a period of material re-organisation and re-assessment of its activities, the benefits of which we look forward to in the coming year.

This company successfully launched the Pilot Navigational and Display Equipment, which has had a favourable reception in military circles. We are hoping that its use will be substantially taken up by commercial airlines although so far we have received only one or two small orders.

Rank Precision Industries Ltd. has been faced with problems in the areas where it manufactured for the film industry. In addition, difficult conditions developed with cine and photographic products through the granting of open import licences to Japanese products from 1st January last.

It was therefore felt that a complete re-appraisal of the Company's activities should be carried out and that its future should be determined in relation to those lines which appeared to have a potentially profitable future. As a result we have ceased to manufacture certain lines but will continue to factor these products.

In the Cine and Photographic Division after some manufacturing delays we successfully launched the new 16 mm. Bell and Howell sound projector which is a worthy successor to the long line of Filmosound machines. It has been well received at home and abroad.

The amateur photographic market has been largely dislocated in its normal trading pattern through heavy competition and the introduction of Japanese and other foreign product with the result that the situation is somewhat obscure at the present time. This development has confused the public by the increase in the choice of product freely available, leaving the long term position far from clear.

The manufacture of the XeroX 914 machine, to which I refer in greater detail below, has continued successfully in spite of the heavy demands made on the factory to increase materially its output.

Rank Taylor Hobson Division continued to make satisfactory progress and in spite of increasing competition 50% of its output was sold overseas, which I am gratified to learn represents 50% of the country's exports in this specialised field.

The expansion of the measuring instrumentation lines has been increased and it would be perhaps appropriate to mention that several of our instruments were used in connection with the successful space flights of Colonel Glenn and Commander Scott Carpenter.

We are steadily expanding in Europe, so much so that we set up a direct operation in Germany to develop this potentially important market.

Owing to the strain on the capacity of the factory at Leicester resulting from the steadily growing demand for lenses and instrumentation it was decided to transfer the production of engraving machines to Leeds and to lay down a pilot lenses production unit in that factory.

As part of the policy of expanding the successful Divisions and in order to secure the full benefit of the sales organisation by which they are backed, it was decided to acquire the business of J. Goulder & Sons Ltd. of Huddersfield whose products fit in with those currently produced at Leicester and Leeds, and should lead to increased profitability from this section of our business.

The technical problems associated with the Teamatic tea machine have been solved, but problems in connection with its commercial exploitation remain and are being tackled energetically.

The long term project of the Xeronic Computer Printer has been helped by successful installations at the office of the Ministry of Pensions & National Insurance at Newcastle, and the Commercial Union Assurance Company.

Finally, I have referred in previous statements to Rank XeroX Ltd. which owns the rights to exploit xerography throughout the world, excluding the United States and Canada. Our partners in this great venture are the Xerox Corporation of the U.S.A.

This we proudly regard as one of our most important growth activities.

Apart from the main manufacturing and distribution organisations in the U.K., subsidiary distribution companies have been set up in Germany, France, Italy, Sweden, Mexico and Australia, together with distribution arrangements in many other territories.

The development of a world wide sales organisation for an entirely new project, such as xerography, is a major undertaking, as is the provision of the necessary production facilities in this country. I am happy to say that the intensive work in these fields in recent years is now fructifying and there are indications of a most promising future. In all this work we have benefited from the maximum co-operation and technical advice freely given at all times by the Xerox Corporation and our relationship with that Company and in particular its Chairman, Mr. S. M. Linowitz, and its President, Mr. Joseph C. Wilson, has been of the highest order.

In December 1961 after protracted negotiations arrangements were made with Fuji Photo Film Co. Ltd. of Japan for the setting up for that territory of joint manufacturing facilities which are progressing on sound lines. We regard this partnership as being an important development, but we would stress that we do not anticipate seeing material benefits from it in the immediate future.

I hope that in 1962/63 we shall receive a dividend from Rank XeroX for the first time.

Since xerographic apparatus, particularly the 914 Copier, which is in such great demand, is marketed on a rental basis, this necessitates the provision of large sums of money to finance stock. We have been fortunate in obtaining extensive short term facilities from bankers and finance companies, but further large contributions of capital will be required from the shareholders. In fact, we visualise that the issued capital of Rank XeroX, which at present amounts to £2,000,300 will be increased by early 1964 by £1,500,000 and that a further £1,500,000 will be provided on loan account by the shareholders.

The turnover has increased by 425% in three years with the demand for the 914 Office Copier being such that it has been necessary to increase factory capacity in 1961/62 and possibly further expansion will be needed in 1963.

The output in 1961 was 1,750 machines and in 1962/63 will be of the order of 4,000 machines, an increase of 230%. The programme for 1963/64 shows a still further increase.

The demand for the consumable goods which are utilised by the machines has necessitated two extensions to the "consumables" factory within a period of eighteen months.

This unprecedented rate of growth has thrown a heavy load on management with the result that within the last six months a major re-orientation has been effected, in the light of experience to date, and to take care of the planned expansion programme over the coming years. To give an indication of what is involved, the sales, service and demonstration staff was 350 in 1961 and is planned to increase to 1,500 by June 1963.

Although the current main growth is centred round the 914 machine, the demand for the Copyflo machine has developed well, not only in its important application in engineering drawing offices, but also in banking and commercial institutions. In the United Kingdom, France and Germany, leading design and engineering companies are using Copyflo and installations are being made in leading banks in Italy and other European countries.

Our contract with the Xerox Corporation of America is particularly valuable because the management of that Corporation believes that to maintain their product leadership they must spend large sums on research and development, with the result that this is an activity with continued growth potential.

THE RANK ORGANISATION LIMITED AND SUBSIDIARIES

Financial Highlights of the Group's Operations—Revenue

Analysis of Profits and Trading Results £ figures in thousands

	1958	1959	1960	1961	1962
	£	£	£	£	£
Trading Profits Less Losses	4,616	5,635	6,467	8,119	8,392
Less: Depreciation etc.	2,057	2,006	1,969	2,341	2,645
All. Dividends and	2,559	3,629	4,498	5,778	5,747
Add: Dividends and Interest Receivable	434	459	624	673	870
Profits before Interest Payable	£2,993	£4,088	£5,122	£6,451	£6,617

	1958
	Results
Exhibition in British Isles	£ 2,059
Exhibition Overseas	. 347
Film Production & Distribution	(1,264) <i>Loss</i>
Film Studios and Laboratories	443
Manufacturing	1,113
Miscellaneous Activities	295
Profits before Interest Payable	2,993
Less: Interest Payable	1,212
Net Profit, subject to tax and Outside Shareholders' Interests	£1,781

	195	9	
Sales	%	Results	%
£ 27,187	41.0	£ 2,403	58.8
4,532	6.8	439	10.7
10,462	15.8	(875) <i>Loss</i>	(21·4) Loss
3,983	6.0	473	11.6
16,937	25.6	1,403	34.3
3,159	4.8	245	6-0
£66,260	100.0	4,088	100.0
		1,103	
		£2,985	

U.K	. Entertainment	Tax	paid
			=

£	7,	7	1	7

	196	0	
Sales	%	Results	%
£ 25,627	37.8	£ 2,272	44•4
4,293	6.4	460	9.0
10,421	15.4	217	4.2
3,534	5-2	407	8.0
18,373	27.1	1,532	29.9
5,502	8.1	234	4.2
£67,750	100.0	5,122	100.0
		1,119	
		£4,003	

	19	61	
Sales % Results		%	
£ 28,226	38.6	£ 3,628	56.2
3,601	4-9	340	5.3
10,115	13-9	529	8.2
3,909	5.3	481	7.5
20,362	27.9	1,148	17.8
6,862	9.4	325	5.0
£73,075	100.0	6,451	100.0
		1,369	
		£5,082	

	52	190	
%	Results	%	Sales
56.4	£ 3,733	37-9	£ 27,133
6.0	399	4.5	3,239
3.2	209	12.8	9,124
8.7	573	5.8	4,145
11.0	725	27.9	19,955
14.7	978	11-1	7,945
100.0	6,617	100.0	£71,541
	1,647		
	£4,970		

£2,341

£ 76

£ nil

Notes: 1. Sales include inter-Group sales 1959 £5,262,000, 1960 £4,421,000, 1961 £4,437,000 1962 £4,061,000

2. Results from Exhibition Overseas and Miscellaneous Activities include dividends on Trade Investments

THE RANK ORGANISATION LIMITED AND SUBSIDIARIES

Financial Highlights of the Group's Operations

Capital £ figures in thousands

	Bank Loans and Overdrafts U.K. & Eire Overseas			Loan Capital	Total	Share Capital and Reserves	
			Final Redempti after 1977		Repayable by 1964 or at Short Notice	Borrowed Money	and Reserves attributable to The Rank Organisation Limited
	£	£	£	£	£	£	£
1953	5,308	497	13,309	2,268	317	21,699	6,822
1954	4,808	360	13,060	1,817	394	20,439	8,048
1955	3,719	472	12,614	2,150	323	19,278	9,421
1956	3,175	874	12,316	2,423	227	19,015	10,422
1957	3,912	1,528	14,035	2,735	199	22,409	11,857
1958	5,678	1,487	13,535	2,421	318	23,439	11,890
1959	5,578	1,164	13,171	2,368	219	22,500	12,188
1960	5,372	689	13,548	2,093	184	21,886	12,542
1961	6,294	586	13,278	5,030	146	25,334	15,869
1962	3,451	1,059	13,720	9,704	352	28,286	29,541

Capital Employed £ figures in thousands

•	aproar =		20 115 area 1		
	1958	1959	1960	1961	1962
Share Capital and Reserves attributable to The Rank Organisation Limited	£	£	£	£	£
Preference Capital	2,750	2,750	2,750	2,750	8,529
Ordinary Share Capital and Reserves	9,140	9,438	9,792	13,119	21,012
	11,890	12,188	12,542	15,869	29,541
Future Income Tax	2,946	2,425	2,851	3,640	3,830
Outside Shareholders' Interests in Subsidiaries	20,069	21,197	21,657	17,378	8,909
	34,905	35,810	37,050	36,887	42,280
Borrowed Money: Bank Loans and Overdrafts	7,165	6,742	6,061	6,880	4,510
Loan Capital	16,274	15,758	15,825	18,454	23,776
	23,439	22,500	21,886	25,334	28,286
Total Capital Employed	£58,344	£58,310	£58,936	£62,221	£70,566
				-	

DIRECTORS' REPORT AND ACCOUNTS

THE RANK ORGANISATION LIMITED

Directors' Report

(1) The Directors present the Balance Sheet of the Company and Consolidated Balance Sheet at 30th June, 1962, and Consolidated Profit and Loss Account for the 53 weeks ended that date.

	£	£
The Group Surplus for the 53 weeks after adding Non-Trading and Extraneous Profits less Losses and after providing for Taxation and after excluding interests of Outside Shareholders, was		1,997,053
Deduct:		
Surplus retained in the Accounts of Subsidiary Companies		229,748
The Surplus of the Parent Company was		1,767,305
The Balance brought forward amounted to		871,035
Making a total available for appropriation of		2,638,340
Which your Directors (a) have applied (b) recommend be appropriated as follows:—		
(a) Preference Dividend for the year ended 30th June, 1962, less Income Tax	217,680	
(a) Interim Dividend of $7\frac{1}{2}\%$ on Ordinary and 'A' Ordinary Shares, less Income Tax	219,587	
(b) As Final Dividend of $17\frac{1}{2}\%$ on Ordinary and 'A' Ordinary Shares, less Income Tax	575,535	1.012.002
	· · · · · · · · · · · · · · · · · · ·	1,012,802
Leaving an amount to be carried forward of		£1,625,538

(2) The proposals made by your Directors in November, 1961 for the merger of The Rank Organisation and Gaumont British were approved and became effective on 1st January, 1962.

In May 1962, £5,750,000 63% Convertible Unsecured Loan Stock 1977/82 was offered at £99% to the Ordinary and 'A' Ordinary Shareholders on the basis of £3 of Stock for every 10 Ordinary or 'A' Ordinary Shares held. The issue was most successful and the £267,000 stock not taken up by Shareholders was utilised to satisfy excess applications received for £1,311,000 Stock.

The offer made in May, 1962 to acquire the whole of the issued share capital of Murphy Radio Limited in exchange for Preference and 'A' Ordinary Shares of The Rank Organisation and a cash payment was accepted by more than 90% of the Shareholders of that Company. The necessary formalities to acquire the balance of the shares are being put in hand.

During the year to June, 1962 a total of 146,500 'A' Ordinary Shares of 5/- each were issued at 16s. 4d. each to Senior Executives on the exercise of options granted to them.

The Accounts now submitted show the resultant movement in the issued share capital and in the reserves.

At the time of making the offer mentioned above for the Share Capital of Murphy Radio, your Directors expressed the intention, if the offer was successful, of co-ordinating the activities of Murphy with those of Bush Radio. Proposals have now been issued for the merger to be effected by Bush and Rank Cintel (the parent of Bush Radio) transferring to Murphy the

whole of its undertaking in consideration of the allotment credited as fully paid of 550,000 5% Cumulative Preference Shares of £1 each and 7,072,000 Ordinary Shares of 5/- of Murphy. If the proposals are approved Bush and Rank Cintel will own 61.8% of the enlarged issued Ordinary Share Capital of Murphy and on completion of the formalities of compulsory acquisition The Rank Organisation will hold the balance of $38 \cdot 2\%$.

Simultaneously with the issue of the proposals for the merger The Rank Organisation made an offer to acquire the 991,858 Ordinary Shares in Bush and Rank Cintel not already owned by the Group. The basis of the offer was that for every 5 Shares of Bush and Rank Cintel there would be issued credited as fully paid 4 'A' Ordinary Shares of 5/- each in The Rank

Organisation.

(3) The Company now owns 54 Theatres of which 2 are used by Top Rank Bingo and Social Clubs, 2 are let (one having been converted into a Tenpin Bowl) and 5 are closed. One is being converted into a Tenpin Bowl and will be let on completion. During the year 2 theatres were acquired on the liquidation of two wholly owned subsidiaries, 2 were sold to a wholly owned subsidiary and 5 were sold.

(4) It is with very deep regret that the Directors report the death in August 1962 of Earl Winterton. Earl Winterton had been associated with the Group since 1937 and joined the Board of The Rank Organisation in April 1941.

The Directors wish to record their deep appreciation of the valuable services Earl Winterton had

rendered to the Group over so many years.

Shareholders will be aware from the announcement in the Press in June, 1962 that the Lord Rank will be retiring as Chairman of the Organisation after the forthcoming Annual Meeting. The Directors wish to record their appreciation of the invaluable services Lord Rank has given to the Group over so many years and to express their gratification that Lord Rank will continue as a Director and has consented to become the first President of the Organisation.

Mr. Keighley and Viscount Rothermere who were appointed Directors during the year retire in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

Mr. William E. Jenkins having attained the age of 70 retires in accordance with the provision of the Companies Act 1948 and his proposed re-election will be the subject of a resolution of which special notice has been given.

Colonel A. Christie and Mr. Earl St. John retire by rotation in accordance with the Articles of

Association and, being eligible, offer themselves for re-election.

- Colonel Christie having attained the age of 72 and Mr. Earl St. John having attained the age of 70, their proposed re-election will be the subject of resolutions of which special notice has been given.
- (5) Messrs. Peat, Marwick, Mitchell & Co. have signified their willingness to continue in office as Auditors.
- (6) It is proposed to increase the maximum number of the Directors permitted by the Articles of Association from fifteen to eighteen. At the conclusion of the ordinary business of the Annual Meeting a resolution to effect the increase will be proposed.

A form of proxy is enclosed for the use of those members who are unable to attend the Annual Meeting. Such members are asked to complete and return proxies in accordance with the

instructions printed thereon.

By Order of the Board,

S. E. A. PITMAN,

Secretary.

18th September, 1962.

THE RANK ORGANISATION LIMITED AND SUBSIDIARIES

Consolidated Profit and Loss Account for the 53 weeks ended 30th June, 1962

	Schedule Reference	£	£	52 wee 24th Jun £	
Trading Profits less Losses before deducting the items set out below (see Note 14 on page 49)			8,391,810		8,118,805
Less: Depreciation		2,573,201		2,273,305	
Audit Fees		71,632		67,828	
			2,644,833		2,341,133
Dividends and Interest receivable	1		5,746,977 870,049		5,777,672 673,133
Less: Interest payable	2		6,617,026 1,646,938		6,450,805 1,368,565
Group Profit before Taxation			4,970,088		5,082,240
Less: Taxation based thereon	3		2,613,681		2,732,498
Less: Outside Shareholders' Share of Subsidiaries' Profits			2,356,407 450,275		2,349,742 1,047,765
Profit for the Period (after taxation) attributable to the Shareholders in The Rank Organisation Limited			1,906,132		1,301,977
Add: Non-Trading and Extraneous Profits, less Losses excluding amounts attributable to Outside Shareholders	4		90,921	. ((Loss) 137,668
Profit attributable to the interests of Shareholders in The Rank Organisation Limited			1,997,053		1,164,309
Amounts retained by Subsidiaries applied as follows:					
Pre-acquisition profits applied against Goodwill		_		99,420	
Increase in amounts carried forward on Profit and Loss Accounts and transfers from Reserves		229,748	220 740	121,569	220,989
Balance being Surplus dealt with in the Accounts of The Rank Organisation Limited			£1,767,305		£943,320
THE RANK ORGANISATION LIMITED APPROP	RIATI(ON ACCO	UNT		
Surplus as above			1,767,305		943,320
Balance brought forward from last year			871,035		469,883
Less: Dividends less Income Tax:			2,638,340		1,413,203
On Cumulative Preference Shares for the year ended 30th June, 1962 (see Note 3 on page 48)		217,680		101,062	
On Ordinary and "A" Ordinary Shares:		£17,000			
Interim $7\frac{1}{2}\%$ as paidFinal $17\frac{1}{2}\%$ as proposed (see Notes 4 and 5 on page 48)		219,587 575,535		129,443 (15%) 311,663	
i mai i / ½ /0 as proposed (see notes 4 and 3 on page 48)			1,012,802		542,168
Balance carried forward by The Rank Organisation Limited			£1,625,538		£871,035
•				I	

Schedules to Consolidated Profit and Loss Account

		52 weeks to
1. Dividends and Interest Receivable:	£	24th June, 1961 £
Trade Investments	701,003	569,975
Quoted Investments	6,509	6,389
Bank Deposits, etc	151,917	94,225
	859,429	670,589
Increase in Value of Sinking Fund Policies.	10,620	2,544
	£870,049	£673,133
2. Interest Payable:		
Debentures and other Fixed Loans	862,663	778,305
Bank Loans and Overdrafts	521,142	485,553
Short Term Advances, etc.	263,133	104,707
	£1,646,938	£1,368,565
2. The section of	21,040,730	21,500,505
3. Taxation: Profits Tax	644.077	666,206
Income Tax	644,077 1,969,604	2,066,292
Income Tax		
	£2,613,681	£2,732,498
4. Non-Trading and Extraneous Profits less Losses:		
Profits less losses on disposal of Fixed Assets	69,841	19,010
Profits on Redemption of Debenture Stocks	115,138	159,587
Provision for Taxation no longer required.	186,484	10,644
Items relating to prior years	39,833	(63,483)
Provision for Film Contingencies released		173,467
Special Provision for Losses of a Subsidiary released		150,000
	£411,296	£449,225
Less: Additional Income Tax due to change of accounting dates of Subsidiaries		117,425
Amounts written off Trade Investments	78,914	28,450
Provision for possible losses on realisation of theatres	28,292	299,574
Amounts written off Goodwill, etc.	99,083	126,213
Provision for development expenditure and terminal losses	79,620	58,908
Debenture Discount and Issue Expenses	42,757	11,658
	£328,666	£642,228
	82,630	(loss) 193,003
Add: Amounts attributable to outside shareholders	8,291	(less) 55,335
	£90,921	(loss) £137,668
Note on Consolidated Profit and Loss Account		
Note on Consolidated 110th and 11088 McCount		
Remuneration of Directors of The Rank Organisation Limited for services to the Company and its Subsidiaries was as follows:	1962 £	1961 £
Fees	24,043	23,766
Other Emoluments	73,331	64,935
	£97,374	£88,701
Pension to Past Director in respect of executive services.	£1,435	£1,435
Tension to Tust Director in respect of executive services	~ , 1 , 13	= = = = = = = = = = = = = = = = = = = =

THE RANK ORGANISATION LIMITED AND SUBSIDIARIES

Consolidated Balance Sheet at 30th June, 1962

			24th J	une , 1961
	£	£	£	£
SHARE CAPITAL: (see Notes 1 to 4)*	Authorised	Issued or to be issued fully paid		
6¼% Cumulative Preference Shares of £1 each	2.000.000	8,529,410 1,893,983 3,437,523		2,750,000 1,893,983
ordinary shares of by cach	£17,500,000	13,860,916		1,487,390 ———— 6,131,373
CAPITAL RESERVES: (see Note 8)*		,,.		*,***,***
Share Premium Accounts	4,838,921		2,330,048	
Other Capital Reserves	293,709	5,132,630	296,878	2,626,926
REVENUE RESERVES: (see Note 8)*				
General Reserves	5,149,208		4,403,042	
Profit and Loss Accounts: The Rank Organisation Limited	1,625,538 3,772,830	10,547,576	871,035 1,836,643 	7,110,720
ISSUED CHADE CAREAL AND DECEDUES ASSESSED TO ASSESSED.				-
ISSUED SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO MEMBERS OF THE RANK ORGANISATION LIMITED		29,541,122		15,869,019
AMOUNTS SET ASIDE FOR FUTURE INCOME TAX		3,830,468		3,640,026
(Other than Goodwill, Patents and Trade Marks, etc.)				
LOAN CAPITAL:				
6 ³ / ₄ % Convertible Unsecured Loan Stock 1977/82 (see Note 6)*	5,750,000			
Final Redemption dates after 1977 Final Redemption dates 1964 to 1977	7,970,072 9,703,568		13,277,892 5,030,066	
Repayable by 1964 or at Short Notice	23,423,640		18,307,958	
Repayable by 1904 of at Short Notice	351,822	23,775,462	146,590	18,454,548
		66,056,290		55,341,526
CURRENT LIABILITIES AND PROVISIONS:				
Bank Loans and Overdrafts (Secured)	2 202 452	4,510,310		6,879,604
Creditors, Expenses Accrued and Provisions	3,202,453 10,448,098		2,976,560 10,244,407	
Provisions for Current Taxation (including Income Tax accrued to date)	2,594,790		2,747,209	
Dividends less Income Tax payable to: Shareholders in the Company	715,633		362,194	
Outside Shareholders of Subsidiaries	154,173	17,115,147	361,665	16,692,035
44		£87,681,747		£78,913,165
44				

£	£	£	24th June £	e, 1961 £
FIXED ASSETS: FREEHOLD AND LEASEHOLD LAND AND BUILDINGS, PLANT AND EQUIPMENT partly at cost and partly at independent valuation (or, where cost is not reasonably obtainable, at net book value on 26th June, 1948, less sales):				
Theatres, Ballrooms, Tenpin Bowling and Kindred Properties	Depreciation 15,453,381 2,570,414	36,162,628 2,866,049		33,498,810 2,895,148
and other Equipment	2,048,162 2,456,912 637,478 909,254	3,583,373 4,071,047 1,289,292 946,614		3,061,508 3,066,359 1,207,669 1,518,465
£72,994,604	£24,075,601	48,919,003		45,247,959
GOODWILL, PATENTS AND TRADE MARKS, ETC.: At cost <i>less</i> amounts written off, including the net excess of the cost of Shares in Subsidiaries over the book value of the net tangible assets at dates of acquisition and after deducting proportion applicable to Outside Shareholders of Subsidiaries		5,566,036		5,061,351
SUBSIDIARY NOT CONSOLIDATED—shares at cost (see Note 7)*		4,800,244		
TRADE INVESTMENTS at cost less £134,022 written off (see Note 9)*: Theatre Operating Companies		6,258,087	3,922,295 143,286 1,883,178	5,948,759
SINKING FUND POLICIES at surrender values		21,280		109,364
CASH IN HANDS OF TRUSTEES FOR DEBENTURE STOCKHOLDERS		10,466		155,508
		65,575,116		56,522,941
CURRENT ASSETS:				
Film Productions: Released Films at estimated recoverable value Unreleased and Uncompleted Films and Interests at cost Story Rights, Scenarios and Pre-Production Expenditure at cost	2,815,834 1,279,770		2,385,086 955,637	
less amounts written off	173,239		270,189	
	4,268,843		3,610,912	
Less: Provisions for possible losses on Unreleased Films and for Contingencies	400,000		400,000	
Manufacturing and other Stocks and Work in Progress, less	3,868,843		3,210,912	
progress payments received Debtors and Prepayments Quoted Investments (Market Value £25,559) Tax Reserve Certificates Cash at Bank and in Hand			7,607,633 7,599,213 99,624 979,500 2,893,342	
Cauli at Dalik and in Claude		22,106,631		22,390,224
*Notes relating to this Balance Sheet appear on Pages 48 & 49.		£87,681,747		£78,913,165

THE RANK ORGANISATION LIMITED

Balance Sheet at 30th June, 1962

SHARE CAPITAL: (see Notes 1 to 4)* 6½% Cumulative Preference Shares of £1 each Ordinary Shares of 5/- each "A" Ordinary Shares of 5/- each	2,000,000 5,500,000	8,529,410 1,893,983 3,437,523	24th . £	June, 1961 £ 2,750,000 1,893,983 1,487,390
	£17,500,000	13,860,916		6,131,373
CAPITAL RESERVES: (see Note 15)*				
Share Premiums	4,819,841 775,850	5,595,691	2,310,968 818,821 ———	3,129,789
REVENUE RESERVES:				
General ReserveProfit and Loss Account	2,894,710 1,625,538	4,520,248 23,976,855	2,894,710 871,035 ———	3,765,745 ————————————————————————————————————
AMOUNT SET ASIDE FOR FUTURE INCOME TAX		886,882		729,647
LOAN CAPITAL:				
6\frac{3}{4}\% Convertible Unsecured Loan Stock 1977/82 (see Note 6)* 5\% Debenture Stock, redeemable at par by 29 equal half-yearly instalments	5,750,000 1,341,250 1,200,000		 1,433,750 1,300,000	
£200,000 and the balance in 1971	3,000,000	11,291,250	3,000,000	5,733,750
		36,154,987		19,490,304
AMOUNTS OWING TO SUBSIDIARIES less dividends receivable		567,255		1,756,450
CURRENT LIABILITIES AND PROVISIONS:				
Bank Loans and Overdraft (Secured)	104,167 220,773	795,015	375,000 159,336	3,769,346
Income Tax accrued to date)	723,730		980,431	
1962, less Income Tax	140,098		50,531	
Income Tax	575,535	1,764,303	311,663	1,876,961
46		£39,281,560		£26,893,061

			24th June	e, 1961 £
£	£	£	£	£
FIXED ASSETS:				
FREEHOLD AND LEASEHOLD LAND AND BUILDINGS AND EQUIPMENT:	Donostation			
Theatres etc. 4,560,035	Depreciation 855,088	3,704,947		3,637,478
Other Properties and Sites	174,167	442,170		389,965
Closed Theatres	50,966	121,223		224,087
£5,348,561	£1,080,221	4,268,340		4,251,530
TRADE INVESTMENTS at cost (uncalled liability £263,425)		1,093,666		808,941
GROUP INTERESTS:				
Subsidiaries:				
Shares at or under cost	23,212,457		13,917,774	
Amounts owing including dividends receivable	8,519,370	31,731,827	5,799,875	19,717,649
SINKING FUND POLICY at surrender value		15,280		14,127
SINKING FUND POLICE at Sufferider value		37,109,113		24,792,247
CURRENT ASSETS:				
Film Productions:			000 672	
Released Films at estimated recoverable value	795,521		908,673 506,951	
Unreleased and Uncompleted Films and Interests at cost	678,857		300,551	
Story Rights, Scenarios and Pre-Production Expenditure at cost less amounts written off	76,275		113,000	
	1,550,653		1,528,624	
Less: Provisions for possible losses on Unreleased Films and			250,000	
for Contingencies	250,000		250,000	
	1,300,653		1,278,624	
Debtors and Prepayments	239,731		201,724	
Cash at Bank	632,063	2,172,447	620,466	2,100,814
RANK Directors.				
JOHN DAVIS				
		C20 201 560		£26,893,06
*Notes relating to this Balance Sheet appear on Pages 48 & 49. The Auditors' Report appears on Page 50.		£39,281,560	1	

The Auditors' Report appears on Page 50.

Notes on and forming part of the Balance Sheet and Consolidated Accounts of The Rank Organisation Limited on pages 42-47

GENERAL

- (1) Under a Scheme of Arrangement which received Court approval on 18th December, 1961, the whole of the issued share capital of Gaumont British Limited not already owned within The Rank Organisation Limited Group was acquired in consideration for the issue of shares in The Rank Organisation Limited which have been treated as having been issued at their nominal value of £5,868,167. The Group Accounts have been prepared on the basis that the Scheme of Arrangement became effective as from 25th June, 1961. Accordingly there have been treated as available to the Members of The Rank Organisation Limited, (i) the net profits attributable to their interest in the Gaumont British Limited Group for the 53 weeks ended 30th June, 1962 and (ii) the Revenue Reserves of the Gaumont British Limited Group at 25th June, 1961 to the extent that these represented the excess of book value of net tangible assets of the Gaumont British Limited Group at that date (less costs of the Scheme) over the nominal value of the shares in The Rank Organisation Limited issued as consideration for their acquisition.
- (2) Provision has been made in the accounts for the issue of 33,550 6½% Cumulative Preference Shares of £1 each and 118,284 'A' Ordinary Shares of 5/- each and the payment of £17,743 being the consideration payable in respect of that part of the issued share capital of Murphy Radio Limited, the acquisition of which had not yet been completed at 30th June, 1962.
- (3) Under the Scheme of Arrangement referred to in Note 1, the dividend rate of the Cumulative Preference Shares in issue was increased from 6% to 6½% as from 1st January, 1962. The Preference Shares issued to Gaumont British Limited Preference Shareholders (who received the dividend on their shares up to 31st December, 1961) and those issued by way of bonus to the existing Preference Shareholders of the Company ranked for dividend as from 1st January, 1962; the 1,413,285 Preference Shares issued to the holders of Gaumont British Limited Ordinary and "A" Ordinary Shares ranked for dividend as from 1st July, 1961. The 1,210,000 6½% Cumulative Preference Shares issued to the holders of Murphy Radio Limited Preference Shares rank for dividend only from 1st July, 1962.
- (4) Options which expire on 31st October, 1964, in favour of Executives to subscribe for a total of 41,000 'A' Ordinary Shares of 5/- each are outstanding. The options are exercisable at 16/4d. per share. Since 30th June, 1962, 5,000 of such 'A' Ordinary Shares have been issued, which rank for the final dividend for the 53 weeks to that date.
- (5) On 2nd July, 1962, 146,667 "A" Ordinary Shares were issued as part consideration for the acquisition of a new subsidiary, such shares ranking for the final dividend for the 53 weeks ended 30th June, 1962.
- (6) The 63/4 Convertible Unsecured Loan Stock 1977/82 is convertible into "A" Ordinary Shares during the period 1st October to 9th December in any of the years 1963, 1964 and 1965, each £100 of Stock being convertible into 60 "A" Ordinary Shares in 1963 or 58 "A" Ordinary Shares in 1964, or 55 "A" Ordinary Shares in 1965.

THE GROUP

(7) Subsidiary Not Consolidated—shares at cost, £4,800,244 represents the cost of acquisition of the whole of the issued share capital of Murphy Radio Limited for which an offer was made and became unconditional on 4th June, 1962. Audited accounts of Murphy Radio Limited were made up to 31st December, 1961, but it would not have been practicable to prepare audited accounts for the period ended 30th June, 1962, without involving undue delay. The net assets of Murphy Radio Limited and its subsidiaries as shown by the audited consolidated balance sheet at 31st December, 1961, but including quoted trade investments at market value at date of offer, were as follows:

Quoted Trade Investments at ma	rket	value at	date o	f offer	• •		 	£1,837,741
Other Net Assets at book value	• •	• •	• •	• •	• •	• •	 • •	2,632,730
								£4,470,471

		Share Premium Accounts £	Other Capital Reserves £	General Reserves £	Profit and Loss Accounts Subsidiaries £
(8)	Movements in Reserves attributable to the Members of The Rank Organisation Limited: Balances at 24th June, 1961	2,330,048 2,577,623	296,878	4,403,042	1,836,643
	and expenses £219,318 Amount applied in Bonus Issue of Preference Shares Transfers per Profit and Loss Account	(68,750)	(3,169)		230,023
	Arising on merger with Gaumont British Limited (See Note 1)			758,572 (15,300)	1,706,164
	Balances at 30th June, 1962	£4,838,921	£293,709	£5,149,208	£3,772,830
(9)	Trade Investments at cost, <i>less</i> amounts written off: Theatre Operating Companies Film Producing and Distributing Companies Manufacturing and Other Companies		U.K. £ 128,516 53,626 1,858,389 £2,040,531	Overseas £ 3,929,025 89,660 198,871 £4,217,556	143,286 2,057,260

- (10) There are Contingent Liabilities in respect of (a) Distribution Guarantees with independent film producers, other Guarantees, etc. amounting in aggregate to approximately £4,000,000 (1961 £1,500,000), and (b) a claim under a legal action against an overseas subsidiary which is disputed.
- (11) Unrestricted foreign currencies have been converted at mid-market rates ruling at 30th June, 1962, and certain restricted currencies at or below official rates. The surplus arising from the net appreciation in overseas currency figures of fixed and current assets after deducting liabilities, has been adjusted in the Goodwill figure.
- (12) There are commitments for Capital Expenditure amounting to approximately £2,515,000 (1961 £1,520,000) of which £160,000 (1961 £250,000) relates to overseas territories.
- (13) Premiums payable (after deducting specific provisions therefor) to outside shareholders of certain subsidiaries (a) in the redemption of Redeemable Preference Shares and (b) in the event of liquidation of these subsidiaries amount in total to £551,000 (1961 £567,000).
- (14) The accounting date of one Group of Subsidiaries, namely Rank Precision Industries Limited and its Subsidiaries, was altered last year to coincide with that of the Company. As a result the Consolidated Profit and Loss Account comparative figures include the results of this group for 78 weeks ended 24th June, 1961. The trading profit, group profit before taxation and the profit (after taxation) attributable to the shareholders of The Rank Organisation Limited for the additional 26 weeks were approximately £285,000, £150,000 and £32,000 respectively.

THE COMPANY

	Premium Account	Fixed Assets to Subsidiaries
(15) Movements in Reserves: Balances at 24th June, 1961	£ 2,310,968 18 2,577,623	£ 818,821 —
Amount applied in Bonus Issue of Preference Shares Sundry Adjustments	(68,750)	(42,971)
Balances at 30th June, 1962	£4,819,841	£775,850

- (16) There are Contingent Liabilities in respect of Distribution Guarantees and guarantees of Advances to Subsidiaries and Associated Companies amounting in aggregate to approximately £4,700,000 (1961 £2,600,000).
- (17) There are commitments for Capital Expenditure amounting to approximately £1,700,000 (1961 £18,000).

Capital Reserves Profits on Sale of

Share

Report of the Auditors to the Members of The Rank Organisation Limited

We have audited the annexed Balance Sheet and have obtained all the information and explanations which we considered necessary. Proper books have been kept and the Balance Sheet is in agreement therewith.

We have examined the annexed Consolidated Balance Sheet and Consolidated Profit and Loss Account. The accounts of certain of the Subsidiary Companies have been audited by other firms.

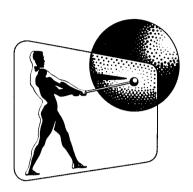
In our opinion the Balance Sheet and the Consolidated Accounts comply with the requirements of the Companies Act, 1948, and give respectively a true and fair view of the Company's affairs at 30th June, 1962, and so far as concerns the members of the Company, a true and fair view of the state of affairs and of the profit of the Group.

11, Ironmonger Lane, London, E.C.2.

PEAT, MARWICK, MITCHELL & CO.,

18th September, 1962

Chartered Accountants.



The trade mark of the 'Man-with-the-Gong' was first seen on the screen in 1936. Ever since, it has been known and accepted by filmgoers throughout the world, as a guarantee of good family entertainment.

Today, it plays a wider role. It has grown as the Group has grown: and the pages that follow indicate the range of enterprises which now carry the 'Man-with-the-Gong' as the hallmark of quality.

THE RANK ORGANISATION 1962

Cinema Service becomes Odeon Theatres 1933					40-00-5020000000000000000000000000000000
Cinema Service formed 1932	Pinewood Studios founded 1935		Odeon Theatres becomes Odeon Cinema Holdings 1937		Cinema Ground Rents and Properties formed 1936
Cinema-Television formed 1928		Bush Radio formed 1932		Odeon Theatres formed 1937 (now The Rank Organisation)	
Metropolis and Bradford Trust formed 1928	Gaumont-British acquires Cinema- Television 1940		Cinema-Television acquires Bush Radio 1945		Odeon Properties formed as subsidiary of the Rank Organisation 1942
Gaumont-British acquires General Theatre Corporation 1928		General Cinema Finance Corporation formed 1936		Eagle-Lion Distributors formed 1944	
Gaumont-British Picture Corporation formed 1927	Metropolis and Bradford acquires control of Gaumont-British 1929		G.C.F.C. buys control of Metropolis and Bradford Trust 1941		D & P Holdings formed as subsidiary of G.C.F.C. to acquire British & Dominions Film Corporation 1944
Gaumont-British acquires control of Provincial Cinematograph Theatres 1929		General Cinema Finance Corporation acquires General Film Distributors 1936		British & Dominions Film Corporation formed 1928	
Provincial Cinematograph Theatres formed 1909	British Acoustic Films formed 1925		Kalee formed 1926		British Optical and Precision Engineers formed 1947
Taylor, Taylor & Hobson formed 1886		·		,	



Historical Development

This chart shows symbolically how the original Companies

within the Group have been woven into the fabric of the Rank

Organisation as it is today: culminating, after the merger with Gaumont British and the acquisition of the main outstanding

shareholdings in subsidiary Companies, in a single streamlined

trading Organisation with nineteen main Divisions, each of

which is concerned with a group of related activities.

It does not represent the actual Company structure, and

includes only a small proportion of the many Companies in

the Group: its purpose is solely to show the pattern of progress

The activities of the Divisions, and the world markets in which

the re-orientation is designed to strengthen their trading

operations, are shown in further detail on the pages that follow.

towards final unification.

THE RANK ORGANISATION 1962

THE DIVISIONS AND ACTIVITIES OF THE GROUP

FILM PRODUCTION The production of Group and Independent feature films and television film series, mainly at Pinewood Studios which are also used by outside producers.

WORLD FILM DISTRIBUTION—U.K. Leading distributors in the United Kingdom of British, American and other foreign films. Producers and distributors of "Look at Life".

WORLD FILM DISTRIBUTION—OVERSEAS The only world-wide distribution organisation based outside Hollywood, handling the product of many British, and many American, producers.

FILM PROCESSING Processing and printing commercial and amateur motion picture films in colour and black and white. Top Rank Laboratories, a part of this Division, process and print colour stills for the amateur and professional markets.

ADVERTISING FILMS Producers and distributors of advertising films for cinema and television.

THEATRE Operating the Group's 360 theatres in the U.K. The overseas section is responsible for the Group's wholly-owned or partnership interests in 535 theatres overseas.

embracing:

CATERING Providing catering facilities of many kinds in the Group's theatres, ballrooms and bowling centres.

BALLROOM DANCING Operates twenty-five Top Rank Ballrooms and twenty-one Top Rank Victor Silvester Studios.

TOP RANK MOTORWAY SERVICE The Division has secured contracts to supply petrol and catering facilities for service areas on the M.2 and M.6 motorways, and operates Top Rank Service petrol filling stations.

TENPIN BOWLING Operating the Group's eight tenpin bowling centres.

TOP RANK HEALTH CLUBS Managing two clubs in London catering for figure and beauty treatment.

FILMUSIC A music publishing company mainly concerned with the exploitation of music used in Group films.

 $\begin{tabular}{ll} THOMPSON, DIAMOND \& BUTCHER Wholesalers of records, record players and domestic electrical equipment. \end{tabular}$

WHARFEDALE WIRELESS WORKS Internationally known manufacturers of high-fidelity speakers.

Following the merger between The Rank Organisation and Gaumont British, a major re-orientation of the Group's management structure on divisional lines was carried out in January 1962. The main activities of the new Divisions are shown below.

TOP RANK HOME & LEISURE SERVICE The retail and rental of radio and television sets and consumer durables. The operation of wired relay services in some thirty-two towns.

BUSH RADIO Manufacturing radio and television receivers, radiogramophones and record players. Research, development and production of miniature and lightweight electronic and communications systems.

RANK CINTEL Makers of industrial and research electronic equipment, cathode-ray tubes, photoelectric cells and semi-conductor devices; studio television equipment and electronic instrumentation for aircraft and guided missiles.

RANK XEROX Manufacture and marketing throughout the world, apart from the U.S.A. and Canada, of Xerographic equipment for high-speed document copying in association with the Xerox Corporation of Rochester (U.S.A.).

RANK TAYLOR HOBSON Makers of optical systems and lenses, engineers' measuring instruments and machine tools.

CINE AND PHOTOGRAPHIC (including the Rank Film Library). Manufacturing and marketing the Bell & Howell range of cine cameras and projectors. The Rank Film Library distributes educational, training and entertainment films and filmstrips.

RANK KALEE Suppliers of screens, projectors, sound equipment, auditorium seating and furnishing for cinemas and audio-visual systems for universities, lecture halls, churches, etc.

KERSHAW Manufacture of optical systems and lenses, machine tools and automatic vending machines.

ACTIVITIES IN ASSOCIATION WITH OTHER COMPANIES

PROPERTY DEVELOPMENT Redevelopment of Group properties for other uses, in association with outside property interests.

COMMERCIAL TELEVISION IN BRITAIN The Group has a 37.6% interest in Southern Television Limited, the Independent Television contractor for Southern and South East England.

PAY-TV Development of the Choiceview system for Pay-TV in association with Rediffusion Limited.

FILM PRODUCTION, DISTRIBUTION, AND FILM PROCESSING

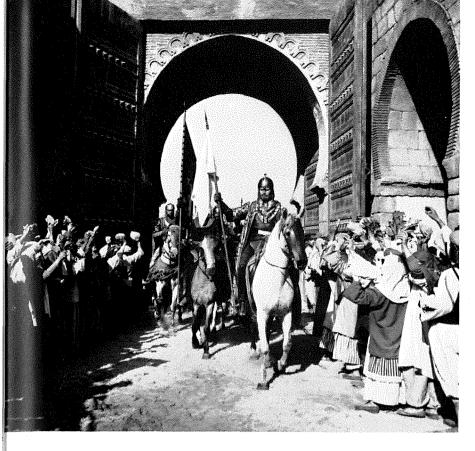
Today, as always, Pinewood Studios offer the finest creative and technical resources, both for the production of Group films, and for independent producers.

The Laboratories, who this year celebrated their Twenty-Fifth Anniversary, are the leaders in their field.

The Distribution Divisions, through their marketing and streamlined operation, secure world-wide audiences for British films, and for the product of many American and Continental producers.



'Waltz of the Toreadors' was one of the box-office successes of 1962. Produced in colour by Peter de Sarigny and directed by John Guillermin, the film stars Peter Sellers and Dany Robin.





'EL CID' co-starring Charlton Heston and Sophia Loren. A Samuel Bronston production in 70 mm.—Super Technirama and Technicolor, it is being distributed by the Group in Great Britain and other parts of the world.

A scene from 'Life for Ruth' starring Michael Craig, Patrick McGoohan, Janet Munro. Produced by Michael Relph and directed by Basil Dearden for Allied Film Makers.

FILMS MADE AT PINEWOOD

ALL NIGHT LONG Patrick McGoohan, Keith Michell, Betsy Blair, Paul Harris, Marti Stevens, Richard Attenborough, Produced by Michael Relph, Directed by Basil Dearden

A PAIR OF BRIEFS Michael Craig, Mary Peach, Brenda de Banzie, James Robertson Justice, Produced by Betty Box, Directed by Ralph Thomas

CARRY ON CRUISING Sidney James, Liz Fraser, Kenneth Williams, Produced by Peter Rogers, Directed by Gerald Thomas, *in Colour*

DR. NO Sean Connery, Ursula Andress, Joseph Wiseman, Jack Lord, Bernard Lee, Produced by Albert Broccoli and Harry Saltzman, Directed by Terence Young, *in Colour*

LANCELOT & GUINEVERE Cornel Wilde, Jean Wallace, Brian Aherne, Archie Duncan, Reginald Beckwith, Produced by Bernard Luber, Directed by Cornel Wilde, *in Colour*

LIFE FOR RUTH Michael Craig, Patrick McGoohan, Janet Munro, Produced by Michael Relph, Directed by Basil Dearden

PLAY IT COOL Billy Fury, Michael Anderson Jnr., Dennis Price, Helen Shapiro, Bobby Vee, Produced by David Deutsch, Directed by Michael Winner

THE CASTAWAYS Maurice Chevalier, Hayley Mills, Wilfrid Hyde White, George Sanders, Produced by Walt Disney, Directed by Robert Stevenson, *in Colour*

THE HORSE WITHOUT A HEAD Jean-Pierre Aumont, Leo McKern, Herbert Lom, Pamela Franklin, Produced by Walt Disney, Directed by Don Chaffey, *in Colour*

THE WILD AND THE WILLING Virginia Maskell, Paul Rogers, Produced by Betty Box, Directed by Ralph Thomas

TIARA TAHITI James Mason, John Mills, Claude Dauphin, Herbert Lom, Rosenda Monteros, Produced by Ivan Foxwell, Directed by William Kotcheff, *in Colour*

TWICE ROUND THE DAFFODILS Juliet Mills, Donald Sinden, Kenneth Williams, Produced by Peter Rogers, Directed by Gerald Thomas

WALTZ OF THE TOREADORS Peter Sellers, Dany Robin, John Fraser, Cyril Cusack, Margaret Leighton, Produced by Peter de Sarigny, Directed by John Guillermin, *in Colour* THEATRES : BALLROOMS AND DANCE

STUDIOS : CATERING : TENPIN BOWLING :

HEALTH STUDIOS

In catering for leisure time the Group's spread of activities is rapidly growing. From a nucleus of theatres, ballrooms and theatre restaurants it has extended its operations to embrace banqueting, tenpin bowling, dancing tuition, health studios, filling stations, and the provision of service areas for motorways. Today, the name of Top Rank offers new standards of service, wherever the public may go for its entertainment and relaxation.



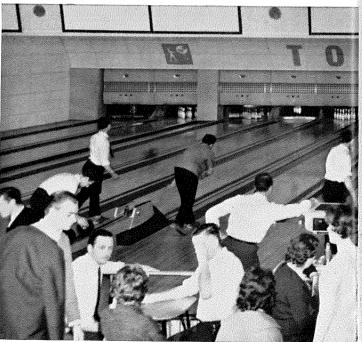
The sales kiosk at the Gaumont, Hammersmith. Sales of confectionery, soft drinks and ice creams are an important feature of the theatre operation.



The Odeon, Southend, is one of the many theatres which the Group has re-designed and re-furnished under its extensive modernisation programme.

The Top Rank Victor Silvester Studio in the Regent Theatre, Brighton.

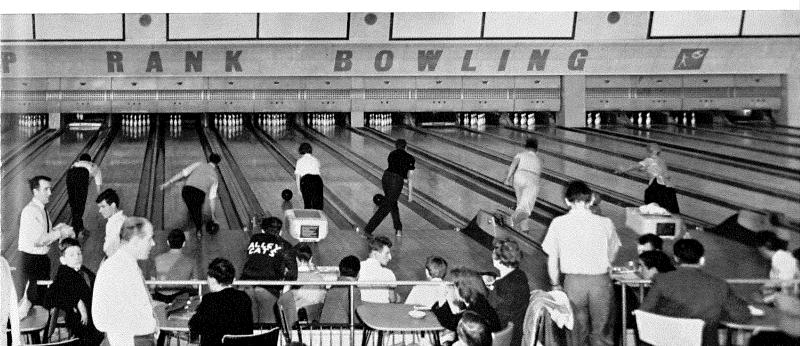




Instruction at one of the 21 Top Rank Victor Silvester Dance Studios.

One of the newest of the Top Rank Ballrooms caters for 1,000 dancers and is built into the Gaumont State Theatre at Kilburn.





The Top Rank Bowl at Streatham with 40 lanes on two tiers is the largest tenpin bowling centre in Europe. This picture shows the 20 lanes on the upper floor.





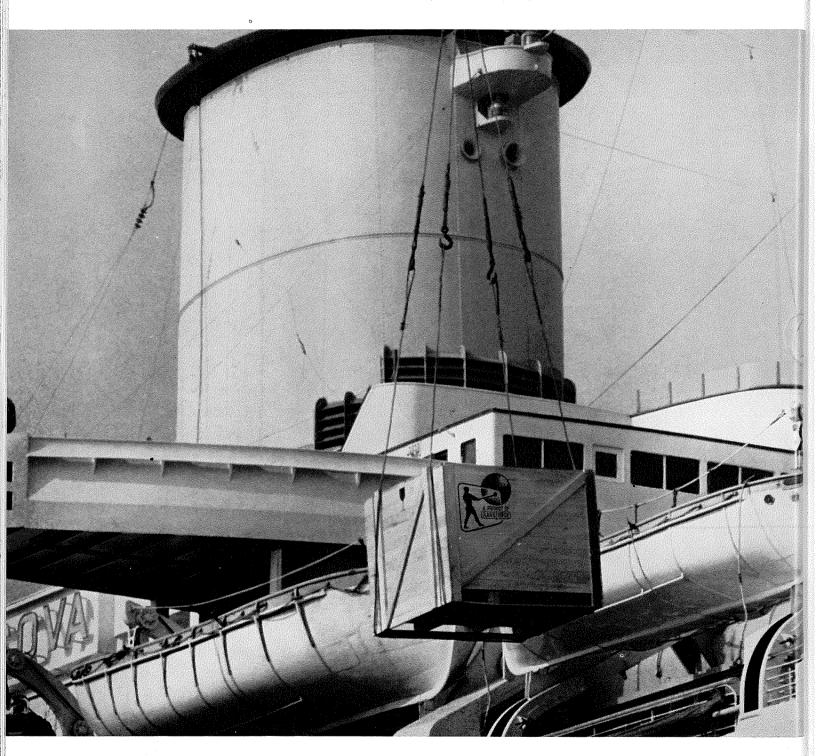
The exercise area at the Top Rank Health Club in Yeomans Row, London, S.W.3. The Club provides facilities for improved physical well-being and figure care.

The Majestic at Leeds is one of the twenty-five Top Rank Ballrooms operated by the Group.



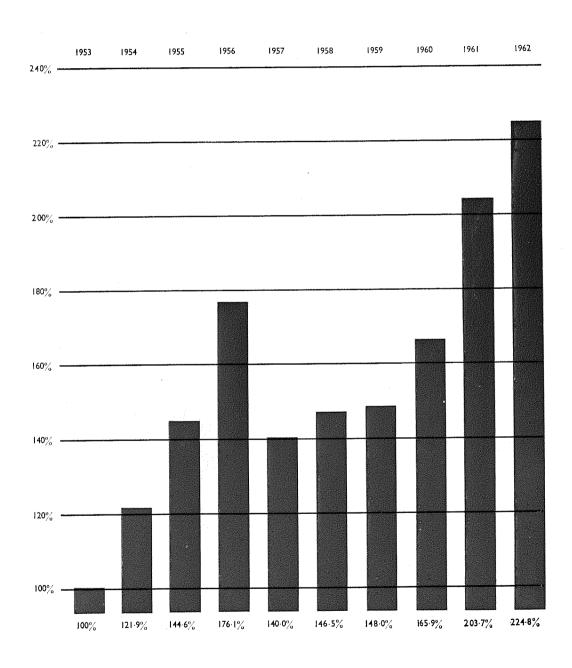


The theatre restaurant at the Gaumont Finchley.



Bound for Australia, Rank Xero X 914 office copiers being loaded aboard the P & O boat "Orsova".

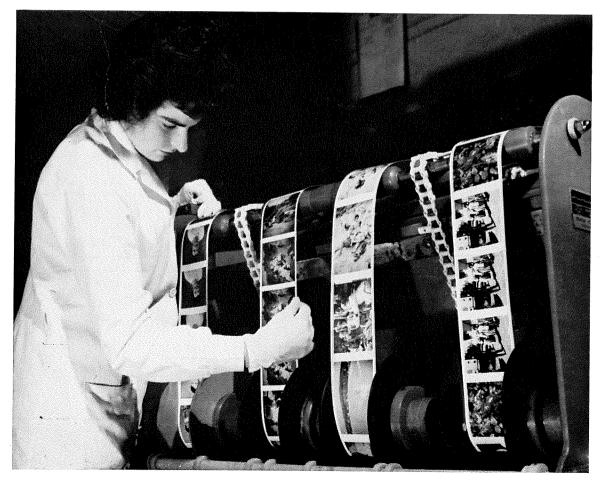
THE RANK ORGANISATION LIMITED AND SUBSIDIARIES Group Exports Based on 1953 as 100%



THE MANUFACTURING DIVISIONS

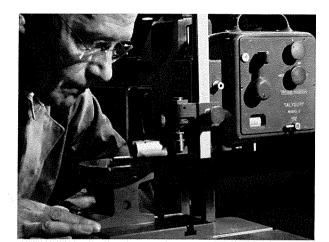
The development of The Group's manufacturing activities has been steady and consistent. For example: absolute exactness in the making of high-quality lenses and optical systems led to the design and production of the Rank Taylor Hobson Division's world-renowned precision measuring instruments—such as the Talyrond, the Talyvel, the Talysurf and the Talymin.

The Rank Cintel Division's developments in aircraft instrumentation—already making an important contribution to safety in the air—were a natural application of experience gained in developing electronic devices for television and industry. This is the pattern that obtains throughout the industrial Divisions: the application of tried techniques and abilities to new, but related, fields, and the maintenance of the highest standards of quality.



Paper processing units capable of developing four rolls of colour enprints in one operation are used at the Top Rank Laboratories, where all leading makes of colour negative film are developed, printed and enlarged for amateur and professional photography.

The Talysurf has set accepted international standards for the measurement of surface finish. It is used widely throughout the light precision engineering industries of the world.

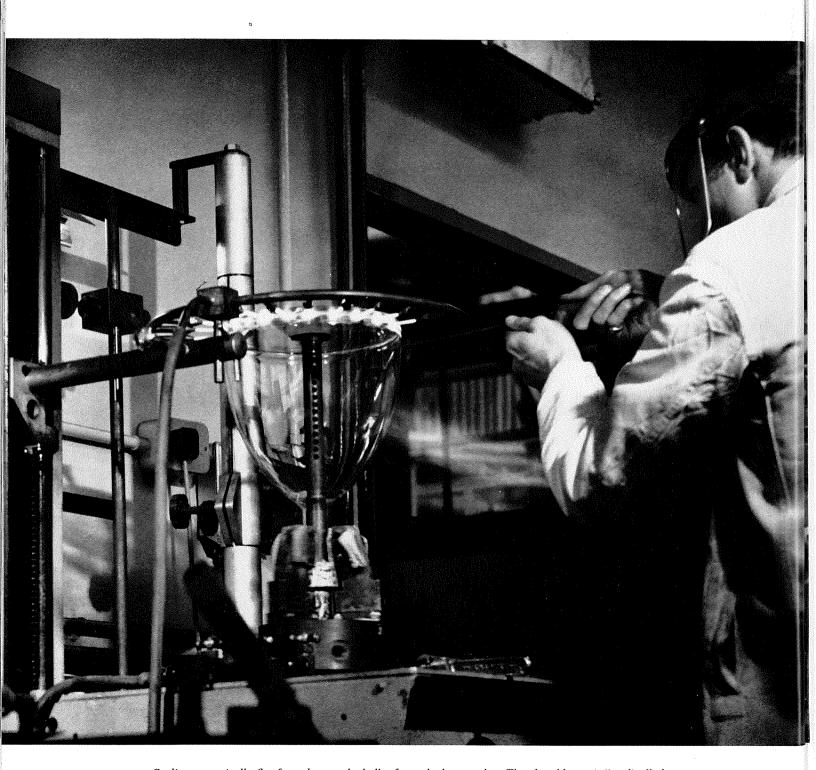


One of the main television chassis production lines at the Bush Radio Division's Plymouth factory.





The Bush Personal Portable TR 104.

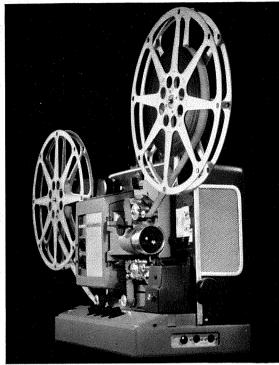


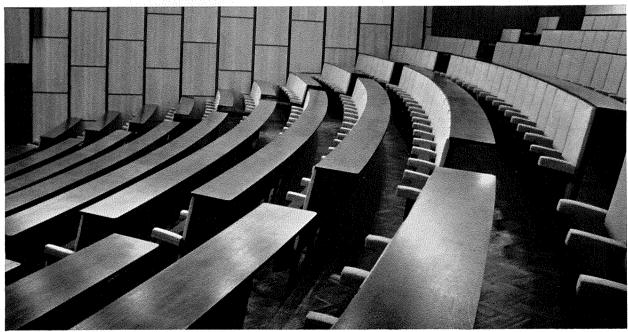
Sealing an optically flat face plate to the bulb of a cathode ray tube. The glass blower is "tooling" the glass to ensure complete fusion of the two glass surfaces. High precision cathode ray tubes provide the light source in Rank Cintel Flying Spot Film and Slide Scanners used in television studios throughout the world.

Roll surround for loudspeaker cones being dried by radiant heat after moulding and impregnating at the Wharfedale Wireless Works' Bradford Factory.

The new Bell and Howell "Filmo-sound" model 642 16 mm projector.

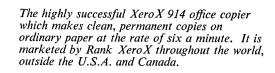


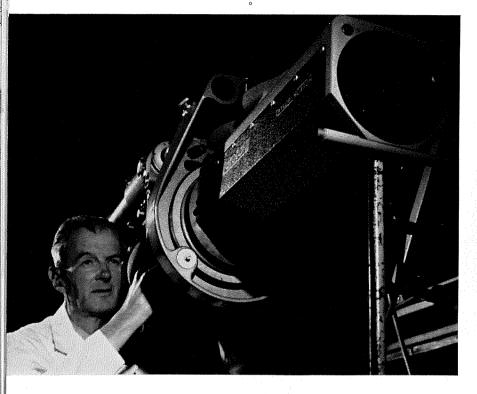


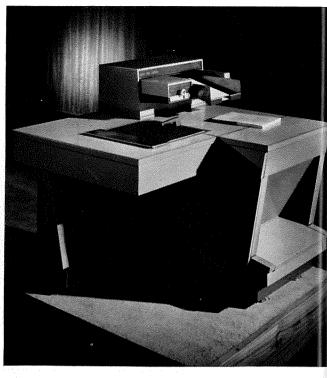


A Rank Kalee Division seating installation in a lecture theatre at Leeds University.

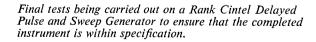
Final testing of a Varotal 111 Dual Range Television Zoom Lens at the Rank Taylor Hobson factory at Leicester. This Lens has a variable focal length from four inches to forty inches and at the touch of a lever a camera man can zoom the lens, thus dramatically changing the apparent size of the subject.

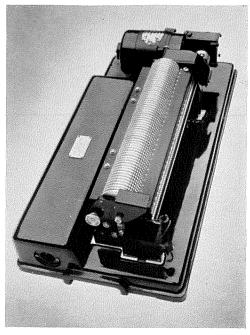












This Fibre Length Measuring Machine is manufactured at the Kershaw Division's factory in Leeds. Developed by the British Wool Industries Research Association, it is used for measuring and recording lengths of individual fibres of wool, rayon, etc.



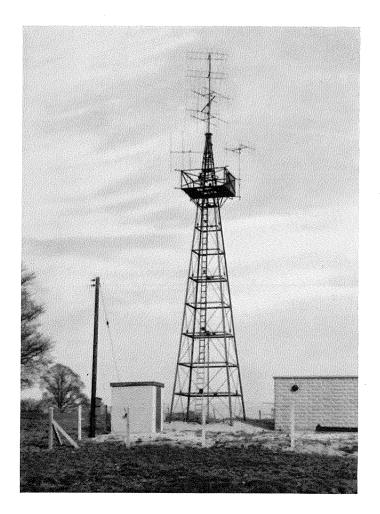
The Xeronic is the fastest business computer output printer in the world. This is one of the two models which are installed at the Ministry of Pensions in Newcastle for use with an Emidec 2400 Computer.

TELEVISION, RELAY AND RETAIL SHOPS

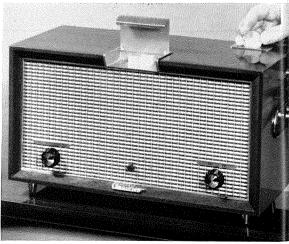
As television has grown, so the Group's activities in this field have broadened. Southern Television, in which it has a 37.6 per cent interest, brings lively entertainment to the homes of two-and-a-half million viewers in South and South-East England.

In association with Rediffusion, the Group has developed the Choiceview system for Pay-TV.

For those who prefer the advantages of television and radio reception by wire, it has established a relay operation, the third largest in the country; and in the opening of modern shops for the sale and rental of television sets and other electrical goods, it is bringing the name of Top Rank, and the concept of Top Rank service, to shopping centres throughout Britain.



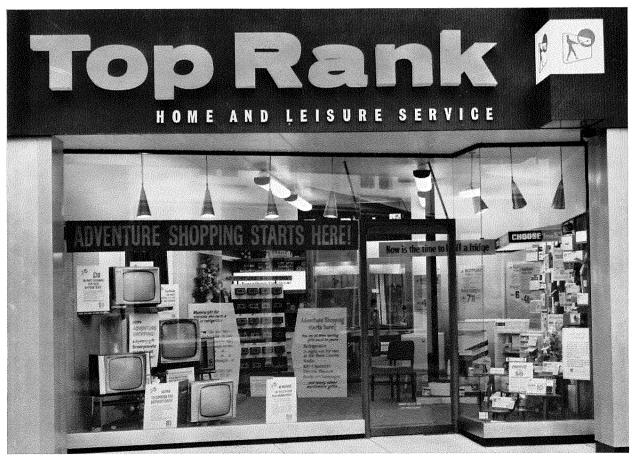
Main receiving aerials on a mast for the distribution of the Television relay system to Oxford.



A Choiceview Pay Television coin unit for use with an aerial receiver.

A Southern Television cameraman shooting the Queen Elizabeth in the Solent for "Profile of a Commodore" —a half hour networked documentary of life aboard an Atlantic liner.



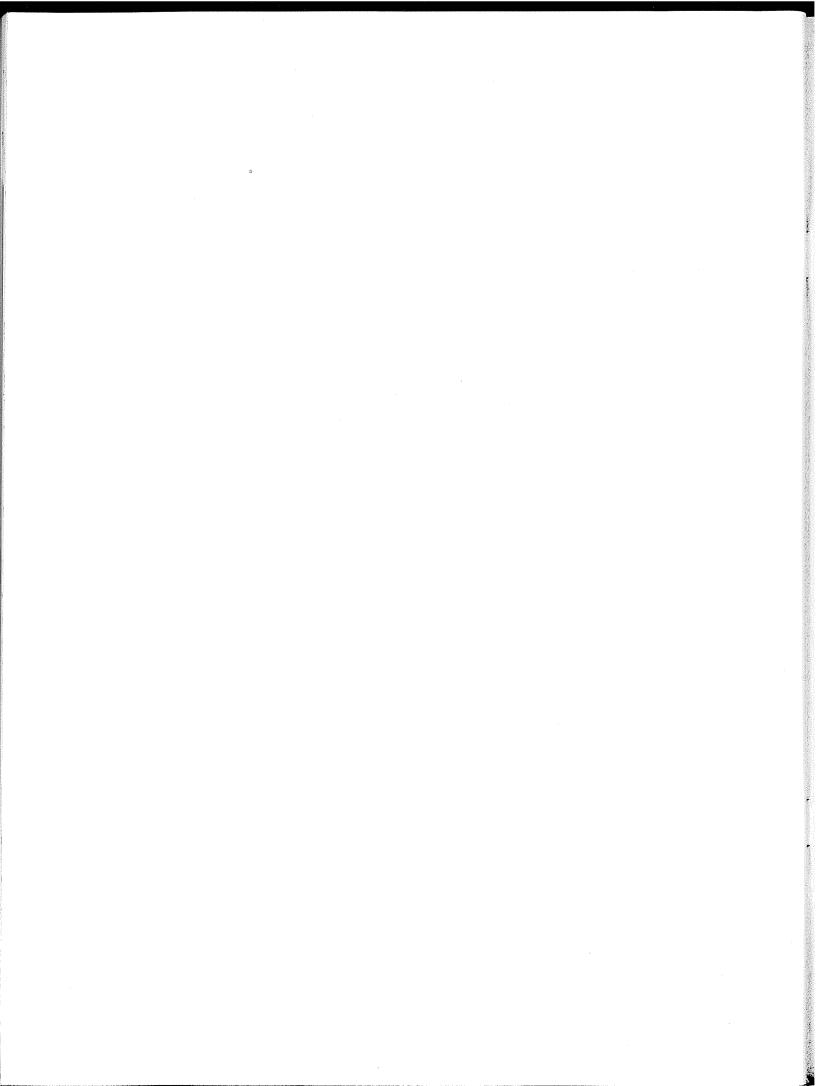


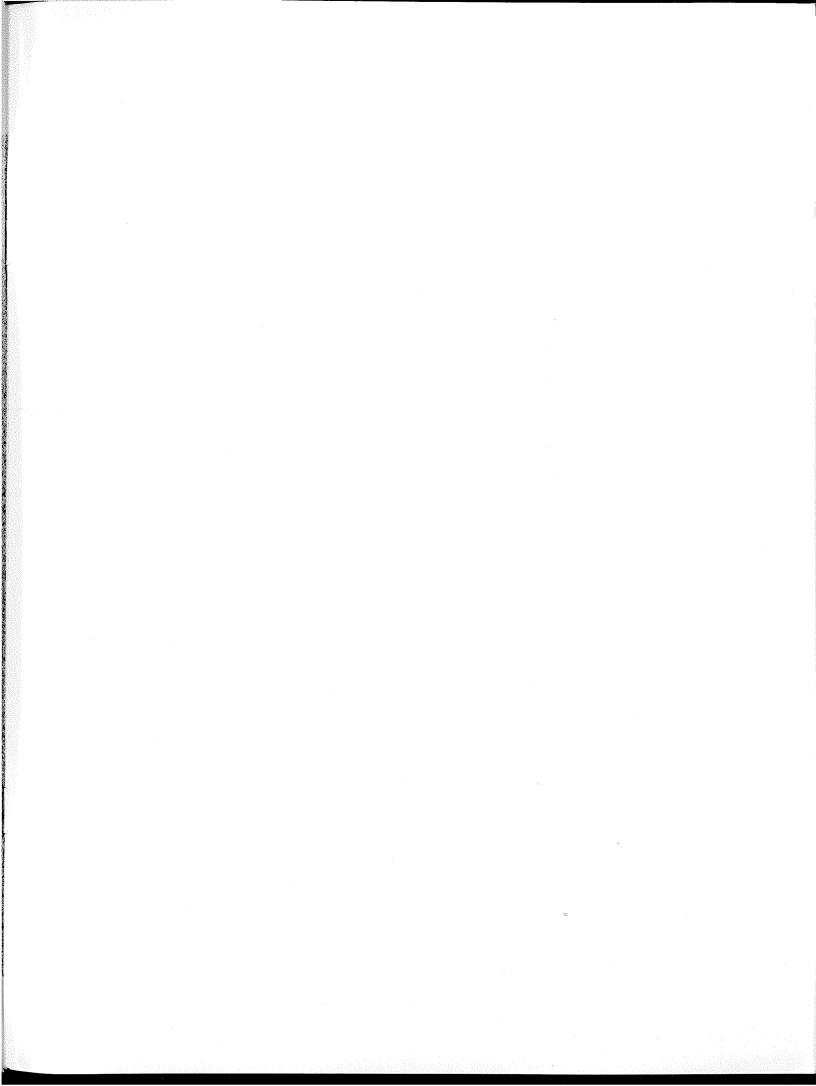
The Top Rank Home and Leisure Service shop at Ipswich.

THE RANK ORGANISATION IN THE WORLD MARKET









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