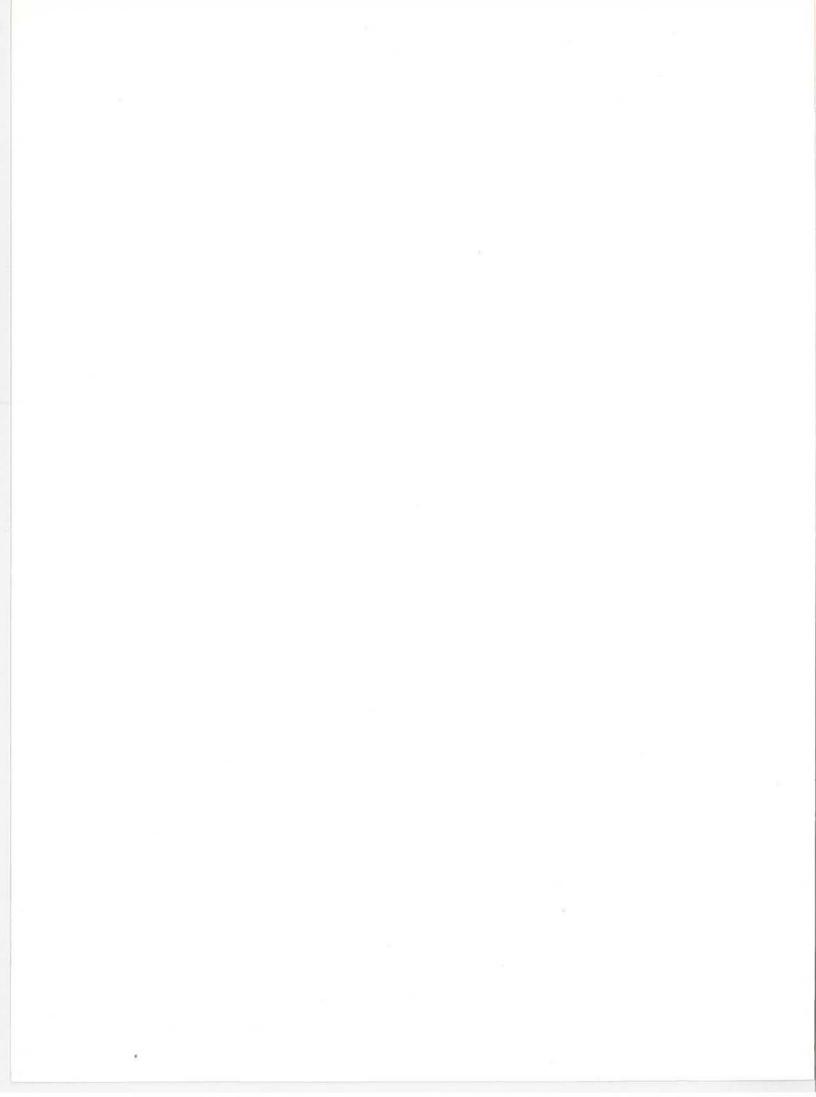


THE RANK ORGANISATION LIMITED



(30)

ANNUAL REPORT AND ACCOUNTS 1967



THE RANK ORGANISATION LIMITED ANNUAL REPORT AND ACCOUNTS



For the fifty three weeks ended 1st July 1967



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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the thirtieth Annual General Meeting of the Company will be held at The Royal Lancaster Hotel, Nine Kings Room, London, W.2, on Thursday, 19th day of October, 1967, at 12 noon for the following purposes:—

- 1 To receive the Accounts for the 53 weeks ended 1st July, 1967, and the Reports of the Directors and Auditors.
- 2 To declare a Final Dividend on Ordinary and 'A' Ordinary Shares.
- 3 To elect Directors including Mr. William E. Jenkins who became 75 years of age on the 22nd August, 1967, and Sir Ivan Stedeford who became 70 years of age on the 28th January, 1967.
- 4 To fix the Auditors' Fee.
- 5 To transact any other ordinary business of the Company.

By Order of the Board,
J. K. MONTGOMERIE,
Secretary.

Dated this 26th day of September, 1967.

A warm invitation to attend the Annual General Meeting is extended to all share-holders whether entitled to vote or not.

Under the Company's Articles of Association the holders of Ordinary and 'A' Ordinary Shares are entitled to attend but only the holders of Ordinary Shares are entitled to vote. A form of Proxy is enclosed.

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.

Subject to the confirmation at the Annual General Meeting of the proposed Final Dividend on the Ordinary and 'A' Ordinary Shares, warrants in payment thereof will be posted on 31st October, 1967, to those Shareholders on the register at 20th September, 1967.

There will be available for inspection at the Registered office of the Company, 11 Belgrave Road, London, S.W.1, during the usual business hours from the date of this Notice until the date of the Annual General Meeting:—

- (a) A statement for the year ended 29th August, 1967, of all transactions of each Director and of his family in the equity shares of the Company and of its subsidiaries.
- (b) Statements of the terms of each Service Contract, not expiring or determinable by the Company without payment of compensation within one year, of any Director of the Company with the Company or any of its subsidiary companies.

Such Statements will also be available at the place of the Annual General Meeting at least 15 minutes prior to and throughout the meeting.

DIRECTORS

THE LORD RANK, Hon. LL.D., J.P. President

JOHN DAVIS Chairman and Chief Executive

J. A. CALLUM

J. P. COLLIS Managing Director, Rank Bush Murphy Limited & Rank Audio Visual Limited

GRAHAM R. DOWSON Director of Marketing, The Rank Organisation Limited

C. R. P. HAMILTON

WILLIAM E. JENKINS, C.B.E.

F. KEIGHLEY

H. LEEMING Managing Director, Rank Taylor Hobson Limited

RT. HON. SELWYN LLOYD, C.H., C.B.E., T.D., Q.C., M.P.

RT. HON. VISCOUNT ROTHERMERE

SIR IVAN STEDEFORD, G.B.E.

JOSEPH C. WILSON (U.S.A.)

G. I. WOODHAM-SMITH

Secretary and Registered Office

J. K. MONTGOMERIE, 11 Belgrave Road, London, S.W.1.

Bankers

NATIONAL PROVINCIAL BANK LIMITED

Auditors and Consultant Accountants

PEAT, MARWICK, MITCHELL & CO.

DIRECTORS' REPORT

1 The Directors present the Balance Sheet of the Company and Consolidated Balance Sheet at 1st July, 1967, and Consolidated Profit and Loss Account for the 53 weeks ended that date.

	1	£	£
The Consolidated Surplus for the 53 w	65577		Amore
and Special Items, after providing for	r Depreciation and Interest		5,352,000
of Outside Shareholders, was Deduct Surplus retained in the Account	ats of Subsidiary Companies		4,017,000
-			
Leaving a Surplus in the Parent Comp		r .	1,335,000
The Revenue Reserves of the Parent amounted to	Company brought forward	4,599,000	
To which is added			
Dividends paid by Subsidiaries out	of prior year profits	1,558,000	
Transitional Relief under Finance A	act 1965 relating to previous	050.000	
year		350,000	
		6,507,000	
Less loss arising from non-implement	ntation of contract made in	675,000	
1963 for purchase of equipment		073,000	5,832,000
Making a total of			7,167,000
Which your Directors (a) have applie	d (b) recommend be appro-		
priated as follows:—	the year anded 20th Tune		
(a) 6½% Preference Dividend for 1967.		625,000	
(a) 8% Second Preference Divi 30th June, 1967.		208,000	
(a) Interim Dividend of 9% (5.4 and 'A' Ordinary Shares.	d. per share) on Ordinary	1,261,000	
(b) Final Dividend of 13% (7.8d.'A' Ordinary Shares.	per share) on Ordinary and	1,821,000	3,915,000
Leaving an amount to be carried forwa	rd in the Parent Company of		3,252,000

2 Holders of the undermentioned Unsecured Loan Stocks exercised conversion rights between 1st October and 9th December, 1966, and were allotted 83,810 'A' Ordinary Shares of 5/- each in the Company in exchange.

£123,865—6% Unsecured Loan Stock 1983/88 £9,607—6½% Unsecured Loan Stock 1975/79

3 It is with very deep regret that the Directors report the death in April, 1967, of Mr. T. A. Law.

During the year Mr. Sol. M. Linowitz resigned from the Board on being appointed United States Ambassador to the Organization of American States.

Mr. Kenneth Winckles resigned from the Board during the year to take up the appointment as Managing Director of United Artists Corporation in the United Kingdom.

Mr. J. P. Collis and Mr. H. Leeming, who were appointed to the Board during the year, retire in accordance with the Articles of Association and, being eligible, offer themselves for re-election. Sir Ivan Stedeford having attained the age of 70 retires in accordance with the provisions of the Companies Act 1948, and his proposed re-election will be the subject of a Resolution of which special notice has been given.

Mr. C. R. P. Hamilton, Mr. William E. Jenkins, Rt. Hon. Selwyn Lloyd and Mr. J. C. Wilson retire by rotation in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

Mr. William E. Jenkins having attained the age of 75 years, his proposed re-election will be the subject of a resolution of which special notice has been given.

- 4 Messrs. Peat, Marwick, Mitchell & Co. have signified their willingness to continue in office as Auditors.
- 5 53% of the Ordinary Shares of The Rank Organisation Limited, representing Lord Rank's and Lady Rank's original shareholdings, is owned by Odeon Cinema Holdings Limited, the whole of the Ordinary Share capital of which is ultimately owned by Film Development & Research Limited and the Trustees of the J. Arthur Rank Group Charity, to whom these interests were given by Lord Rank and Lady Rank under arrangements made in 1953, and the Trustees of the 1961 Rank Group Charity. Film Development & Research Limited, a company limited by guarantee, was set up as part of these arrangements.

Lord Rank, Mr. John Davis, Mr. F. Keighley and Mr. G. I. Woodham-Smith are members of Film Development & Research Limited and Trustees of the J. Arthur Rank Group Charity but have no beneficial interest in the shareholdings referred to above. Apart from these non-beneficial interests the interests of all the Directors of the Company and their family interests do not in the aggregate, in respect of either share capital or voting control, exceed 5% in the case of the Company or any one subsidiary.

The following additional information is given, so far as is known, regarding persons holding or beneficially interested in a substantial part of the share capital of the company.

	Ordinary Shares of	'A' Ordinary Shares of
	5/- each	5/- each
Odeon Cinema Holdings Ltd.	8,026,040	-
Guaranty Nominees Ltd.		16,995,591*
Midland Bank (Threadneedle Street) Nominees Ltd.	1,764,930	

^{*} Substantially represented by American Depositary Receipts.

6 Counsel has advised that the close company provisions of the Finance Act, 1965, do not apply to the Company.

By Order of the Board,

J. K. MONTGOMERIE,

Secretary.

26th September, 1967.

THE FINANCIAL FIGURES IN BRIEF

IN BRIEF		
	1967	1966
Sales	£171,611,000	£152,181,000
Profit before charging interest	£28,730,000	£23,388,000
Profit before Taxation	£22,437,000	£18,869,000
Profit after Taxation	£12,168,000	£10,921,000
Profit available for the Shareholders (excluding non-trading and special items)	£5,324,000	£5,468,000
Ordinary Dividend per share (before deduction of tax)	13-2d.	12·6d.
	U.S. cents 15·4	U.S. cents 14-7
Capital employed	£187,251,000	£164,728,000

Mr. John Davis' Statement

Dear Fellow Stockholder,

The financial year ended June 1967 has been a tough, rough year from a trading point of view. In common with other industries we have been affected by circumstances over which we have had no control, since they have arisen out of the Government's financial and economic policies.

Whilst these national policies have had a generally adverse effect on our affairs, we have in addition been faced with specific and heavy burdens through Selective Employment Tax, the withdrawal of Investment Allowances and heavier interest rates. It is therefore perhaps not surprising that the net taxed profit of the Group has not achieved the increase which I anticipated a year ago, but it is satisfactory that we have made the improvement in the second half-year which I hoped for in the Interim Report.

In spite of these difficulties, I am pleased to report that in the year under review the Group's turnover and profits, before charging taxation, increased substantially over those for the previous year. These results would not have been achieved without a drastic pruning of overhead expenses in all our activities.

The improvement in turnover and profits is the result of the continued spectacular advance of Rank Xerox. Our non-Xerox activities which are mainly concerned with leisure time and spending have been amongst the hardest hit by Government measures of any commercial activities in this country. The results which these Divisions have produced must be reviewed with this in mind. Having regard to the problems which have had to be faced it is not without some relief that I report that these activities have fared better than might have been anticipated and in addition, our manufacturing activities in Rank Taylor Hobson have produced excellent results with an important export element.

I am extremely pleased to report that in April, for the second year running, the Organisation was honoured by the granting of the Queen's Award to Industry as a result of the export achievements of the Rank Taylor Hobson Division. Only fifteen other companies in the country have had the honour to be granted two such awards.

Although Government restrictions on overseas investment have again retarded our programme of expansion, in the case of Rank Xerox our planned development abroad has been successfully implemented, since the necessary finance for this has been obtained on satisfactory terms mainly from local sources.

It is not my intention to deal here in detail with our various activities since full particulars are given later in this Report, but I would comment on the effect of Government policy on our Hotel operation. We would not expect that all our leisure activities should be shielded, and indeed the Cinema, Bowling and Dancing and also Television Production, Hire Purchase and Rental all suffered from the severe credit restrictions imposed last year, but we cannot understand the Government's attitude towards hotels. The hotel industry can clearly be an important contributor to rectifying the Country's present balance of payments problems by attracting overseas visitors, but it seems obvious that this fact has not been recognised by the Government.

FINANCIAL EVENTS

The continued expansion of the Organisation, principally in respect of Rank Xerox, required further finance. A limited amount of short or medium term new capital has been

raised during the year including a five year loan of £5m. Other finance has been obtained principally from local overseas sources. We shall not need to raise capital in the near future.

In the Autumn of 1966 holders of the 6% Unsecured Loan Stock 1983–88 of the Parent Company exercised their option in respect of £123,865 nominal stock which was converted to 76,796 'A' Ordinary Shares. Similar conversions of £9,607 nominal of the $6\frac{1}{2}$ % Loan Stock 1975–79 took place as a result of which 7,014 'A' Ordinary Shares were issued.

This Autumn will be the last opportunity for the holders of the 6% Unsecured Loan Stock 1983-88 of the Parent Company to convert into 'A' Ordinary Shares. This option will be exercisable in the period from 1st October to 9th December on the basis of 60 'A' Ordinary Shares for every £100 nominal of Loan Stock.

I should like to draw the special attention of the holders of this stock to this important option. Stockholders should appreciate that if the option to convert into 'A' Ordinary Shares is not exercised, their holding will become a fixed loan with a right of redemption which the Company have a right to defer until 1988.

In arriving at a decision as to whether or not to convert, an important factor to bear in mind is that, taking the value of the Loan Stock to be worth par, the rights are equivalent to a conversion price of 33s. 4d. per 'A' Ordinary Share.

Two other Unsecured Loan Stocks of the Parent Company may also be converted into 'A' Ordinary Shares this Autumn, although in these instances the options continue to be available for two further years. The terms on which these stocks may be converted are as follows:

6½% Loan Stock 1975-79—Option exercisable between 1st October and 9th December 1967. For every £100 nominal stock—70 'A' Ordinary Shares being equivalent to a conversion price of 28s. 7d.

6½% Loan Stock 1988-93—Option exercisable between 15th October and 15th November 1967. For every £100 nominal of stock—50 'A' Ordinary Shares being equivalent to a conversion price of 40s.

Taking into account all the factors affecting our activities the Directors are recommending a final dividend of 13% on the Ordinary and 'A' Ordinary Shares which, together with the interim dividend already paid, represents a total dividend of 22% (13·2 pence per share) in respect of the financial year ended 1st July 1967, as against 21% (12·6 pence per share) last year and in the preceding year.

The dividends of the Parent Company must necessarily be paid out of the Revenue Reserves available in the accounts of the Parent Company itself, although in considering our dividend policy we naturally take into account the profits of the whole Group applicable to the Parent Company.

An unusual position arose in the 1966 accounts where the Group net taxed profits for the year of £5,302,000 easily covered the net dividend cost of £3,429,000 but the Revenue Reserves of the Parent Company itself fell by some £3,000,000 as a result of the payment of the dividends.

I should explain that the reasons for retaining such large amounts of profits in subsidiaries in 1966 were mainly technical particularly since in some cases the payment of dividends by Subsidiary Companies had to be deferred until certain taxation problems arising out of the new tax legislation had been resolved. This has now been done and the Revenue Reserves of the Parent Company have benefited accordingly.

FINANCIAL ACCOUNTS

The full accounts of the Organisation will be found on pages 47 to 59 of this brochure. Additional financial information is given on pages 41 to 46.

Consolidated Profit and Loss Account—Group profit before charging interest and taxation has increased from £23,388,000 to £28,730,000. The balance of profits after taxation for 1967 available for distribution is little different from the previous year at £5,352,000.

Reference to the Analysis of Profits on pages 44 and 45 will show that the increase in profits has again been due to Rank Xerox since profits from other operations have in aggregate shown a reduction compared with last year.

More detailed comment on Rank Xerox is given later in this report. It may, however, be noted at this point that Sales and Profits reached a new peak at £61,812,000 and £21,887,000 respectively, an increase in each case of 39% and 32% over the previous year.

Turning to our Film Interests, profits from exhibition in the British Isles have fallen compared with 1966, a state of affairs which is also reflected in the film production and distribution results. Overseas exhibition has held its own. Our film processing operation, included under the heading 'Studios and Laboratories', in spite of the retarding forces affecting the Film Industry, has increased output and profits significantly, largely as a result of the expansion in demand from Television.

Of the Divisions engaged in Manufacturing, I am pleased to report that Rank Precision Industries has earned substantially increased profits from the Rank Taylor Hobson operation.

The economic difficulties affecting television manufacturing and distribution nationally have been acute, but in spite of these our Rank Bush Murphy Radio and Television Division has been able to do better than break even.

The impact of colour television promises interesting possibilities for the future in this Division.

The Electronics Division has improved its results, having incurred a loss but substantially less than in the previous year. I believe that the measures we have taken to deal with this situation will be successful and that the end of our troubles is now in sight.

For the second year running the Hotels operation (including the Motorports) has incurred a substantial loss. The adverse factors which have contributed to this are set out on page 27. Whereas we anticipated initial losses which are customary in setting up an operation of this nature, such losses have been in excess of expectations.

The further increase in the charge for interest payable reflects both the provision of additional finance, principally for the expansion of Rank Xerox, and higher average rates.

So far as our accounts are concerned, the transition to the new system of taxation in this country is now complete. Consequently, the charge for taxation on the profits of the year to 1st July 1967 reflects fully the U.K. Corporation Tax basis.

It will be noted that the charge for taxation is higher than the 40% rate for U.K. Corporation Tax. This is mainly attributable to higher rates of tax payable on profits earned overseas.

In my report last year I referred to the considerable disadvantage to the Organisation resulting from the withdrawal of Investment Allowances and their replacement by Investment

Grants. In the last financial year of the Organisation during which Investment Allowances were available for the whole period, i.e. the year to June 1965, the total allowances amounted to some £2,400,000 resulting in a reduction of £1,000,000 in taxation liabilities in the Profit and Loss Account. It is estimated that qualifying capital expenditure incurred during the year to 1st July 1967, the first full year under the new system, will entitle the Organisation to claim a total of £317,000 only in respect of Investment Grants, which will be applied in reducing the book cost of the relevant assets and has not benefited the Profit and Loss Account.

The taxation conditions and benefits existing in 1965 obviously influenced our capital investment programme so that today, as the new activities come into operation they do so under an entirely different set of conditions from those existing when the commitment was made.

The Selective Employment Tax is another factor which has appreciably reduced profits. This tax, which has operated from the beginning of September last year, has had the effect of reducing profits in our non-manufacturing activities before taxation for the 1967 financial year by approximately £850,000. On present rates, the full year's impact upon the profits of the next financial year will increase to approximately £1,030,000.

Set out below is a summary of the Group Profit and Loss Accounts for the past three years. In an endeavour to make the figures for 1965 and 1966 comparable with those for 1967, (a) the taxation charge in 1965 has been notionally adjusted to give effect to U.K. Corporation Tax at 40% instead of at 35% as provided in the accounts for that year, and (b) where applicable dividends payable to shareholders of The Rank Organisation Limited and to outside shareholders of subsidiaries are charged gross.

	1967 £	1966 £	1965 £
Profits before charging interest and taxation	28,730,000	23,388,000	15,191,000
Less Interest	6,293,000	4,519,000	3,806,000
Profit before Taxation	22,437,000	18,869,000	11,385,000
Less Taxation	10,269,000	7,948,000	4,097,000
Profit after Taxation	12,168,000	10,921,000	7,288,000
Less Outside Shareholders' Interests	6,844,000	5,489,000	2,666,000
	5,324,000	5,432,000	4,622,000
Non-trading Items, etc.	28,000	(166,000)	(75,000)
Profit available to Shareholders	5,352,000	5,266,000	4,547,000
Preference Dividends—Gross Amount	833,000	833,000	833,000
	4,519,000	4,433,000	3,714,000
Ordinary and 'A' Ordinary Dividends			
Gross Amount	3,082,000	2,937,000	2,849,000
(Rate)	(22%)	(21%)	(21%)

It is not permissible to include in the Consolidated Profit and Loss Account the Group's share of profits retained in Companies which are not subsidiaries but in which we have a substantial equity interest, such as Fuji Xerox (which is 50% owned by Rank Xerox), Southern Television and numerous cinema exhibition interests in Australia, New Zealand and South Africa. Had the profits of these Companies for the appropriate accounting periods been distributed in full the Group Profits after tax attributable to the Ordinary and 'A' Ordinary Shareholders for 1967, 1966 and 1965 would have been approximately £4,998,000, £4,753,000, and £4,111,000, in place of £4,519,000, £4,433,000 and £3,714,000 respectively.

Consolidated Balance Sheet—As a result of retained profits and further finance obtained during the year, capital employed in the Group has increased from £165m. to £187m. A summary of the Consolidated Balance Sheets for the last three years is set out below.

	1967	1966	1965
Capital Employed	L	_	L
Equity Share Capital	14,009,000	13,988,000	13,565,000
Reserves	30,216,000	28,386,000	26,067,000
Total Equity	44,225,000	42,374,000	39,632,000
Preference Share Capital	12,598,000	12,598,000	12,598,000
Outside Shareholders Interests	27,519,000	22,116,000	16,297,000
Loans and Deferred Liabilities	102,909,000	87,640,000	71,472,000
	£187,251,000	£164,728,000	£139,999,000
Employment of Capital			
Fixed Assets less Depreciation	134,564,000	117,161,000	97,889,000
Trade Investments, etc.	6,921,000	6,638,000	6,473,000
Goodwill, etc.	11,803,000	11,069,000	11,429,000
Taxation provided in respect of deferred profit	7,250,000	6,092,000	4,119,000
Net Current Assets	26,713,000	23,768,000	20,089,000
	£187,251,000	£164,728,000	£139,999,000

The 'A' Ordinary Share Capital in issue increased by £21,000 as a result of the exercise of options to convert by holders of certain of the Unsecured Loan Stocks of the Parent Company. Share Premiums also increased by £111,000 as a result of these conversions.

Other Capital Reserves have increased by £1,874,000 of which £1,785,000 arises from the decision to reflect the shareholding in Rank Xerox at par value instead of cost to take account of the substantial capitalisations of reserves by that Company in 1966 and 1967. This arises out of the arrangements with Xerox Corporation under which reserves are capitalised by reference to the restriction of dividends with consequent effect upon the 'Datum Line'.

Group Revenue Reserves were reduced by £1,328,000 as a result of the capitalisation of Reserves in 1967 by Rank Xerox referred to above. Taking into account profits retained, however, Revenue Reserves are virtually unchanged from last year at £17,581,000.

In note 14 attached to the 1966 accounts, reference was made under the heading Capital Commitments (including consequential liabilities) to a liability of £1,950,000 for purchase of equipment under a contract which was not being implemented and to the fact that no provision had been made for loss arising from such non-implementation the amount of which was in negotiation. This note referred to our policy decision to curtail development of our bowling activities in view of the unfavourable trend of results. I am glad to say that we have reached a fair and equitable settlement of our liabilities with the suppliers of the equipment on a basis of a much reduced sum, namely £675,000 including costs and this amount has been written off against Revenue Reserves (see Note 3 page 54).

It is fortunate that we have made substantial savings on certain special taxation liabilities previously provided in relation to transitional relief under Finance Acts 1965 and 1966. The amount involved £500,000 has been credited to Revenue Reserves thus reducing the net debit.

Directors—I am sure that it will be appreciated by all stockholders that in a year when we have been faced with many difficulties beyond our control, the help and advice of non-executive Directors has been of particular importance to their colleagues and to the Chairman. I would like to take this opportunity of thanking them sincerely for their help, advice and loyal support during a difficult year.

I am pleased to advise you that we asked Mr. H. Leeming, Managing Director of Rank Taylor Hobson Limited, and Mr. J. P. Collis, Managing Director of Rank Bush Murphy Limited and Rank Audio Visual Limited, to join the Board in June last, in continuance of our policy of promoting young men who are helping to further the activities of this Organisation.

During the year, we lost our great friend and colleague Mr. Thomas Law, who had been associated with us for 37 years and who was Managing Director of Rank Xerox Limited from its inception in 1956. This loss is a great one, not only in his capacity as an Executive, but because he was a kind and friendly man, beloved by all.

Two retirements have occurred. Mr. Sol Linowitz, who at the time of his retirement was Chairman of the Board of Xerox Corporation, joined the Board four years ago, since when his lively and enquiring mind had done much to stimulate discussion and thought. He was honoured by being appointed by the President of the United States to the office of United States Ambassador to the Organization of American States, which he accepted in October 1966. We regretted his leaving us, but wish him well in his new activities.

In February 1967, Mr. Kenneth Winckles, who had been a Director of the Parent Board and Managing Director of the Theatre Division for many years, was offered and accepted the appointment of Managing Director of United Artists Corporation in this country. We take this opportunity of thanking him again for his work with the Organisation and wish him well in his new undertaking.

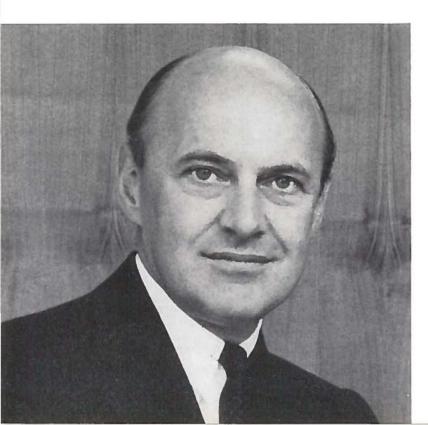
Personnel—In difficult times the quality and loyalty of staff are put to the greatest test. It would not have been possible for your Company to hold the line in face of the exceptionally difficult economic conditions, which have characterised the year under review, had it not been for the willingness of all our people to work long hours and make many personal sacrifices in respect of their leisure time.

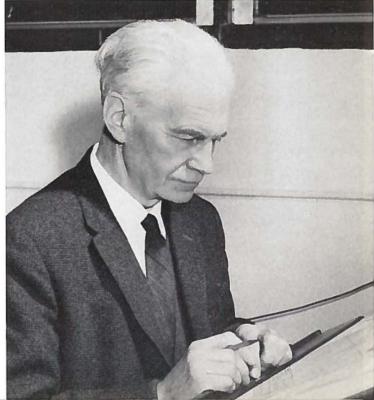
We pride ourselves in The Rank Organisation that we are a forward looking, indeed aggressive, Organisation in which there is better than average opportunity for people who enjoy the stimulus of competitive challenge. As each year goes by, we are conscious that



ABOVE: Her Majesty the Queen and Mrs. Barbara Castle, Minister of Transport, are accompanied by the Chairman, Mr. John Davis, and Mr. Graham Dowson, a senior Director of The Rank Organisation, during a visit to the Top Rank Motorport at Aust on the M4. In the background is the new Severn Bridge.

BELOW LEFT: Mr. C. Peter McColough, President of Xerox Corporation, in succession to Mr. Joseph C. Wilson, now Chairman and Chief Executive. BELOW RIGHT: Mr. R. E. ('Bill') Reason, a leading member of Taylor Hobson Division's research and development staff for more than 40 years, was awarded the O.B.E. in the Birthday Honours. Products in whose development he has played a leading role include the Division's brilliant range of roundness and smoothness precision measuring instruments,





we are consolidating our Management team and giving further opportunity to young and ambitious men to play a full part in the development of our resources.

From the Board downwards and from the humblest member of our staff upwards, we make no apology for trying to do a harder day's work than many of our competitors. It is in difficult times that the spirit in which we do our work can make the differences between success and failure.

It is traditional for the Chairman to thank the staff, but in my view our staff achieve their satisfaction not from a few lines devoted to them in the Annual Report, but in the opportunities which our Organisation offers them and in the material rewards which arise from personal success.

I much regret that under current taxation conditions there is little or no real financial incentive for our best managerial talents to work the unreasonable hours which contribute to business success and that we must rely too heavily on their loyalty and in the pride they take in their job. This seems to me to be unfair and is reflected in the national drain of some of our brightest talent to competitive countries where it is considered wise to reward hard work and exceptional ability with higher standards of living.

Sincere thanks are due to Mr. R. G. Leach of Peat, Marwick, Mitchell & Co., for his great support of this Organisation. It gives me great pleasure to congratulate him on his becoming, during 1966, Senior Partner of his firm and on his election as Vice-President of the Institute of Chartered Accountants in England and Wales.

THE FUTURE

The Stockholders know that I believe in highlighting the good and bad points of our activities and have always tried to take a realistic view of our future.

My confidence in the long term growth and expansion of the Organisation remains unchanged. The problems with which we have been faced during the past year and the national economic climate which is unlikely to improve in the near future—indeed it may well get worse—create the need for considerable caution in forecasting the future.

It is my view that The Rank Organisation's activities, excluding Rank Xerox, should, if general trading conditions do not deteriorate still further, produce profits during the current year approximating to those of the year I have just reviewed and that Rank Xerox should continue to show massive growth. The result will be that the Group's net profit for the year should on these assumptions show a satisfactory improvement over that of the year under review.

Yours sincerely,

JOHN DAVIS,

Chairman and Chief Executive.

THE CHAIRMAN'S REVIEW OF DIVISIONAL OPERATIONS

We know that the year under review has been characterised by economic crisis and measures to deal with it. Unhappily the exhortations to 'raise productivity' have played their traditional part to the exclusion of encouragement to those business techniques now understood in a modern world to fall under the heading of marketing.

The nation has been repeatedly asked to believe that simply by raising the output of each factory and factory worker it will regain its economic prosperity. But it has not so far been asked to understand that the making of things is only a part of the total commercial cycle which leads a company into profit and a nation into prosperity.

There are many who still cling to the belief that increased production alone contains the answer to our economic problems, but in my view they are living in the past—in the palmy days when British Industry had an assured world market for all the manufactured goods it could produce, whether really suitable for a particular market or not.

Today, when we must compete every inch of the way with other highly industrialised countries, the making of things becomes a simple process in a much broader and more sophisticated cycle. The real problem lies in assessing what goods to make and subsequently persuading customers on a world scale to buy them. The process is called 'marketing'.

Marketing embraces production as the tool which provides the product after a need for it has been determined and with a sales plan carefully laid for its profitable exploitation.

It is perhaps even more remarkable that our reluctance to embrace the importance of marketing and the relationship of production to this total business approach still exists in a country which is second only to the United States in the availability of expertise in this business approach.

The United States alone leads Great Britain in marketing techniques and is in this respect largely distinguished from the latter by its understanding of their importance and its willingness to embrace a marketing approach as the means of increasing its share of world markets and the resultant continuous improvement in its internal standard of living.

In this Organisation we believe that marketing is vital to the conduct of our affairs and indeed indispensable to our success. We realise that products and services are of no value unless there is a need for them and that the identification of a future need is fundamental to ultimate success; we believe that once a need is identified, great skill is required to produce a product for it at the right price and at the right time. The packaging, promotion and the disposing of it in highly competitive conditions require remorseless discipline and the employment of highly sophisticated business techniques.

To me it is a matter for regret that, although a little more lip-service is now being paid to marketing, taken by and large marketing—and in particular the branches of marketing which are usually called selling and advertising—is still regarded as parasitical and is still the subject of ill-informed attack and unrewarding and wasteful controversy.

In addition, the competitiveness of British companies is seriously threatened by a total misunderstanding of the relative size of top British companies to their major international

competitors. This stems from a misunderstanding of the marketing truth of world markets where size can no longer be considered relative to the home market, but has to be viewed against the international one where too few British companies have the resources—partially caused by being forced to work on too fine profit margins—to enable them to compete effectively on the vast scale now necessary to ultimate success.

Too many people persist in thinking on an 'island' scale but it is on a global scale that worthwhile thinking must be done and where the country's future prosperity lies.

Business ingenuity and skill can only survive on a world scale in a highly sophisticated and competitive atmosphere; the atmosphere must be such as to give creativity its full opportunity and flair its full challenge. No techniques in the field of modern mass-communication can be overlooked, nor any means of using it go untried. From the earliest glimmer of a solution to a future need to the satisfaction of that demand in the immediate or distant future the state of mind which is best called marketing can alone provide the cure for so many of the ills which still afflict our national economy.

With these points we must take into consideration the importance of research and development. It is clear to those who have thought about it rationally that great financial strength is necessary to mount the kind of far-seeing operations which will ensure future product and services which will meet new world demand at a competitive price.

In all of this the individual must not be forgotten. Whether we like it or not the modern battle of Britain is an economic battle and the heroes of that battle are the marketing men—the international salesmen who detect the need and ensure that the factory produces the product to fill it at a profit.

The encouragement to this profession, the profession of selling which I have touched upon in previous reports, is still lacking and cumulative taxation has eaten away still further at enthusiasm and at incentive.

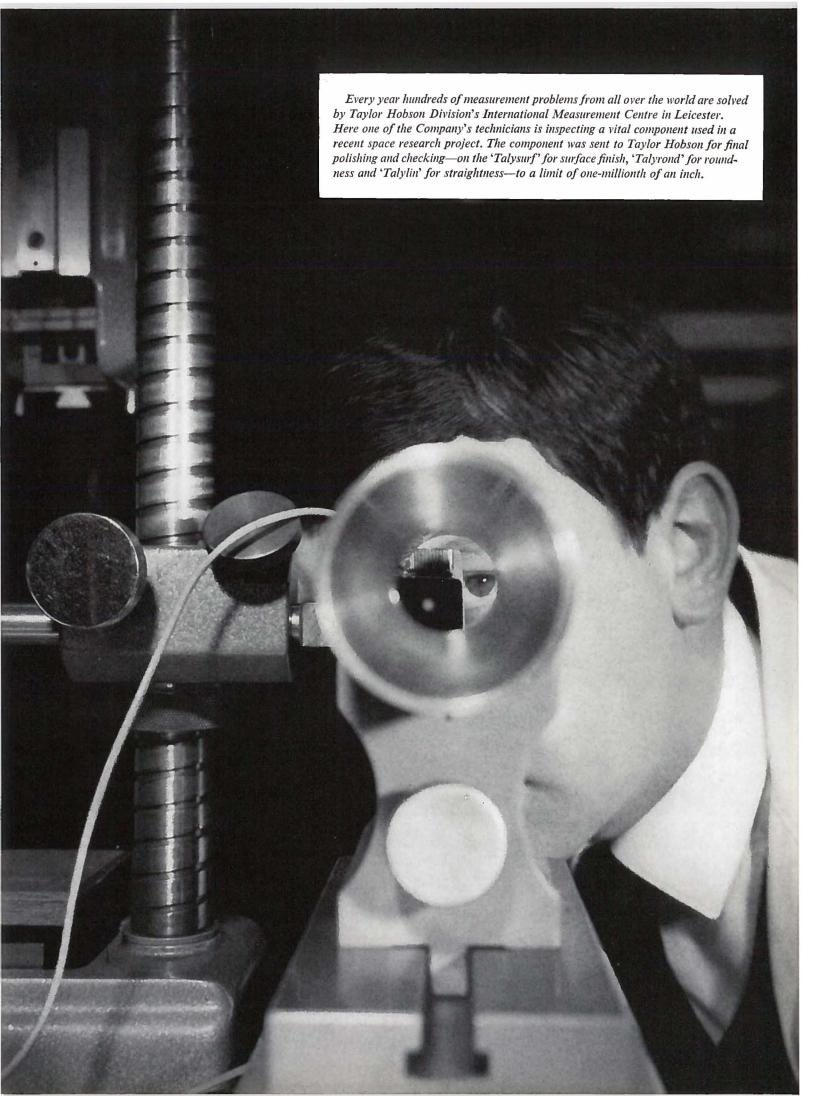
An economy which does not understand these facts, places reliance purely on the factory and cripples incentive with ever increasing taxation has little to which it may look forward.

Training Schemes—The growing complexities in the conduct of a modern business present a great challenge in the field of employee training. The pace of change requires constant education of staff at all levels to keep them familiar with up-to-date techniques, both in technical matters and in management method.

Continuing success of this Company will depend to an increasing extent on maintaining an adequate supply of people at all levels of our activities who have been trained adequately for the jobs they have to undertake.

Currently, the operations of the Industrial Training Boards set up under the Industrial Training Act of 1964, cover approximately half of our staff. These Training Boards make financial grants back on the basis of the extent and quality of training undertaken during the period for which levies have been paid.

In addition during the past year over 7,000 employees have undertaken formal training programmes of one type or another for the purpose of developing their knowledge and skills. In the coming year a substantial sum of money has been set aside for all forms of training and development. We interviewed over 700 graduates from 43 Universities and Colleges of Advanced Technology in the United Kingdom.



Detailed and comprehensive surveys are carried out in order to assess the appropriate skill and form of training needed by our Divisions for the people they employ.

We believe these efforts will have a material effect on our future activities.

FILM ACTIVITIES

Obviously, the most important single event during the year has been the delivery and consideration of the Monopolies Commission's Report of October 1966. Many share-holders will have read Press reports of the Commission's findings.

These were to the effect that monopoly conditions did prevail in the Industry and that such conditions operated and might be expected to operate against the public interest.

Eight remedies were recommended, the combined effect of which, the Commission believed, should be to permit the development of greater and more effective competition.

I am pleased to report that, as a result of discussions initiated by Associated British Picture Corporation and this Organisation with trade bodies representing the whole of the British Film Industry, agreement was reached on the methods of implementing the Commission's recommendations.

In particular, this Organisation has given undertakings to the Board of Trade to extend its practice of flexible booking, to restrict the exhibition of its own short films in its own cinemas to not more than 39 weeks in each year and to seek to exhibit independently produced short films during at least 13 weeks in each year.

Although I was disappointed that the Commission reached certain conclusions without, in my view, having adequate evidence to support them or taking into account sufficiently the counter arguments which we had put forward, nevertheless I am pleased that the enquiry took place. The immediate outcome has been to create a far better spirit of co-operation within the Industry than that which existed previously.

This Organisation will certainly do its utmost to support not only the letter but the spirit of the agreement which has been reached within the Industry and to implement the undertakings we have given to the Board of Trade.

Exhibition Domestic—The results from operating our Theatres appear on page 45. There is no doubt that they have been adversely affected by the general factors affecting leisure spending, to which I refer below.

There has been a second factor which has been with us, and which some people forget, that the success of the cinema depends on the entertainment value of the films it has to show. Unfortunately, during the year there has not been a consistent run of box office films.

I am glad to say we have been fortunate in playing the following successful box office attractions: 'Those Magnificent Men in their Flying Machines', 'Born Free', 'The Blue Max', 'Press for Time', 'Return of the Seven'.

We know that audiences' tastes are more selective than many people imagine. Consequently we have developed a flexible booking policy to satisfy these varying tastes, but even so, not enough films of the 'right entertainment kind' have come forward during the year.

EXPORTS 1963-1967

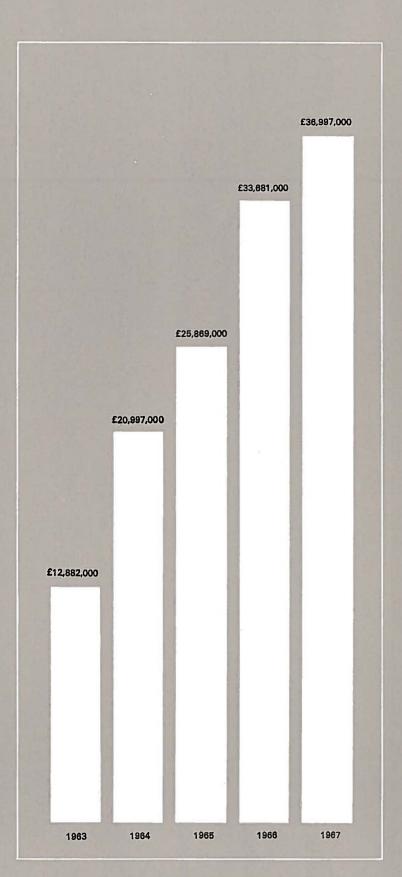


For the second year in succession, The Rank Organisation has won The Queen's Award to Industry. The 1966 Award was conferred for export achievement by Rank Xerox and Rank Taylor Hobson, and for technological innovation in optical engineering by the latter. The 1967 Award was earned by Rank Taylor Hobson for export achievement.









The number of national admissions during the past ten years has fallen from approximately 900 million to 300 million per annum, whilst the box office 'take' has fallen from £104 million to £62 million and the number of cinemas from 4,194 to 1,870.

In spite of these disturbing figures, we are satisfied that the cinema continues to offer the best form of mass entertainment and are equally satisfied that it will continue to play an important part in satisfying public needs.

With this knowledge in mind and now that the Monopolies Commission has reported, we shall, during the current year, spend an additional £2,000,000 on major renovation and redecoration schemes. We are satisfied that an investment of this nature will produce the rewards we shall need in the years ahead; other things being equal, such a reconstruction policy will be continued in subsequent years.

Much is being said within the trade that the contributions to the British Film Fund should be reduced, as independent exhibitors need help and cannot afford to make contributions at the current levels.

I have great sympathy with the problems of the independent exhibitor, because we have similar problems. Our contribution to the British Film Fund during the past year amounted to £1,837,247, being 9.6% of our box office receipts, whilst as film producers we received back only £682,700.

In spite of this position, I cannot accept the views of independent exhibitors that the size of the Fund should be reduced. Unless the Industry produces box office attractions—and to do so financial support is necessary—exhibitors cannot continue in business.

I hope an objective view will be taken of the problem.

I have already mentioned the general effect of Selective Employment Tax. It has cost this Division £321,000 in the year—this at a time of falling box office receipts and attendances.

Our operation in Northern Ireland has made further progress, although the effect of the Freeze, etc., has been more serious than in any part of the United Kingdom, raising unemployment to 8.4%. Increased costs had to be absorbed without being offset by an increase in admission prices. Here, too, the policy of renovating theatres is proving correct even under such conditions.

Odeon (Ireland) Limited—The situation has been much the same in this territory as elsewhere—rising costs, frozen prices, thus cutting into profit margins. Bearing in mind that these were outside our control, the results for the year must be regarded as satisfactory. The operation is in good heart.

Exhibition Overseas—In Canada we have continued to expand. We look for further expansion in the coming year as, fortunately, the Canadian economy remains buoyant. It has been encouraging to see a marked improvement in the results from South Africa, whilst Malaysia has maintained the level of improvement to which I referred a year ago. The heavy inroads in attendances made by television in Australia and New Zealand have continued, but here again it is encouraging that the results from these territories are holding their own.

Film Distribution—In the light of the problems that exhibitors are facing both here and

overseas, it is not surprising that our domestic and foreign distribution organisations have been faced with many problems and had to face new circumstances. I am glad to say that, by and large, they have met the new and changing conditions well.

Domestic Distribution—The Division handled 15 programmes against 14 in the previous year, seven of which were British and eight Foreign, which came from our good friends in 'Universal'. I am delighted to report that we have recently concluded arrangements with that company to extend the distribution franchise which we have operated for so many years for a further period of five years from July 1968.

The Special Features Division have produced some outstanding issues of 'Look At Life' for which we have received many congratulations, from all over the world. We are hoping that in the Autumn we shall be able to improve this series still further. I am happy to say that negotiations have just been concluded with Russia which will enable us to produce four subjects within that country, about which there is so much interest. The facilities which have been made available by the U.S.S.R. are unique. They have stated that they regard the standards achieved by the 'Look At Life' series as so exceptionally high as to justify their complete co-operation and confidence.

Overseas Distribution—The Division has made further progress in consolidating the confidence of foreign producers in the distribution organisation, as they are impressed by our efficiency, enthusiasm and impartiality. They are making available to us their films for distribution without guarantee. Several European producers have asked us to distribute their films within their own national boundaries.

The untimely death of the late Mr. Walt Disney occurred during the year. We have been proud to distribute in many territories the product from his Studios: the product which has so greatly appealed to the general public and has brought them much happiness and entertainment. His loss is a great one to the Industry.

I am happy to say that our relationship with the Disney Organisation continues to be of the best.

Film Studios—The year has been one of continuing expansion, great activity and considerable excitement. We built for the producers of the latest James Bond film 'You Only Live Twice' the volcano from which Spectre controlled its activities, involving I believe the creation of the largest single clear span building erected anywhere in the world during 1966, which work was completed in 16 weeks—this says much for the quality of the labour we employ.

In addition, 21 productions have been shot including some of the largest made anywhere in the world. It is my view that producers are attracted to our Studios because of our policy of providing the very latest equipment and having a Management and staff who obtain great satisfaction from giving good service to producers.

The two new stages to which I referred a year ago have been in full production and have been a great success. We have materially added to the facilities of all departments at the Studios and look forward to a successful operation in the current year.

Film Production—has continued to be difficult. The demand for the right combination of creative writing, producing and directing talent, with the right cast, is forever with us and is aggravated by the fierce competition for the services of these creative people.

We have continued our policy, in which we believe strongly, of co-production with foreign film-producing interests. We have produced three films and have 14 new subjects under active discussion. In addition, we produced two fully financed films.

Whilst our arrangements with the National Film Finance Corporation to which I referred in 1965 and 1966, have worked smoothly and harmoniously, I am sorry to say that we have had to provide in excess of £200,000 against anticipated losses. These losses emphasise the inherent risk in film production which does not grow less with rising costs and tighter markets; but if a producer does make the right form of entertainment the public seeks, then he secures his rightful reward.

I must refer here to the controversy within the Industry, which is of National importance, namely, the financing by American interests of a substantial portion of British film production. It is my considered opinion that it would be a disaster if, as a result of agitation within the Industry, or without, action was taken by the Government which would discourage American interests from making films in this country. I am convinced that if there were any material change in the basis by which money is contributed to the British Film Fund and by which this money is distributed, it would have a seriously adverse effect on this situation.

Years ago I held other views, but I realise that the clock cannot be put back. If it is attempted, British production will fall, studio employees will be out of work and the net earnings from film exports will be reduced.

Film Processing—We have always endeavoured to maintain this operation in the highest state of efficiency and encouraged the Management to install the latest equipment and technical improvements as these became available. This policy has undoubtedly been right.

During the year we have materially increased the orders we have secured both from this country and overseas. The result was that the trading results attained by the Division are the best in over 30 years.

The up-surge in colour printing in 35 mm. and 16 mm. has involved adjustment of the black and white facilities, which have continued to contract so that at Denham, colour output exceeded black and white for the first time. The demand from the television production industry has continued to increase materially.

Advertising Films—The Division has had a satisfactory year in spite of the material loss of revenue from cigarette advertising, which was only to some extent offset by increased sales in other fields.

Our continual efforts to streamline the activities and improve the presentations we make to national advertisers not only improve the stature of the medium, but secure further orders for us. Local sales have held up, which is encouraging—demonstrating that the demand for this medium of advertising by local shopkeepers in the vicinity of a good class cinema exists and gives benefit to them.

The Film unit has produced a number of highly specialised films, the most outstanding being 'Exploring Chemistry' (sponsored by Unilever) which won an Academy Award. In addition, three British Industrial Film Awards have been won, whilst in T.V. production a Gold Medal was secured at the International Advertising Film Festival at Cannes.



LEISURE ACTIVITIES

I have already made clear in my financial review that we have been hard hit by the economic and social pressures which have been put on Industry and the individual.

At the time when we entered into many of our commitments it was a reasonable assumption that the economic growth of this country would continue and that as a result the people would have a surplus over their basic needs to spend on 'leisure activities' of one form or another. It is regrettable that political policies have reduced the benefits accruing to the individual through unemployment and/or a restriction on overtime and increased cost of living, with the result there is less money available for people to spend on leisure activities.

It is my considered view that these activities have come through a difficult period in good shape and good heart. The Divisional Managements have reviewed every one of their operations to see if there is any way in which profitability can be improved under current conditions.

I am convinced that when economic conditions change for the better, these activities will be fit and ready to take advantage of this change and will make their proper contribution to our overall results.

During the year the activities of the Hotel Division and the Dancing and Bowling Division were merged under the new title of Leisure Services Division.

Tenpin Bowling—The problems facing this entertainment and healthy form of activity have been aggravated by the general economic conditions. Despite every effort to improve the management and reduce costs we have not been able to make an overall profit after providing depreciation, which latter provision approximates to the loss.

lce Rinks—The Brighton Ice Rink opened last October and has been successful from the day of opening. At our successful Southampton operation we are carrying through a modernisation scheme to provide improved facilities to the public. These two ice rinks represent our total commitment at the present time.

Ballrooms—Currently 13 suites and nine ballrooms are operating. Additional suites have been opened during the year at Swansea and Birmingham; a further four will be opened in the current financial year. On their opening the current expansion programme will be completed. Further commitments are unlikely to be made under present general economic conditions. The successful operation of the suites has established that there is a substantial demand for the quality of entertainment and facilities which we have to offer.

Hotels—Since the close of the financial year the Royal Lancaster Hotel, London, has opened, which completes the current building programme.

Now that the Royal Lancaster is operating, the whole of the Divisional Management effort will be applied to ensuring the profitability of the whole operation. I have no doubt that within a few years it will be an important contributor to our profits.

It is only right to say that I do not anticipate a greatly different result for the current financial year compared with the one on which I am reporting. Whilst some of the Hotels will be operating in their second year and showing improving results, we shall be faced with the heavy initial expenses on the opening of the Royal Lancaster.

The loss for the year has been aggravated by the general economic conditions which have caused a cut back on conference function and social activities; this has been coupled with rising costs which we have been unable to pass on to our customers.

On the other hand, during the two years to June 1967, we have opened ten hotels with 1,030 rooms. We knew, in the light of the industry experience, that losses in the initial periods would be made. This was a massive undertaking which perhaps initially could have been expected to create management problems.

In the case of Motorway Service Areas the problem is a very different one.

I referred last year and in the Interim Report earlier this year to the problems which had been encountered with Motorway Service Areas and to the discussions which were taking place with the Ministry of Transport. These problems are largely due to delays in completing motorway construction programmes and to a lack of practical experience by the Ministry and ourselves when the original negotiations took place.

The effect has been that either traffic flows have failed to reach the Ministry's forecast levels or that the Motorway Service Areas are not allowed to fulfil the function for which they were designed. Relatively short and unconnected strips of motorway discourage the traveller from using the revenue earning facilities of these areas as they were conceived at the Ministry's request.

There has recently been much comment in the Press and questions have been asked in Parliament about this matter, which deeply affects the public interest.

The Ministry has so far failed to recognise that in a new venture of this nature (particularly when the rent is a participating one) it is, in fact, a partnership between the Government and Private Enterprise. Both this company and other motorway service operators have incurred substantial losses as a result of rental terms which, although they appeared satisfactory in the light of the Ministry's forecasts, have proved to be completely inequitable under working conditions.

The Government should be prepared to apply to this problem similar principles to those invoked in the interpretation of recently publicised contracts for the Armed Services involving substantial repayments by Private Enterprise, but this time the other way round.

This is an industry problem. I envisage joint action with other Service Area Operators, with whom I have had discussions and who share my views.

Top Rank Television—This title was adopted during the year as being more descriptive of this Division's activities.

It has come through a difficult year in good heart. It has been faced with an insurmountable problem, not of its own creation, namely the statutory increases in the amount of the initial deposit to be paid on T.V. rental sets and/or hire purchase transactions. An increase had been made prior to June 1966 raising the deposit to 32 weeks rental, but in July 1966 this was again increased to 42 weeks rental. Inevitably, such increases have a very damaging effect on the rental and/or hire purchase of new television receivers.

The Government has just announced some relaxation in credit restrictions but at this point of time I cannot say whether this will result in any material improvement in the size of the market, either in monochrome or colour.

Southern Television Limited—I referred last year to a number of matters of importance and in particular expressed the hope that the Independent Television Authority would offer our company a renewal of its franchise to take effect from July 1968 for a term of much longer duration.

I am happy to tell you that following the submission of a detailed application and two appearances before the Authority we have been granted a renewal of our licence for a period of six years to commence at the expiry of the current term which carries us through to 1974.

It is clear from what we have been told so far that the shape of Independent Television has been quite radically altered by the appointment of new contractors and the merging of certain others. In addition, the Yorkshire area will come into being as one of the major programming sources. The Authority has made it clear that they are anxious to encourage the production of programmes on a much broader scale than in the past.

The Government decided to allow Independent Television contractors to offer a colour service to viewers, and rapid progress is being made towards this end. It now seems likely that a colour service on 625 lines in the UHF band, running parallel with our existing service in the VHF band, will commence transmission early in 1970.

Southern Television has an enviable record in the field of programme production and has made a substantial contribution to network television, particularly in the field of children's programmes.

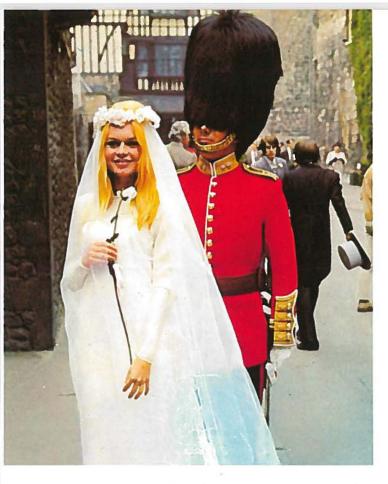
We anticipate increasing our programme output in the course of the life of the new licence. For this purpose plans are currently in progress to extend materially the studio facilities of the station, in addition to the colour equipping programme to which I referred a year ago.

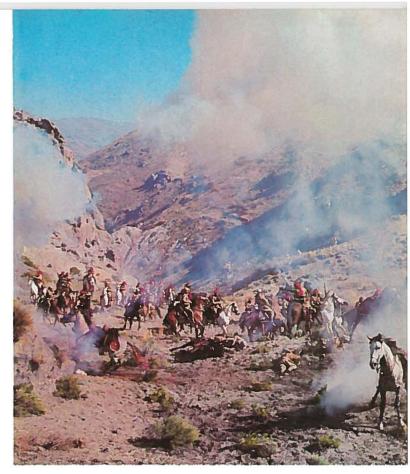
We own $37\frac{1}{2}\%$ of the issued share capital of Southern Television Limited. The Company made a profit for the year ended October 1966 of £1,166,000 before taxation (after taxation £641,000), as against £1,208,000 (after taxation £784,000) last year.

I referred a year ago to the heavy burden we carried by direct and indirect taxation; in the Television Programme Contracting Industry this year our contribution to public funds exceeded £2,000,000.

Audio Visual—There are seven trading sections within the Division, with which I will deal separately.

- (a) Andrew Smith Harkness Limited, cinema screen manufacturers, have continued to increase sales, particularly export, and had a major success at the Canadian Exhibition, EXPO '67, securing large orders to satisfy the exhibitors' special needs as film has been used imaginatively and extensively.
- (b) Electronic Tubes continues to increase its reputation for the production of highly sophisticated and specialised products. A factory adjacent to the existing one at Sidcup came on the market during the year and was acquired for future expansion. I believe,





ABOVE LEFT: Brigitte Bardot on location in Britain for 'Two Weeks in September', one of the first films made under the recent Anglo-French co-production agreement.

This picture symbolises the international partnership behind the film, which was co-produced by Francos-Kenwood for release by The Rank Organisation throughout the United Kingdom and a number of Commonwealth countries.

ABOVE RIGHT: A dramatic mountain battle scene from 'The Long Duel', a co-production between The Rank Organisation and Paramount for world-wide distribution. Set on the north-west frontier of India, this colourful and exciting story has Yul Brynner and Trevor Howard heading an outstanding international cast.

BELOW LEFT: Is there poison in the soup? A tense moment from the Morecambe and Wise comedy 'The Magnificent Two', as Ernie Wise—in his role as the presidential food-taster—acts as a human guinea-pig to find the answer. This is the third Morecambe and Wise film made for The Rank Organisation.

BELOW RIGHT: James Mason an Geraldine Chaplin head the cast of 'Stranger in the House', a suspense thriller based on a George Simenon novel. For distribution in the Eastern Hemisphere by The Rank Organisation, the film is a de Grunwald Production in Eastman Colour, directed by Pierre Rouve.





in view of the esteem in which their work is held, they will continue to make progress in the current year.

- (c) Rank Photographic and (d) Pullin Photographic have both had an extremely difficult year being severely affected by the credit squeeze, with the result that losses were made; these have been firmly controlled. Under current conditions, I do not look for any material change in the results for the current year.
- (e) **Top Rank Film Processing**, processors of amateur film, has had a profitable year and continued to make progress, largely because of the high quality of its work and the customer service which it provides.

We have recently entered the 'commercial market', as it is a less seasonal activity and should do more to iron out the production ups and downs with which we have been faced in the amateur market.

- (f) Rank Audio Visual has a substantial range of products covering visual and audio visual equipment, many of which are used in the expanding training and educational markets. The needs of educational technology continue to grow as does the demand for the educational material our Library supplies. Our supply of films in this field is being steadily built up.
- (g) Rank Film Library has had another good year and has been streamlined to meet changing conditions. I feel sure it will make further progress.

MANUFACTURING ACTIVITIES

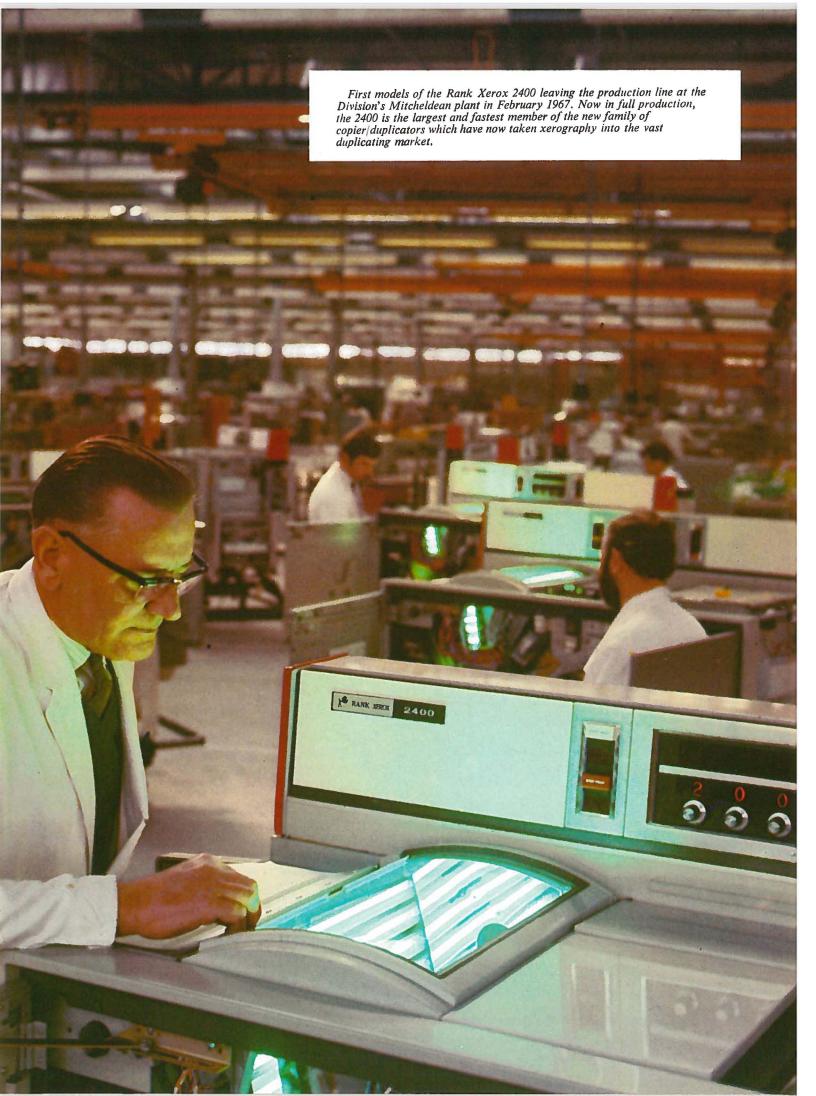
It is unfortunate that I have again to place considerable emphasis on the problems created by the Government measures of July 1966.

Under the heading of Top Rank Television, I have already dealt with the impact of the credit squeeze on the rental and hire purchase business. In considering the problems of the Rank Bush Murphy Division, I cannot emphasise too strongly the impact of the deflationary measure on the industry where 70% of new sets are placed on the market through rental operations.

In the last two years National production has fallen from approximately 1,600,000 sets to 1,175,000 sets. Consequently, Bush Murphy was faced at the beginning of the year with the prospect of lower sales in the light of general market conditions. Bush Murphy had reported a loss for 1965/66. We attacked the problem on two fronts: a drive to reduce materially the cost of production and the size of the overhead—which was successful—and, on the other hand, a more aggressive marketing philosophy coupled with the introduction earlier than usual of the new season's models, which were well received and are selling satisfactorily. The result is that we contained the prospective curtailment of sales and, in fact, increased our market share.

In the circumstances great credit is due to all concerned that a profit was achieved.

Colour Television production started in April at Plymouth. The factory should be producing 750 sets a week by the time this Report is published. Our initial programme provides Bush and Murphy with 25" Console models. We intend to introduce further 25"



and 19" models later in the year. It is probable that in the calendar year 1967 the demand for colour sets will be in excess of production.

I am often asked what I think about the future of colour. It has a great future, but so much depends on the timing of the introduction of colour on B.B.C.-1 and I.T.A. and on the general economic conditions in the country and the level of credit and hire purchase restrictions. I do not anticipate a great upsurge in demand for the next two or three years, but we are watching this situation closely.

In the Radio market it is unfortunate that with the pattern of declining sales of British made sets, the importation of foreign sets continues to expand. The position now is that British production has fallen below 1 million sets a year, while imports have increased to 1,800,000. In spite of this unhappy situation, we increased our share of the market significantly and sold more radios than in the previous financial year. The 15 gns. Bush and Murphy Radio has proved an exceptionally successful model.

Attractive, important advertising campaigns have been prepared both in Television and Radio for this Autumn, which I hope will ensure that we maintain our share of the market.

The rationalisation of the **Electronics** operation has continued, resulting inevitably in a further loss, but substantially less than that of the previous year. The Management of the Division has assured me that in the current year they will produce a profit.

This Division markets a number of important products, in particular the professional television equipment sold under the name 'Rank Cintel'. Our order book for colour telecines, broadcast slide scanners, etc. is substantial, including substantial sales to Russia, Italy and Japan.

Overseas Manufacturing Investments—Our associates both in India and Ireland continue to make good progress.

In India, both Mulchandani Electrical and Radio Industries Ltd. and Murphy India Ltd. have considerably increased their turnover and profits. On the other hand, our income from royalties in exchange for know-how, etc. has been reduced, as the Indian Government has not authorised a renewal of one of the manufacturing agreements.

The new factory of Murphy India Ltd. is nearing completion and should be in full operation by the end of the calendar year.

Bush Ireland Limited has had a satisfactory year's trading and is fully maintaining its position in the market, under difficult conditions.

Rank Taylor Hobson—The reorganisation over recent years, coupled with heavy capital expenditure, resulted in materially increased profits. Research and development are, I am glad to say, continuing to show the results we anticipated.

Thus, the year has been a pleasing one on two counts: firstly, that this is the second year in succession that the Division's exports were honoured by the Queen's Award; secondly, turnover and profits showed a record increase, reflecting great credit on the marketing operation.



ABOVE: Completed in December 1966, the Marble Arch development includes a new 1366-seat Odeon, a parade of shops, and a 250-foot office tower block which has been leased by the Gas Council as its new Headquarters and commercial centre. The new Odeon, which forms part of the development, was hailed by the press as setting a new standard of decor and technical excellence. It is one of a number of major reconstruction and development schemes by The Rank Organisation throughout Britain.

BELOW: This escalator—the first in any British cinema—whisks patrons from the foyer of the Marble Arch Odeon to the lounge and auditorium on the first floor.



In the first half of the year the orders taken were running at a considerably higher rate than that in the previous year, but in the second half eased. Consequently, whilst I view the future with confidence, I would be happier if the order book at the end of the year had been somewhat larger.

Unfortunately, there is no sign of change in the capital investment programme in the United Kingdom. The effect of the credit squeeze began to show some 18 months ago in a general cut back in capital goods spending.

The products of the Division continue to lead in world markets. Our lens exports represent some 80% of the Nation's entire exports in this field, a large proportion going to the expanding colour TV services in the United States.

We are retaining our leadership with the recent introduction of the 16:1 Zoom lens for both black and white and colour, which, incidentally, was used for the first time to record England's victory in the World Cup matches at Wembley.

It is interesting that in addition to our success in overseas sales to the West (and other territories), we have secured substantial orders from the East Bloc markets, including one from Russia, primarily for measuring instruments.

As it was impossible to extend our Birmingham factory we took a long term view and entered into an arrangement with the Board of Trade and the Royal Burgh of Kirkcaldy to build the first stage (100,000 sq. ft.) of a new factory at Kirkcaldy. When the move has been effected the Birmingham factory will be sold. The starting up and removal costs must have some adverse effect on the current year's profits.

We are one of the pioneers in this country of Fibre Optics, the use of which we believe will materially increase in the years ahead and will become an important profit contributor.

It is our belief that it is vital for the future of the Division and the country that there must be sufficient Optical Engineers available in the future to meet the demand, as optics will, we believe, be used to an ever increasing extent in industrial activities. We believe that it should be recognised by both Industry and by Government that much more research needs to be done in the field of optics in order to meet the needs of British Industry and avoid dependence upon other advanced technological nations. To this end and in order to help, we provided the funds for the establishment of a Chair in Applied Optics at Reading University.

Rank Wharfedale has had a difficult year. Some reorganisation has been necessary, the outcome of which will lead to improved efficiency and profitability. The main product lines have held their position in the market.

RANK XEROX

I have looked back to see what I have said about this activity in recent years and it seems that I have described each year's growth with a dramatic adjective. The importance of the product to our customers is now well known and the consequential increase in turnover and profitability this year shows the need for a new adjective to describe it—

'massive' seems right since we have increased our turnover by 39% and our profit before interest payable by 32%; or put another way, sales have increased by 850% since 1963, a large portion of this increase being in overseas markets. This is surely a massive growth.

I must also repeat something else I have said before, namely that these results do not just happen. They are the outcome of a great deal of hard work and meticulous forward planning by the Management and Executive at all levels. The result is that in the year under review, despite the general economic situation—not only in this country but in certain other important overseas territories—we have been able to maintain our momentum, and this gives us added confidence for the future.

In past years I have given an indication of our machine population and our anticipated growth in the year ahead. I shall not give similar information now or in the future. The reason I am ceasing to give information of machine populations is because whilst in the early years of the Company's development it was a useful yardstick of growth, now with a wider range of machines and with the new Copier-Duplicators already generating notably higher copy volume, our progress will, in fact must be, measured by revenue growth rather than the number of machines in use. The 2400 is an outstanding example of this new trend.

We have now entered the duplicating market, a big step forward from the purely copying market. The first two models in the Copier-Duplicator range (330 and 420) played a big part in the success of the year's operation, underlining that our ambitions in this field are reasonable and attainable.

Our new machines are taking over work which has hitherto been done by traditional duplicators, particularly stencil duplicators. Users are finding, as we have believed they would, that the ability of our machines to duplicate direct from the original document significantly speeds up their work and saves the delay and expense of cutting a stencil or making a special master.

I must make it clear that with our present machines we are not competing for the long run work, which should generally be thought of as printing. We are in the huge segment of the market where the number of duplicates required from the original is relatively low and where the cost of 'master making' adds significantly to the final cost.

In the past year we have demonstrated our ability to compete in the duplicating field. This year our users and the public will come more and more to identify us as a Copier-Duplicator Company. This change will both come from—and add to—our marketing success.

Turning to **New Models**, some minor production problems delayed the introduction of the highspeed Copier-Duplicators 720 and 2400, but these have been resolved and production is now going ahead according to plan. Whilst operational experience is limited, the results so far show that the usage of the machines and therefore the revenue is above expectations.

By a coincidence, the first 2400 was delivered to New Scotland Yard in February last for use in their new modern headquarters. Other installations have naturally followed and by the end of the financial year we were starting to make deliveries to our customers in France, Germany and Italy.

The introduction of these machines greatly extends our 'family' and enables us to offer our customers much greater facilities and a greater freedom of choice. To take full advantage of this, our sales force has had to be re-trained to develop the full potential of the Copier-Duplicator market.

This will lead to our taking out in some cases, one or more of our Copiers and replacing them with Copier-Duplicators. We have always believed that this freedom of choice for the customer is a valuable part of our rental scheme. Our customer has not invested capital in the machine: he does not have to resist change to safeguard his investment. We, on the other hand, through our flexibility can place the machine to perform a different role for the same customer or place it economically with a lower volume user who could not justify the use of a more powerful machine.

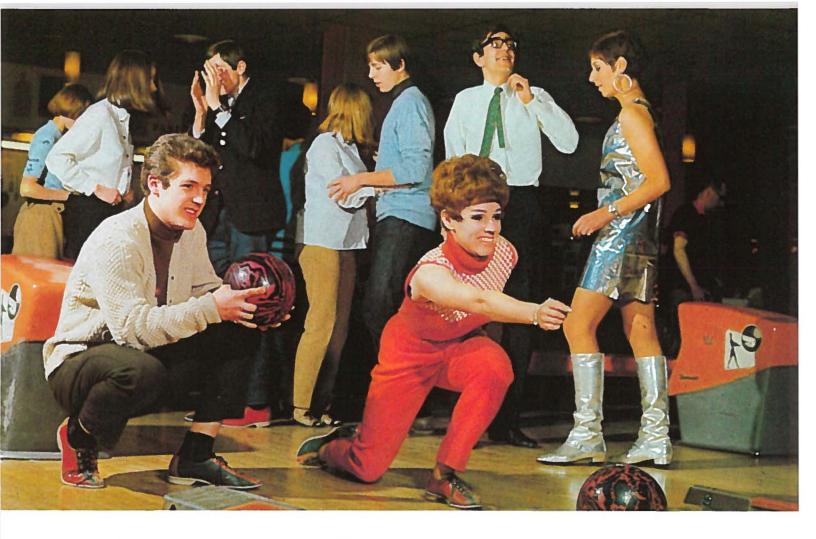
We never stand still. Our 'market development' people realised that with the increase in the size of our family of machines we could extend the service we give our customers through the use of 'systems'. This is an application of copying to a wide variety of routine, clerical and administrative applications, which simply could not be tackled by older copying processes. To develop fully this new segment of the market we are building specialist teams solely concerned with devising additional applications for our customers' benefit.

Engineering and Production is effected at the Mitcheldean Plant. Obviously, the biggest development of the year was the equipping and starting up of the 2400 production line. It has been suggested to me—and I think rightly so—that the manufacture of this machine compares in complexity to the introduction of a new car, which is reflected in the fact that when we started production we had approximately £5 million invested in it. Whilst the 2400 production was getting under way, production of the 720 Copier-Duplicator had also started and production of the 914, 420, 813 and 330 continued. A complex but successful programme.

The consumables plant at Venray, Holland, is now on full stream and supplies our customers within the European Economic Community, whilst the U.K. plant supplies the European Free Trade Association and more distant markets. To cope with the increasing demand, we are moving the U.K. plant to a much larger site at Welwyn Garden City.

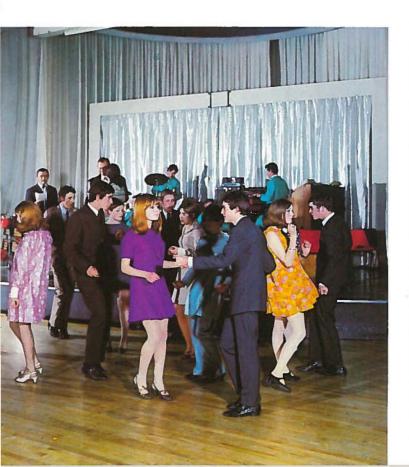
Important major machine reconditioning centres have been opened at Mitcheldean and Venray. In addition, in each territory a national reconditioning centre has been established to cover more routine reconditioning requirements.

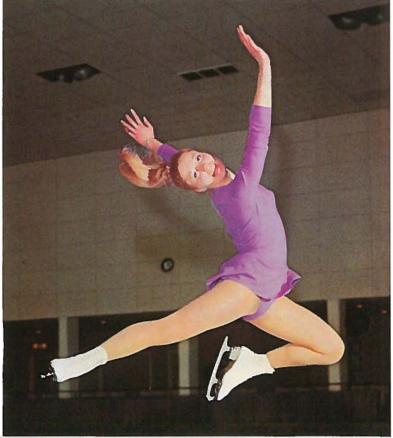
All these new operations which are an extension—a massive one—of existing operations, with a rate of growth which I defined in the opening paragraph of this Report, throw a great strain on the planning people who have stood up to the problems well.



ABOVE: A 'Teen and Twenty' session at a Top Rank Bowl brings dancing on the concourse floor against a background of the modern disc scene.

BELOW LEFT: Dancing gets under way at the Top Rank Croydon Suite, to the sound of Reg Brooks and his band. Opened in the summer of 1966, the Croydon Suite's range of audio-visual facilities and automated controls makes it one of the best-equipped in Europe. BELOW RIGHT: A dazzling display of grace and skill from an international figure skating star at the Top Rank Ice Rink, Southampton.





It was encouraging when the Chancellor of the Exchequer, The Rt. Hon. James Callaghan, opened our new London international headquarters, Rank Xerox House, for him to describe our operation as:

'The most fantastically successful enterprise of this decade'.

Whilst he kindly complimented the Company on its record of export achievement, he nevertheless exhorted us to do even better in the future!

Fuji-Xerox—Our associated Company reported a 61% increase in sales for the year ended the 20th March 1967. Profits grew at a faster rate than sales. They are now preparing to market the range of Copier-Duplicators.

This inevitably leads to a need to expand production facilities, both for machines and consumables. It is interesting to note that they now employ over 1,100 people.

Patents—Rank Xerox patents portfolio has grown in step with the new developments coming forward from Xerox Corporation. Four hundred and thirty-eight applications have been filed and on the 1st July last we had 915 patents with almost 1,200 applications outstanding in 35 countries—a not insignificant situation.

Financial Results—The summarized results for the last five years are as follows:—

Period Ended June	Sales/Rental Income	Profits after Interest but before Taxation
	£	£
1967	61,812,000	18,913,000
1966	44,353,000	14,786,000
1965	26,933,000	6,965,000
1964	14,971,000	2,760,000
1963	6,464,000	907,000

The profits for the second half of the financial year to June 1967 were adversely affected by heavy start-up costs at Venray and Welwyn and by substantial expenditure on training sales and service personnel prior to the introduction of the 720 and 2400 Copier-Duplicators, from which little or no benefit accrued during the financial year.

Consolidated Balance Sheet—The Statement below sets out the net assets under their significant headings:—

Final Association and	1967 £	1966 £	1965 £
Fixed Assets (including rental equipment) less Depreciation	61,366,000	46,700,000	31,610,000
Net Current Assets	13,205,000	10,295,000	5,586,000
Trade Investments, etc.	397,000	397,000	397,000
Goodwill, etc.	90,000	187,000	248,000
Taxation provided in respect of deferred profit	7,250,000	6,092,000	4,119,000
1.00	82,308,000	63,671,000	41,960,000
Less Loans and Deferred Liabilities	42,012,000	31,755,000	19,455,000
	40,296,000	31,916,000	22,505,000
Less Outside Shareholders' Interests	226,000	130,000	87,000
Net Capital in Rank Xerox Limited	£40,070,000	£31,786,000	£22,418,000
Represented by:			
Share Capital	20,772,000	17,456,000	14,410,000
Shareholders' Loans	3,000,000	3,000,000	3,000,000
Reserves	16,298,000	11,330,000	5,008,000
	£40,070,000	£31,786,000	£22,418,000

The above figures speak for themselves. In order to interpret them, in spite of our Cash Flow now running at the rate of £19,000,000 a year, our Budget showed that we needed additional money to finance the current year's marketing programme and further additions to our stores, warehouses, etc. I am glad to say that our needs have been provided by means of additional overseas bank credits, etc. to June 1968 at least.

In the year to June 1967, we again restricted the amount of the dividend. In agreement with Xerox Corporation £3,316,680 has been capitalised by means of a scrip issue of 829,170 'A' Shares, 829,170 'B' Shares, 1,105,560 'C' Shares and 552,780 'D' Shares.

I believe it is helpful for shareholders to be reminded of the basis upon which the partners have agreed to provide additional capital, namely 50% through the 'A' and 'B' Shares and 50% through the 'C' and 'D' Shares. The profits are split equally between the 'A' and 'B' Share capital up to a sum equal to half of the 'A' and 'B' capital, which is called the 'Datum Line'. At June last, this stood at £6,088,162. The balance is allocated, two-thirds to Xerox—the 'C' Shares, and one-third to Rank, the 'D' Shares.

The issued share capital at 1st July 1967 was:-

Allottees	Class of Share						
Anottees	A	В	С	D			
The Rank Organisation Ltd. and Gaumont British Ltd.		3,044,081		1,432,649			
Rank Precision Industries Ltd.		3,044,081		1,432,649			
Xerox Corporation	6,088,162		5,730,597				
	£6,088,162	£6,088,162	£5,730,597	£2,865,298			

I have tried to condense the story of our growth during the last year. In the process it was necessary to leave out much which is both interesting and exciting.

One matter I have not mentioned and which is of the utmost importance is that our partner Xerox Corporation during their last financial year—the calendar year 1966—introduced or announced more new products and services than in any other year of their history. I know there are more exciting products to follow, which stresses the strength of the venture and its potential for future growth.

I am convinced that we shall continue to make massive progress in the years ahead.

The relationship between the Management of Xerox Corporation and The Rank Organisation continues to be excellent. This stems from the happy relationship which exists between Mr. Wilson, Chairman and Chief Executive of Xerox, the new President Mr. Peter McColough, and myself.

FINANCIAL INFORMATION



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Ten Year Financial Review

£ figures in thousands

	1967	1966	1965	1965 * Adjusted	1964
Profits					
Profit before Interest Payable and Taxation	£28,730	£23,388	£15,191	£15,191	£11,326
Interest Payable	6,293	4,519	3,806	3,806	2,354
Profit before Taxation	22,437	18,869	11,385	11,385	8,972
Taxation based thereon	10,269	7,948	3,798	4,097	3,194
Profit after Taxation	12,168	10,921	7,587	7,288	5,778
Outside Shareholders of Subsidiaries	6,844	5,453	2,578	2,506	1,171
	5,324	5,468	5,009	4,782	4,607
Non-Trading and Special Items	28	(166)	(99)	(75)	158
	£5,352	£5,302	£4,910	£4,707	£4,765
Appropriation					
Dividends of Parent Company:					
Preference	£833	£661	£500		£417
Ordinary	3,082	2,768	1,673		1,477
Additions to Reserves, etc.	1,437	1,873	2,737		2,871
	£5,352	£5,302	£4,910		£4,765

£33,572 12,553 9,685

> 6,045 29,192 17,910 5,604

£114,561

£77,237 9,035 5,551 19,758 2,980

£114,561

Taxation on unrealised Inter-Group Profits	7,250	6,092	4,119	
Net Current Assets	26,713	23,768	20,089	
Investments	6,921	6,638	6,473	
Goodwill	11,803	11,069	11,429	
Fixed Assets	£134,564	£117,161	£97,889	
Represented by:	TOTAL DE			
	£187,251	£164,728	£139,999	
Bank Loans and Overdrafts	15,484	11,447	5,703	
Short Term Advances	33,296	25,326	23,088	
Loan Capital	49,086	47,611	41,469	
Taxation Equalisation (and up to 1964 Future Income Tax)	5,043	3,256	1,212	
Outside Shareholders of Subsidiaries	27,519	22,116	16,297	
Preference Share Capital	12,598	12,598	12,598	
Ordinary Share Capital and Reserves	£44,225	£42,374	£39,632	

£187,251

£164,728

£139,999

^{*}Note: These figures have been adjusted to give effect to charging Corporation Tax at 40% instead of at 35% as provided in the accounts for 1965.

1963	1962	1961	1960	1959	1958
£8,370	£6,617	£6,451	£5,122	£4,088	£2,993
2,062	1,647	1,369	1,119	1,103	1,212
6,308	4,970	5,082	4,003	2,985	1,781
2,751	2,614	2,732	1,962	1,788	1,558
3,557	2,356	2,350	2,041	1,197	223
618	450	1,048	1,322	1,027	467
2,939	1,906	1,302	719	170	(244)
3	91	(138)	25	182	440
£2,942	£1,997	£1,164	£744	£352	£196
£327	£218	£101	£101	£98	£95
969	795	441	230	154	64
1,646	984	622	413	100	37
£2,942	£1,997	£1,164	£744	£352	£196

£88,683	£76,241	£65,198	£58,936	£58,310	£58,344
824					_
11,233	11,560	8,567	7,376	6,470	5,878
7,367	8,177	6,214	5,888	6,031	4,939
8,014	6,809	5,061	1,528	1,332	1,359
£61,245	£49,695	£45,356	£44,144	£44,477	£46,168
£88,683	£76,241	£65,198	£58,936	£58,310	£58,344
9,143	6,961	6,880	6,060	6,742	7,165
8,203	3,202	2,977	-	-	_
23,307	23,776	18,454	15,826	15,758	16,274
4,471	3,852	3,640	2,851	2,425	2,946
10,082	8,909	17,378	21,657	21,197	20,069
8,529	8,529	2,750	2,750	2,750	2,750
£24,948	£21,012	£13,119	£9,792	£9,438	£9,140

Analysis of Sales and Profits

£ figures in thousands

	1967			1966		
	The Rank Organisation other than Rank Xerox	Rank Xerox	Total	The Rank Organisation other than Rank Xerox	Rank Xerox	Total
Sales	£109,799	£61,812	£171,611	£107,828	£44,353	£152,181
Profit before Interest Payable and Taxation	£6,843	£21,887	£28,730	£6,780	£16,608	£23,388
Interest Payable	3,319	2,974	6,293	2,697	1,822	4,519
Profit before Taxation	3,524	18,913	22,437	4,083	14,786	18,869
Taxation	1,744	8,525	10,269	1,499	6,449	7,948
Profit after Taxation	1,780	10,388	12,168	2,584	8,337	10,921
Outside Shareholders	306	6,538	6,844	257	5,196	5,453
Profit attributable to The Rank Organisation Limited (excluding Non-Trading and Special Items)	£1,474	£3,850	£5,324	£2,327	£3,141	£5,468

Analysis of Sales other than Rank Xerox	1967	1966	1965	1964	1963
Film Exhibition:					
British Isles	£29,855	£32,622	£28,713	£28,654	£26,161
Overseas (mainly Canada)	6,513	6,025	5,106	4,753	3,785
Film Production and Distribution	10,508	10,161	10,622	10,639	9,463
Film Studios and Laboratories	4,988	4,326	4,070	3,713	4,058
Manufacturing	25,704	25,003	24,023	22,336	25,421
Audio Visual—Wholesale	6,588	6,650	6,821	5,638	2,540
Tenpin Bowling, Dancing and Bingo	8,956	7,787	7,181	6,185	4,493
Hotels and Motorports	7,206	5,523	4,638	1,451	351
Television Rental, Relay and Retail	7,418	7,803	7,206	6,565	4,233
Sundries, including Advertising Films	2,063	1,928	1,834	1,678	2,043
TOTAL SALES	£109,799	£107,828	£100,214	£91,612	£82,548

Note: The figures for 1965 reflect the position after providing for Corporation Tax at 35%. If provision had been made at 40% the profit attributable to The Rank Organisation Limited would have been as follows:

£ figures in

The Rank Organisation other than Rank Xerox	thousands 3,091	
Rank Xerox	1,691	
	£4,782	

1965 (See note)				1964			1963		
The Rank Organisation other than Rank Xerox	Rank Xerox	Total	The Rank Organisation other than Rank Xerox	Rank Xerox	Total	The Rank Organisation other than Rank Xerox	Rank Xerox	Total	
£100,214	£26,933	£127,147	£91,612	£14,971	£106,583	£82,548	£6,464	£89,012	
£6,943	£8,248	£15,191	£7,950	£3,376	£11,326	£7,254	£1,116	£8,370	
2,523	1,283	3,806	1,738	616	2,354	1,853	209	2,062	
4,420	6,965	11,385	6,212	2,760	8,972	5,401	907	6,308	
937	2,861	3,798	2,117	1,077	3,194	2,350	401	2,751	
3,483	4,104	7,587	4,095	1,683	5,778	3,051	506	3,557	
209	2,369	2,578	274	897	1,171	354	264	618	
£3,274	£1,735	£5,009	£3,821	£786	£4,607	£2,697	£242	£2,939	

Analysis of Profits other than Rank Xerox (before interest payable and taxation)	1967	1966	1965	1964	1963
Film Exhibition:					
British Isles	£2,731	£3,438	£3,228	£3,272	£2,880
Overseas (mainly Canada)	667	659	330	383	266
Film Production and Distribution	(48)	937	174	449	396
Film Studios and Laboratories	979	546	530	508	593
Manufacturing	1,009	(569)	(234)	975	1,084
Audio Visual—Wholesale	175	135	171	210	115
Tenpin Bowling, Dancing and Bingo	847	635	945	1,110	848
Hotels and Motorports	(768)	(625)	(98)	(147)	(11)
Television Rental, Relay and Retail	161	439	207	(112)	37
Sundries, including Advertising Films	262	352	321	238	61
	6,015	5,947	5,574	6,886	6,269
Dividends and Interest Receivable:					
Exhibition British Isles	138	71	243	127	127
Exhibition Overseas (mainly Australasia)	303	277	317	331	250
Television (Southern Television Limited)	226	363	583	399	353
Miscellaneous	161	122	226	207	255
PROFIT before deducting Interest payable and Taxation	£6,843	£6,780	£6,943	£7,950	£7,254

Information per each Ordinary and 'A' Ordinary Share

(For the convenience of our many American Stockholders this information is also shown in U.S. dollars)

	1967	1966	1965	1964	1963
Sterling	pence	pence	pence	pence	pence
Net Profit after Taxation applicable to Ordinary and 'A' Ordinary Shares (excluding non-trading and special items)	19 · 2	20.6	19·9 19·0 (*See note below)	19.5	13.6
Dividends:			DEIDWY		
Gross	13.2	12.6	12.6		_
Net	_	_	-	6.9	5.1
Net Assets	189 -4	181 · 8	175-3	156.6	130-1
U.S. Dollars	cents	cents	cents	cents	cents
(exchange rate \$2.80=£1)					
Net Profit after Taxation applicable to Ordinary and 'A' Ordinary Shares (excluding non-trading and special items)	2 <mark>2 ·4</mark>	24.0	23·2 22·1 (*See note) below)	22.8	15.9
Dividends:			ocion)		
Gross	15.4	14.7	14.7		
Net	_	_	_	8.0	5.9
Net Assets	221 .0	212.1	204 · 4	182.7	151 -8

[•] Note: This figure has been adjusted to give effect to charging Corporation Tax at 40% instead of at 35% as provided in the accounts of 1965.

Miscellaneous Information

£ figures in thousands

Depreciation of Fixed Assets	£15,211	£11,326	£8,157	£5,543	£3,833
Retained Profits	6,779	6,701	4,879	5,027	1,890
Group Cash Flow	£21,990	£18,027	£13,036	£10,570	£5,723
Expenditure on Fixed Assets					
Freehold Land and Buildings	£2,116	£4,327	£5,604	£4,880	£2,692
Leasehold Land and Buildings	3,750	2,250	3,128	1,802	1,313
Plant, Vehicles and Equipment	8,424	8,740	6,960	5,623	3,296
Equipment on or for Rental	20,510	16,877	14,299	12,004	5,526
	£34,800	£32,194	£29,991	£24,309	£12,827
Exports including overseas earnings	£36,997	£33,681	£25,869	£20,997	£12,882
Number of Employees	50,574	50,226	47,159	45,463	40,698
Number of Shareholdings:					
*Ordinary and 'A' Ordinary	61,251	66,184	62,626	49,423	26,350
Preference	18,383	19,210	20,232	20,810	15,616

[•] These figures include holders of American Depository Receipts.

THE ACCOUNTS OF THE RANK ORGANISATION LIMITED



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The Rank Organisation Limited and Subsidiaries Consolidated Profit and Loss Account for the 53 weeks ended 1st July, 1967

	Schedule Reference	£	1966 (52 weeks) £
Trading Profit before charging depreciation		42,411,000	33,570,000
Depreciation: Buildings and Plant (Note 7 page 55)		4,465,000	3,434,000
Rental Equipment		10,746,000	7,892,000
		15,211,000	11,326,000
		27,200,000	22,244,000
Dividends and Interest receivable	A	1,530,000	1,144,000
		28,730,000	23,388,000
Interest payable	В	6,293,000	4,519,000
Profit before Taxation		22,437,000	18,869,000
Taxation based thereon	С	10,269,000	7,948,000
Outside Shareholders' Share of Subsidiaries' Profit (including	2	12,168,000	10,921,000
Xerox Corporation's proportion £6,308,000 —1966 £5,023,000 of Rank Xerox profits)		6,844,000	5,453,000
Profit for the Period (after taxation) attributable to the Shareholders in The Rank Organisation Limited		5,324,000	5,468,000
Add: Non-Trading and Special Items, excluding amounts attributable to Outside Shareholders	D	28,000	(166,000)
Balance of Profit available for Appropriation		1	
(of which £1,335,000 is dealt with in the accounts of			
The Rank Organisation Limited)		£5,352,000	£5,302,000
Dividends (gross) of The Rank Organisation Limited			
6½% Cumulative Preference		625,000	625,000
8% Second Cumulative Preference		208,000	208,000
Ordinary and 'A' Ordinary	E	3,082,000	2,937,000
		3,915,000	3,770,000
Income Tax deducted from dividends and retainable		-	341,000
		3,915,000	3,429,000
Profit retained (Note 3 page 54)		1,437,000	1,873,000
		£5,352,000	£5,302,000

S	chedules		1966
	Dividends and Interest Receivable	£	£
A		675,000	789,000
	Trade Investments Bank and other Deposits, etc.	855,000	355,000
		£1,530,000	£1,144,000
В	Interest Payable		
	Debentures and other Fixed Loans	3,010,000	2,376,000
	Bank Loans and Overdrafts	851,000	358,000
	Short term Advances, etc.	2,432,000	1,785,000
		£6,293,000	£4,519,000
C	Taxation		1 1
	United Kingdom, after Investment Allowances benefit of £30,000 (1966 £700,000) of which £4,000 (1966 £136,000)		
	is applicable to outside shareholders.		4 004 000
	Corporation Tax at 40%	5,889,000	4,601,000
	Income Tax Profits Tax	488,000	179,000
	Pronts 1ax	180,000	180,000
		6,557,000	4,960,000
	Overseas	3,712,000	2,988,000
		£10,269,000	£7,948,000
D	Non-Trading and Special Items	210,000	329,000
	Provision for taxation no longer required	310,000 129,000	88,000
	Profit on Redemption of Debenture Stocks	198,000	(180,000)
	Profit on Disposal of Fixed Assets	(281,000)	(351,000)
	Terminal Losses (after taxation relief of £80,000—1966 £156,000)	(174,000)	(351,000)
	Provision for possible losses on Disposal of Closed Theatres	(145,000)	(74,000)
	Preliminary Expenses and Goodwill written off		
		37,000	(188,000)
	Profit (1966 Loss) attributable to outside shareholders	9,000	(22,000)
		Profit £28,000	Loss £(166,000)
E	Dividends (Gross) on Ordinary and 'A' Ordinary Shares		
	Interim 5.4d, per share paid on 56,036,000 shares	1,261,000	1,259,000
	(1966—5·4d. per share on 55,952,000 shares) Final 7·8d. per share proposed on 56,036,000 shares	1,821,000	1,678,000
	(1966—7.2d. per share on 55,952,000 shares)		
		£3,082,000	£2,937,000
F	Remuneration of Directors of The Rank Organisation Limited		
	Fees	30,000	34,000
	Other Emoluments	112,000	101,000
		£142,000	£135,000
	Pension to Past Director in respect of executive services	£1,000	£1,000
6	Remuneration of Auditors		
G			
	The Rank Organisation Limited	9,000	9,000
	Subsidiary Companies (including £66,000 overseas)	163,000	151,000
		£172,000	£160,000

The Rank Organisation Limited and Subsidiaries Consolidated Balance Sheet at 1st July, 1967

				066
	£	£	£	966 £
Issued Share Capital of The Rank Organisation Limited (Note 2)	L	L	1	L
6½% Cumulative Preference Shares of £1 each 8% Second Cumulative Preference Shares	9,996,000		9,996,000	
of £1 each	2,602,000		2,602,000	
Ordinary Shares of 5/- each	3,788,000		3,788,000	
'A' Ordinary Shares of 5/- each	10,221,000	26,607,000	10,200,000	26,586,000
Capital Reserves (Note 3)				
Share Premium Account	8,841,000		8,730,000	
Other Capital Reserves	3,794,000	12,635,000	1,920,000	10,650,000
Revenue Reserves (Note 3)				
The Rank Organisation Limited	3,252,000		4,599,000	
Subsidiaries	14,329,000	17,581,000	13,137,000	17,736,000
Issued Share Capital and Reserves Attributable to Members of The Rank Organisation Limited		56,823,000		54,972,000
The Rank Organisation Limited		56,623,000		54,972,000
Outside Shareholders' Interest in				
Net Assets of Subsidiaries		27,519,000		22,116,000
(Other than Goodwill, Patents and		84,342,000		77,088,000
Trade Marks)		07,072,000		77,000,000
Taxation Equalisation		5,043,000		3,256,000
Loan Capital and Borrowed Money				
Convertible Unsecured Loan Stocks (Note 4)				
6% —1983/88	7,918,000		8,042,000	
$6\frac{1}{2}\%$ —1975/79	324,000		334,000	
$6\frac{1}{2}\%$ —1988/93	12,500,000		12,500,000	
Debenture Stocks, Secured Notes,				
Mortgages and Other Loans (Note 5) (Secured £21,381,000)	28,344,000		26,735,000	
	49,086,000		47,611,000	
Short Term Advances and Acceptance Credits —mainly financing equipment on rental				
(Secured £4,480,000) and amounts due	To a			
under extended Credit Agreements	33,296,000		25,326,000	
Bank Loans and Overdrafts (Secured	The same			
£4,333,000) (Note 6)	15,484,000	97,866,000	11,447,000	84,384,000
	f	187,251,000		£164,728,000

				966
Fixed Assets (Note 7)	£	£	£	£
Land, Buildings and Plant	89,838,000		81,635,000	
Equipment on or for Rental		134,564,000	35,526,000	117,161,000
Equipment on or for Rental		10 1,00 1,000		111,101,000
Goodwill, Patents and Trade Marks (Note 8)		11,803,000		11,069,000
Trade Investments (Note 10)		6,742,000		6,598,000
Cash in Hands of Trustees for		470,000		40.000
Debenture Stockholders		179,000		40,000
		153,288,000		134,868,000
Current Assets				
Film Productions (Note 11)	4,097,000		3,461,000	
Stocks and Work in Progress (Note 12)	21,979,000		18,677,000	
Debtors and Prepayments	30,980,000		26,740,000	
Short Term Deposits	9,333,000		8,460,000	
Cash at Bank and in Hand (Note 6)	6,554,000		6,141,000	
	£72,943,000		£63,479,000	
Deduct: Liabilities and Provisions (Other than borrowed money)				
Creditors, Expenses Accrued and Provisions (Note 13)	28,227,000		24,086,000	
Taxation United Kingdom Corporation Tax:—			-	
due 1st January, 1968	5,122,000		3,878,000	
due 1st January, 1969	5,699,000		5,340,000	
Other Taxation	4,063,000		3,958,000	
Dividends Gross				
Shareholders in the Company	1,821,000		2,095,000	
Outside Shareholders of Subsidiaries	1,298,000		354,000	
	£46,230,000	26,713,000	£39,711,000	23,768,000
Taxation on unrealised Inter-Group				
Profits (Note 14)		7,250,000		6,092,000
	£	187,251,900		£164,728,000

The Rank Organisation Limited Balance Sheet at 1st July, 1967

				19	966
	£	£	£	£	£
Ohana Oanital (Nata 3)	Authorised	Issued and			
Share Capital (Note 2)		Fully Paid			
6½% Cumulative Preference Shares of £1 each	10,000,000	9,996,000		9,996,000	
8% Second Cumulative					
Preference Shares of £1 each	3,000,000	2,602,000		2,602,000	
Ordinary Shares of 5/- each	4,000,000	3,788,000		3,788,000	
'A' Ordinary Shares of 5/- each	14,500,000	10,221,000	26,607,000	10,200,000	26,586,000
	£31,500,000				
Capital Reserves (Note 3)					
Share Premium Account		8,841,000		8,730,000	
Profits on sales of Fixed Assets to S	Subsidiaries	781,000		784,000	
Other Capital Reserves		1,832,000	11,454,000	957,000	10,471,000
Revenue Reserves (Note 3)			3,252,000		4,599,000
			41,313,000		41,656,000
Taxation Equalisation			513,000		873,000
Loan Capital and Borrowed Mone	y				
Convertible Unsecured Loan Stock	s (Note 4)				
6% —1983/88		7,918,000		8,042,000	
6½%—1975/79		324,000		334,000	
6½%—1988/93		12,500,000		12,500,000	
Debenture Stock, Secured Notes an	d Mortgage	12,000,000		12,000,000	
(Note 5)		2,937,000		3,232,000	
		23,679,000		24,108,000	
Bank Loans and Overdrafts (Secure (Note 6)	ed £3,716,000)	7,716,000	31,395,000	4,039,000	28,147,000
			£73,221,000		£70,676,000

	£ £	19 £	966 £
Fixed Assets			_
Land, Buildings and Plant—at cost	10,696,000	9,431,000	
Less: Depreciation	1,594,000 9,102,000	1,234,000	8,197,000
Trade Investments (Note 10)	1,624,000		1,612,000
Cash in Hands of Trustees for Debenture Stockholders	32,000		32,000
Subsidiaries (Note 9)			
Shares in Rank Xerox Limited at par (1966 at cost)	4,205,000	3,330,000	
Shares in other Subsidiaries at or under cost	29,993,000	29,902,000	
Subordinated Loan Notes	600,000	600,000	
Amounts owing by Subsidiaries including dividends receivable	39,222,000	34,098,000	
	74,020,000	67,930,000	
Less: Amounts owing to Subsidiaries	11,309,000 62,711,000	8,378,000	59,552,000
Current Assets	73,469,000		69,393,000
Film Productions (Note 11)	2,233,000	1,644,000	20,020,000
Stock	10,000	16,000	
Debtors and Prepayments	569,000	422,000	
Taxation Recoverable Short Term Deposits	500,000	580,000	
Cash at Bank and in Hand (Note 6)	765,000	2,160,000	
	£4,077,000	64 922 000	
Deduct: Liabilities and Provisions (Other than borrowed money)	£4,077,000	£4,822,000	
Creditors, Expenses Accrued and Provisions			
(Note 13)	2,528,000	1,437,000	
Taxation	22,000	20,000	
Dividends Gross Preference Shares—half year to 30th June, 1966		416,000	
Proposed on Ordinary and			
'À' Ordinary Shares	1,821,000	1,678,000	
	£4,371,000 (294,000)	£3,551,000	1,271,000
Pre-Opening Expenses carried forward	46,000		12,000
RANK)			
Directors			
JOHN DAVIS)	£73,221,000		£70,676,000

NOTES forming part of the Consolidated Accounts and Balance Sheet of The Rank Organisation Limited on pages 48—53

- 1 Exchange Rates—Unrestricted foreign currencies have been converted at mid-market rates ruling at 1st July, 1967, 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.
- 2 Gaumont British—The shares issued by the Company under a Scheme of Arrangement approved by the Court in December, 1961, for the acquisition of the Issued Share Capital of Gaumont British Limited not then owned within the Group were treated as having been issued at their nominal value of £5,868,000. The excess of the book value of the net tangible assets attributable to the shares so acquired over the consideration amounted to £2,465,000 and is included in Revenue Reserves in the Consolidated Balance Sheet.

	'A' Ordinary Share Capital	Share Premium Account
	£	£
Balances at 25th June, 1966	10,200,000	8,730,000
Issue of Shares arising from conversion of Convertible		
Unsecured Loan Stocks	21,000	111,000
Balances at 1st July, 1967	£10,221,000	£8,841,000

	Other Capital Reserves		Revenue Reserves	
	The Group	The Company	Subsidiaries	The Company
	£	£	£	£
Balances at 25th June, 1966	1,920,000	957,000	13,137,000	4,599,000
Capitalisation of Reserves by Rank Xerox Limited		_	(1,328,000)	_
Arising on stating shares in Rank Xerox Limited at par	1,785,000	875,000	-	
Transitional Relief under Finance Act, 1965 relating to previous year	_		150,000	350,000
Loss arising from non-implementation of contract made in 1963 for purchase of equipment	_	_		(675,000)
Dividends paid by subsidiaries out of prior year profits	_	_	(1,558,000)	1,558,000
Profit retained attributable to Members of the Company	89,000		3,928,000	(2,580,000)
Balances at 1st July, 1967	£3,794,000	£1,832,000	£14,329,000	£3,252,000

4 Convertible Unsecured Loan Stocks—Each £100 of stock is convertible into 'A' Ordinary Shares at the stockholders' option on the following terms:—

	Number of 'A' Ordinary Shares per £100 Stock			
	1967	1968	1969	
6% —1983/88 Exercisable between 1st October and 9th December	60			
6½%—1975/79 Exercisable between 1st October and 9th December	70	68	65	
6½%—1988/93 Exercisable between 15th October and 15th November	50	46	42	

5 Debenture Stocks, Secured Notes, Mortgages and Other Loans

	19	19	66	
The Group	Average rate of Interest	£	Average rate of Interest	£
Repayable by annual sinking funds or by instalments				
Final redemption dates after 1982	6.6%	16,846,000	6.4%	16,853,000
Final redemption dates 1969 to 1982	5.5%	11,299,000	5.1%	9,706,000
Repayable by 1969 or at short notice	6.8%	199,000	6.3%	176,000
		£28,344,000		£26,735,000

Certain Debenture Stocks are repayable at final redemption at 101% and 102% but having regard to the redemption of these stocks out of their annual sinking funds, the amount of any such premium is not likely to be material.

The Company	1967 £	1966 £
5% Debenture Stock, repayable at par by 19 equal half yearly instalments	879,000	971,000
4½% Promissory Notes (secured) repayable by 4 yearly instalments of £200,000 and		
the balance in 1971	2,000,000	2,200,000
Mortgage	58,000	61,000
	£2,937,000	£3,232,000

6 Bank Loans and Overdrafts

Cash at bank in the Consolidated and Company Balance Sheets includes Bank Deposits totalling respectively £876,000 and £726,000 in respect of which the Companies' Bankers have rights of set-off against overdrafts.

7 Fixed Assets—The Group

	Freehold Land and Buildings	Leasehold Land and Buildings	Plant Vehicles & Equipment	Equipment on or for Rental	Total
Analysis by type of asset	£	£	£	£	£
*Cost at 25th June, 1966	42,305,000	22,353,000	45,483,000	55,179,000	165,320,000
Additions	2,116,000	3,750,000	8,424,000	20,510,000	34,800,000
Disposals	(639,000)	(449,000)	(2,671,000)	(1,027,000)	(4,786,000)
Cost at 1st July, 1967	43,782,000	25,654,000	51,236,000	74,662,000	195,334,000
*Depreciation Provision at 25th June, 1966	6,594,000	4,065,000	17,509,000	19,991,000	48,159,000
Charge for Period	289,000	484,000	3,692,000	10,746,000	15,211,000
Provision for loss on disposal of Closed Theatres	161,000	13,000	_	_	174,000
Disposals	(154,000)	(274,000)	(1,545,000)	(801,000)	(2,774,000)
Depreciation Provision at 1st July, 1967	6,890,000	4,288,000	19,656,000	29,936,000	60,770,000
Net Book Value at 1st July, 1967	£36,892,000	£21,366,000	£31,580,000	£44,726,000	£134,564,000

^{*}The opening balances have been adjusted in respect of assets reclassified.

The net book value of Leasehold Land and Buildings at 1st July, 1967 includes £6,000,000 in respect of leases with less than 50 years to run.

Depreciation has not been charged from 28th June, 1964 on freehold properties situated in the United Kingdom on which no claim to industrial buildings allowances for taxation purposes arises. With minor exceptions other fixed assets are depreciated on a straight line basis having regard to estimated useful life and residual value.

Analysis by activity		Cost	Depreciation	1967 Net	1966 Net
		£	£	£	£
Theatres, Film Studios and Laboratories an	d Equipment	56,704,000	19,738,000	36,966,000	36,059,000
Ballrooms, Tenpin Bowls, Hotels and Moto	rports	25,461,000	2,852,000	22,609,000	19,092,000
Retail and Relay Premises and Equipment		5,500,000	1,364,000	4,136,000	4,272,000
Manufacturing and other Commercial Prem Equipment	ises, Plant and	33,007,000	6,880,000	26,127,000	22,212,000
		120,672,000	30,834,000	89,838,000	81,635,000
Equipment on or for Rental		74,662,000	29,936,000	44,726,000	35,526,000
		£195,334,000	£60,770,000	£134,564,000	£117,161,000

United Kingdom Investment Grants deducted from the cost of fixed assets at 1st July, 1967 amounted to £399,000 (1966 £82,000).

8 Goodwill, Patents and Trade Marks are stated at cost and include pre-opening expenses, investment currency premiums, and the net excess of the cost of shares in Subsidiaries over the net book value of the net tangible assets at dates of acquisition, less amounts written off and are after deducting the proportion applicable to Outside Shareholders of Subsidiaries.

9 Subsidiary Companies

	Nature of Principal	Country of	Percentage of Equity Capital
Brief details of the principal subsidiary companies are as follows:—	Operations	Operation	owned
Gaumont British Limited	Film Exhibition	United Kingdom	100
A. Kershaw & Sons Limited	(see (c) below)	99 99	80
Odeon Associated Theatres Limited	Film Exhibition	99 39	100
Odeon Properties Limited	39 99	99 99	100
Odeon Theatres (Canada) Limited	37 39	Canada	100
Rank Bush Murphy Limited	Manufacture	United Kingdom	100
Rank Film Distributors Limited	Film Distribution	"	100
Rank Film Processing Limited	Film Processing	"	100
Rank Leisure Services Limited	Hotels, Motorports, Tenpin Bowls, Ballrooms and Suites	,, ,, (see (b)	below) 100
Rank Precision Industries Limited (see (a) and (c) below)	Manufacture	,, ,, ,,,	92
Rank Television and General Trust Limited	Film Studios	"	100
Rank Xerox Limited	Xerography	(see (a) below)	
Regency Holdings Limited	Television Retail & Rental	United Kingdom	100

(a) Rank Xerox Limited and its Subsidiaries operate in the United Kingdom, Europe, Asia, Africa and Australasia and also in Japan through a 50% owned Associated Company.

The issued ordinary capital of Rank Xerox Limited at 1st July, 1967 consisted of 6,088,162 A shares, 6,088,162 B shares, 5,730,597 C shares and 2,865,298 D shares, all of £1 each. The A and C shares are owned by Xerox Corporation (incorporated in the U.S.A.). The B and D shares are owned within The Rank Organisation Group, 50% of both these classes of shares being held by Rank Precision Industries Limited and the remaining 50% being held by The Rank Organisation Limited and its wholly owned subsidiary Gaumont British Limited. The holders of the B shares are entitled to appoint a majority of the Directors.

The holders of the A and B shares are entitled pari passu to the profits of the Rank Xerox Group up to a maximum annual sum (fixed in relation to the A and B capital subscribed) amounting at 1st July, 1967, to £6,088,162 before charging taxation. The holders of the C and D shares are entitled pari passu to any excess of profits of each year over and above such maximum annual sum. The consolidated profits after taxation but before non-trading and special items of the Rank Xerox Group for the 53 weeks ended 1st July, 1967 is attributable as to £6,308,000 to Xerox Corporation and £4,009,000 to The Rank Organisation Group (of which £159,000 relates to the Outside Shareholders of A. Kershaw & Sons Limited). Of this profit 60% was earned in the United Kingdom, 37% in Europe and 3% elsewhere.

- (b) Rank Leisure Services Limited has Subsidiaries operating in Europe.
- (c) A. Kershaw & Sons Limited holds 43 % of the Preference and 40 % of the Ordinary Share Capital of Rank Precision Industries Limited.

)	Trade Investments			Te	otal
	The Group	U.K. £	Overseas £	1967 £	1966 £
	Quoted				
	Xerox Corporation				
	38,438 Common Shares of \$1 each (Market value £3,764,000 —1966 £3,544,000)	_	47,000	47,000	47,000
	Film Exhibition (Market value £456,000—1966 £495,000)	_	877,000	877,000	891,000
	Unquoted—at cost (uncalled liability £232,000)				
	Film Exhibition	61,000	3,320,000	3,381,000	3,249,000
	Film Production and Distribution	48,000	90,000	138,000	138,000
	Television, Property and others	1,550,000	749,000	2,299,000	2,273,000
		£1,659,000	£5,083,000	£6,742,000	£6,598,000

The market value of the Xerox Corporation Investment excludes the dollar premium and does not allow for any latent Capital Gains Tax. The gross income receivable in respect of quoted investments amounted to £62,000 in 1967 (1966 £59,000).

Brief details of the Group's trade investments	Country of &		& Loan	ling of Share Capital	Percentage Group Equity	
are as follows:—	Operation	on	Class	Book Value	Holding	
Film Exhibition:—				£		
African Consolidated Theatres Limited	South A	frica	Ordinary	692,000	25.0	
Cathay Organisation (Malaya) Limited	Malaya		Ordinary	115,000	26.0	
Ceylon Theatres Limited	Ceylon		Ordinary	160,000	27.3	
Fox Holdings (Proprietary) Limited	South A	frica	Ordinary and Loan	112,000	25.0	
Greater Union Organisation (Pty) Limited	Australi	а	Ordinary	563,000	50.0	
Matubel N.V.	Holland		Ordinary	717,000	36.2	
Union Investments Limited and associated companies	New Ze	aland	Ordinary	1,546,000	50.0	
Others (mainly Canada)				353,000		
Manufacture:— Mulchandani Electrical and Radio Industries Limited	India		Ordinary	147,000	49.0	
Murphy India Limited	India		Ordinary	68,000	49.0	
Others	India		Ordinary	32,000	45.0	
Others				32,000		
Property Development:—						
Rank Estates Limited	United 1	Kingdom	Ordinary and Loan	1,156,000	47.5	
Rank Property Development Limited	United I	Kingdom	'A' Ordinary and Loan	130,000	31.7	
Television:—			- 41		1	
Southern Television Limited	United I	Kingdom	Ordinary	228,000	37.6	
Xerography:						
Fuji Xerox Company Limited	Japan		Ordinary	397,000		
Xerox Corporation	U.S.A.		Common Stock	47,000	0.2	
Sundries				279,000		
				£6,742,000		
*50% of the equity capital of Fuji Xerox Company Lin	nited is ow	ned by Rar	k Xerox Limited.			
				Te	otal .	
ne Company		U.K.	Overseas £	1967 £	1966 £	
uoted (Xerox Corporation)						
19,219 Common Shares of \$1 each (Market value £1,	.882.000					
—1966 £1,772,000)	,002,000	_	24,000	24,000	24,00	
nquoted—at cost (uncalled liability £127,000)		1,263,00	337,000	1,600,000	1,588,00	
		£1,263,00	0 £361,000	£1,624,000	£1,612,00	

11	Film Productions The Group			The Company		
		1967	1966	1967	1966	
		£	£	£	£	
	Released Films at estimated recoverable value	2,623,000	3,460,000	1,411,000	1,515,000	
	Unreleased and Uncompleted Films at cost	1,599,000	262,000	897,000	240,000	
	Story Rights, Scenarios and Pre-Production Expenditure at cost <i>less</i> amounts written off	125,000	139,000	125,000	139,000	
	Less: Provisions for possible losses on Unreleased	4,347,000	3,861,000	2,433,000	1,894,000	
	Films and for Contingencies	250,000	400,000	200,000	250,000	
		£4,097,000	£3,461,000	£2,233,000	£1,644,000	

12 Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value on consistent bases. Cost includes where appropriate a proportion of overheads.

- 13 Creditors, Expenses Accrued and Provisions include Provisions for Widows' non-contributory pensions amounting in the case of the Group to £479,000 and in the case of the Company to £362,000.
- 14 Taxation on unrealised Inter-Group Profits arises from sales of equipment and supplies within the Rank Xerox Group. Such profits and the taxation attributable thereto have been excluded from the Consolidated Profit and Loss Account.

15 Contingent Liabilities

The Group

There are Contingent Liabilities in respect of (a) Guarantees and Bills discounted amounting in aggregate to approximately £2,500,000 (1966 £3,800,000), (b) a claim under a legal action against the Company, which is disputed, (c) customs duties and taxes under negotiation in certain overseas territories, and (d) additional taxation payable in the event of the profits of certain overseas subsidiaries being distributed.

The Company

There are Contingent Liabilities in respect of (a) Film Distribution Guarantees and Guarantees of Advances to Subsidiaries and Associated Companies amounting in aggregate to approximately £16,200,000 (1966 £16,400,000) and (b) a claim under a legal action which is disputed.

16 Capital Commitments

There are commitments for Capital Expenditure by the Group of approximately £4,200,000 (1966 £8,600,000) and by the Company of approximately £200,000 (1966 £2,600,000).

17 The Aggregate Annual Rent Charge in respect of leasehold land and buildings of the Group at 1st July, 1967 was at the rate of approximately £3,900,000 per annum.

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.

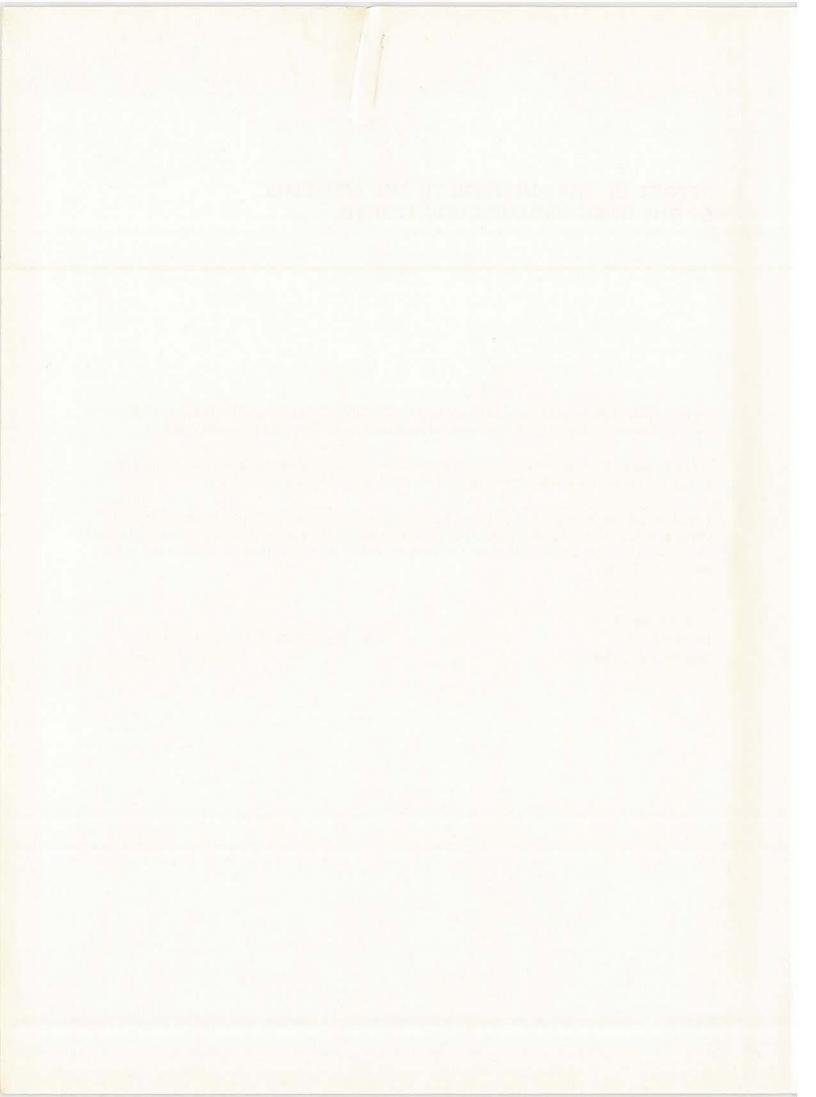
We have examined the annexed Consolidated Balance Sheet and Consolidated Profit and Loss Account. The accounts of certain of the Subsidiary Companies have been audited by other firms.

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 1st July, 1967, 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. 26th September, 1967.

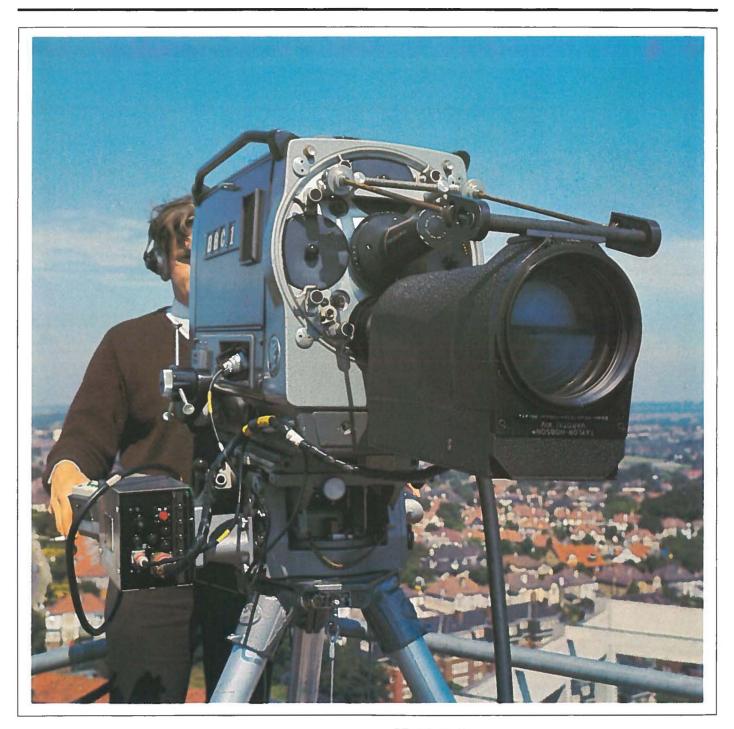
PEAT, MARWICK, MITCHELL & CO.

Chartered Accountants.



1966/67

SOME PICTORIAL HIGHLIGHTS OF THE YEAR



JULY

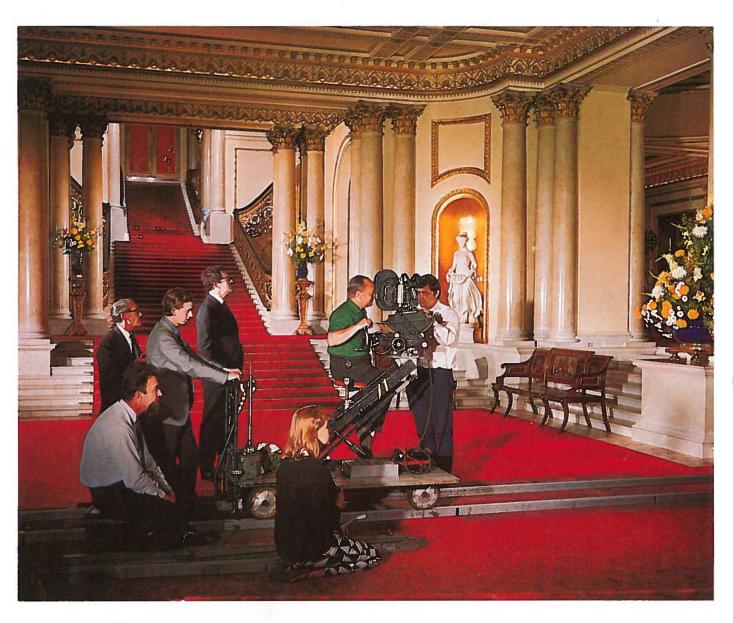
Taylor Hobson's Varotal XIV goes into action for the first time on the occasion of the World Cup. With a magnification of 16 to 1, the Varotal XIV enables a television cameraman to zoom from an overall view of Wembley Stadium to a close-up of a single player. The servo-control system completes the full zoom in a time of one second.





British Industrial Exhibition, Moscow, where Mr. Harold Wilson and the Soviet Prime Minister Mr. A. N. Kosygin watched a Rank Xerox 914 in action during a visit to The Rank Organisation's stand. Five Divisions participated—Rank Xerox, Taylor Hobson, Bush Murphy, Audio Visual and Wharfedale, taking between them orders worth £337,000 during the 16-day exhibition. Further orders since placed with The Rank Organisation by the Soviet Union as a result of the exhibition have raised this figure to over £1 million.

The Queen's Award to Industry was conferred on The Rank Organisation for the second year in succession. This is the symbol of the Award, first presented to The Rank Organisation in July 1966 for export achievement by Rank Xerox and Rank Taylor Hobson, and for innovation in optical engineering by the latter. The second Award, announced in April 1967, was made in recognition of the export achievement of Rank Taylor Hobson Division. In the year considered for the 1967 Award, Taylor Hobson's export sales increased by 36%, while 54% of its total production went overseas.





AUGUST

'Palaces of a Queen' a spectacular 80-minute documentary in colour, took a film unit into Buckingham Palace for the first time. The production, by Special Features Division—makers of the 'Look at Life' magazine film series—was authorised by Her Majesty, who permitted the unit to film in parts of the Royal buildings never previously photographed.

'The Last Invasion', a major Southern Independent Television production, was screened on the national ITV network. Commemorating the 900th anniversary of the Battle of Hastings, the programme was followed up with a series of adult education broadcasts tracing the influence of the Norman Conquest on the subsequent history and culture of Britain.



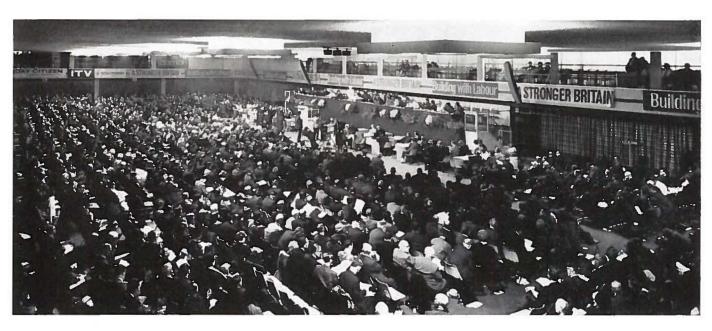
SEPTEMBER

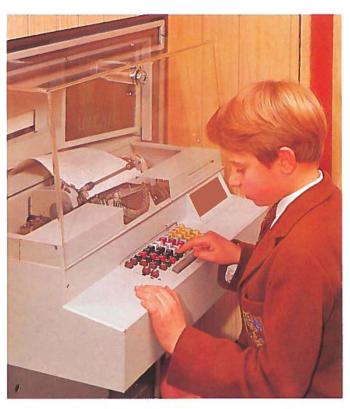
The staff of the new Top Rank Motorport at Aust, on the M4 approach to the Severn Bridge. The Motorport went into operation the day after the bridge and motorway were opened by Her Majesty the Queen, who also visited the Motorport and unveiled a plaque commemorating the occasion. The Motorport covers an area of 25 acres, and its facilities include a restaurant for 350, a self-service cafeteria for 450, a transport cafe, and parking for 750 cars and lorries.

OCTOBER

The Top Rank Brighton Centre in its first week of operation was the meeting place for over 4,000 delegates to the Labour Party Conference (3rd-7th October, 1966). Ideally suited to the requirements of large-scale assemblies, the Centre has been booked for the Conservative Party Conference in October 1967.

(The Ice Rink and Tenpin Bowl which also form part of the Brighton Centre opened to the public in December,1966.)

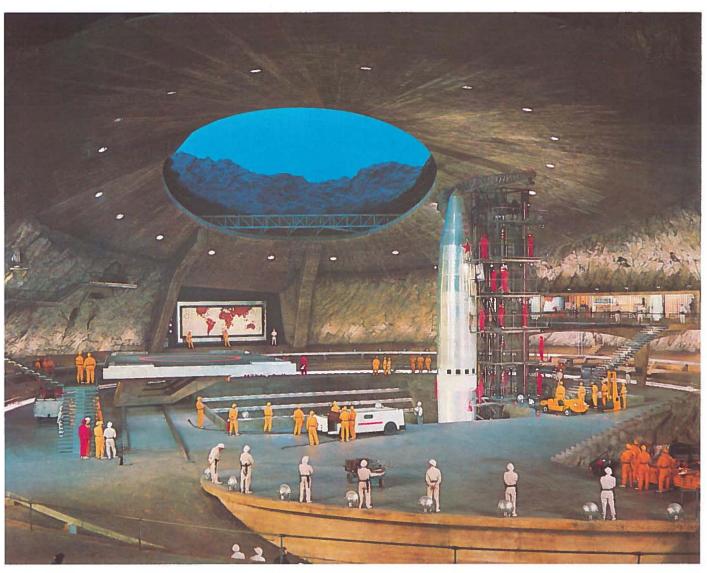




NOVEMBER

The 'Talking Typewriter' was introduced in this country for the first time by Rank-R.E.C. Ltd. The new machine, a proven computer-based learning system, has wide applications over the whole field of education.

This 'volcano' at Pinewood is one of the biggest film sets ever constructed. More than 800 tons of steel went into its framework, and it incorporates the longest clear span in Europe, over 250 feet in length. A feature of the new James Bond picture, 'You Only Live Twice', the set was ready for the cameras on November 15th, just 16 weeks after its construction began.



DECEMBER

The Rank Xerox mobile showroom—a specially-equipped coach carrying working demonstration models of Rank Xerox copiers and copier-duplicators—makes a halt at a factory in the Crawley Industrial Area at the conclusion of the Showroom's first major British tour.

The Pennine Hotel, Derby, was officially opened by the Mayor of Derby. This 100-room hotel was the fifth citycentre hotel to be opened by The Rank Organisation in 1966. In addition to offering the highest standards of comfort and service, these hotels provide many special facilities for the travelling businessman.

The 'Rank Organisation Trophy' was awarded for the first time in the 1966 'British Television News Film of the Year' Competition. The winner was Erik Durschmeid of B.B.C. Panorama.

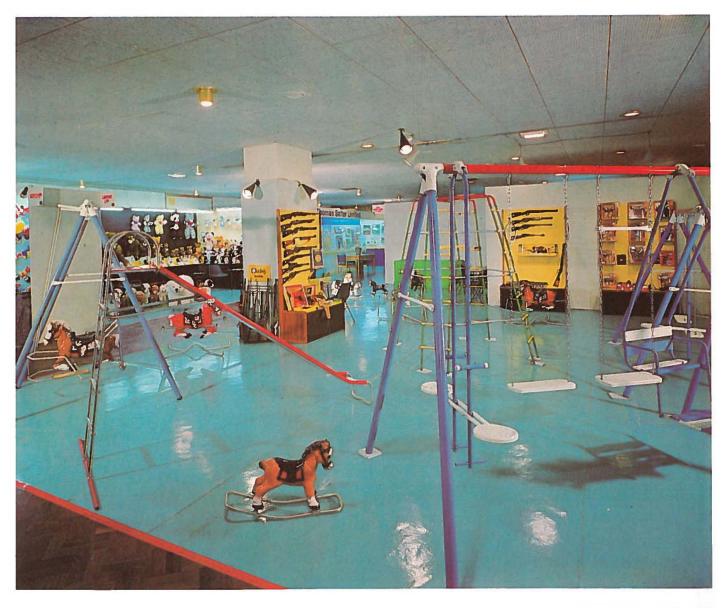
The new Odeon, Elephant and Castle, opened with a special performance of Cliff Richard's new musical 'Finders Keepers'. Seating just over 1,000, the new Odeon with its floating screen, automated controls and contemporary styling, brought the West End to South London and was widely hailed as setting a new standard for weekly-release cinemas.









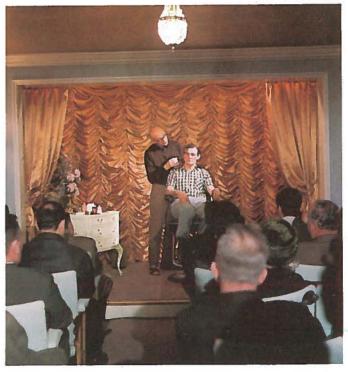


JANUARY

The 14th Annual British Toy Fair, 1967, was a highly-successful international event which attracted to Brighton buyers from 42 countries including Australia and Japan. The picture shows a section of the Fair held in the 14,000 sq. ft. exhibition area of the Top Rank Brighton Centre, which may well become the regular venue of this important export operation.

FEBRUARY

Pinewood Studios was host to a large group of newspaper and film trade journalists, seen here watching a demonstration of the make-up artist's skill during a tour of Pinewood's new stages.





MARCH

The Bridgford Hotel, Nottingham, provides the background to this study of the picturesque seclusion of the riverside, as the gay pleasure-boats take the water at the start of the season. The new hotel overlooks the River Trent and provides first-class accommodation for 177 guests.

'Adventure into Learning'. This group at Oxhey Wood Junior School begin work with the Technicolor 500 cassette-loading projector. The school is carrying out an extensive programme of practical experiment and research into the use of the latest audio visual equipment, supplied by the Audio Visual Division of The Rank Organisation.





APRIL

Colour grading at the Denham laboratory of Film Processing Division, where in April the volume of colour film processed overhauled black-and-white for the first time in the laboratory's 30-year history. The skill of Denham's colour graders remains the key factor in an otherwise highly automated process. Their colour corrections are punched into tape for completely automatic control of the latest additive colour printers.

Visitors to Pinewood are able to watch work on the studio floor from their own sound-proof viewing gallery, which came into use in April. Closed-circuit TV monitors provide a cameraman's-eye view of the stars in action and ensure that spectators share fully in the excitement of film-making.



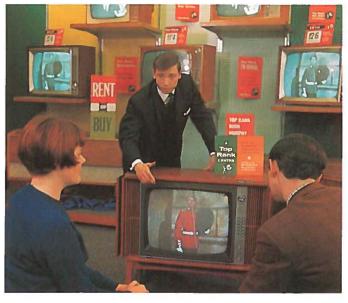


MAY

The Royal Lancaster, The Rank Organisation's seventeenth and largest hotel and its first in London, made its debut on the British travel trade scene with a special presentation for leading representatives of the British Travel Association. The hotel opened on August 1st 1967.

JUNE

Bush and Murphy colour television sets reached the shops and are seen here being demonstrated to customers in one of the branches of Top Rank Television Division. Bush Murphy has won a leading place in the colour television field and was the first British manufacturer to demonstrate actual production models of colour television sets to the public.



PRODUCTS AND SERVICES

ADVERTISING FILMS DIVISION

Distribution of commercials in over 1,000 cinemas in the United Kingdom.

Production of cinema and television commercials for the United Kingdom and Europe.

Production of sponsored documentary and short films, in 35mm. or 16mm., black-and-white or colour.

AUDIO VISUAL DIVISION

RANK AUDIO VISUAL

Automatic theatre projection and house control systems (for cinemas, hotels and industry).

Bell & Howell 16mm. portable sound projectors.

Bell and Howell 745 Autoload filmstrip projector.

Bell & Howell Language Master.

Chalkboards, including automatic remote control chalkboard/screen units.

Club and hotel furnishings.

Cinemeccanica professional projection and sound equipment.

Electronic organs by Farfisa and Compton.

Floor coverings, curtains and draperies.

Hortson 16mm. professional projection equipment.

Lenses for motion picture projectors.

Rank Aldis Epivisor.

Rank Aldis slide and filmstrip projectors.

Rank Automatic Filmstrip Attachment.

Rank Duoscope projector/viewer.

Rank Language Laboratory.

Rank Overhead Projector.

Rank Programme Projector.

Secundalux secondary lighting systems.

Sound reinforcement equipment.

Stage equipment.

Technicolor 8mm. loop projectors.

Tilting screens for overhead projection.

RANK ELECTRONIC TUBES

Cathode-ray tubes for radars, oscilloscopes, alpha-numeric displays, airborne displays and special applications.

Instrument cathode-ray tubes.

Photo-electric cells.

Physics demonstration tubes.

RANK FILM LIBRARY

Audio Visual language courses on tape and film. Distribution of 16mm, educational, training and entertainment films, 8mm. concept films and 35mm. filmstrips.

RANK PHOTOGRAPHIC

(includes Top Rank Film Processing)

Asahi Pentax 35mm. single lens reflex still camera system.

Mamiya 2½ in sq. and 35mm, still cameras.

Rank Elektra photographic accessories.

Rank Hylite slide projectors and accessories.

Bell & Howell 8mm. ciné cameras and projectors.

Processing and printing of still film in colour and black-and-white, for amateurs and professionals.

Rank Da-Lite screens for projection of films, slides

and filmstrips.

RANK STUDIO EQUIPMENT

Acmade editing and splicing machines.

Arriflex motion picture cameras 16mm. and 35mm.

Densitometers and sensitometers.

Film and television camera mounting equipment.

Flutter meters.

Front projection equipment.

Laboratory processing and printing equipment.

Lenses for motion picture cameras and projectors.

Mellotron sound effects console.

Spectra light meters.

U.D.C. Inflight audio entertainment system.

U.D.C. Systems and crash recorders.

Westrex sound recording and reproduction equipment.

PULLIN PHOTOGRAPHIC

Bronica 21 in sq. still cameras.

Konica 35mm. still cameras.

Nikon 35mm, single lens reflex still camera system.

Rank Aldis slide projectors and accessories.

Kino Bauer Super 8mm, ciné cameras and projectors. Konica Single 8mm, cameras. Nikon Super 8mm, cameras. Photographic accessories.

ANDREW SMITH HARKNESS LTD.

Screens and screen frames.

C. R. HARRISON & SONS LTD. Seating for lecture theatres, theatres, churches and stadia.

*RANK—R.E.C. LTD.

Edison Responsive Environment
Learning System (The 'Talking Typewriter').
*Jointly owned with the Responsive Environments
Corporation of Englewood Cliffs, New Jersey.

BUSH MURPHY DIVISION

BUSH RADIO MURPHY RADIO

Colour and monochrome television receivers. Colour and monochrome industrial and studio equipment.

Radios.

Radiograms.

Record players.

BUSH RADIO

Tape recorders.

BUSH MURPHY ELECTRONICS (Includes Rank Cintel, Rank Medical Equipment, Rank Telecommunications).

Flying Aids (Auto-land leader cable equipment, radar transponder beacons, visual flight simulator equipment).

Factory test gear and electronic measuring instruments.

Medical, electro-medical, X-ray and physiotherapy equipment.

Military electronic equipment.

X-ray and gamma-ray inspection equipment. Flotronic systems to weigh and control belt-conveyed bulk materials.

Telecommunications equipment.

Television equipment (large screen projectors; monitors, colour and monochrome; telecine equipment for 16mm. and 35mm. colour and monochrome and T.A.R.I.F. equipment; studio equipment for colour and monochrome, including colour bar generators, signal decoders and sync. pulse generators; opacity and slide scanners).

CELLULOID PRODUCTS DIVISION

Film stripping and recovery.

DATA SYSTEMS DIVISION

Xeronic High Speed Computer Output Printer.

FILM PROCESSING DIVISION

Processing of colour and black-and-white film and printing of copies in 35mm., 16mm., 8mm., for cinema and television. Complete laboratory production services,

FILM PRODUCTION DIVISION

Production of feature and second-feature films and

television film series, principally at Pinewood Studios. Available at Pinewood for outside producers: 13 film stages covering 120,000 sq. ft. Outdoor 'lot' of 72 acres. 50 departments with 1,000 skilled technicians and craftsmen, covering all aspects of film production.

LEISURE SERVICES DIVISION

Bowling centres: 24 centres throughout the United Kingdom.

Catering: a wide range of catering services, from buffets to high-quality restaurants.

Hotels: 17 hotels, both 'city-centre'—designed for the businessman and traveller—and holiday hotels in the United Kingdom and Europe.

Ice rinks: two indoor rinks.

Motorports: four motorway service areas on Britain's motorways, offering fuel and catering facilities.

Suites and ballrooms: 22, for banquets, conferences and dancing for members of the public.

ODEON NORTHERN IRELAND DIVISION

Theatres: exhibition of films at 15 theatres in Northern Ireland.

Live shows: Presentation of live shows of all types.

OVERSEAS FILM DISTRIBUTION DIVISION

The only world-wide film distribution organisation based outside the United States, handling many British, American and other foreign productions in addition to Rank Organisation films.

*RANK XEROX LIMITED

Manufacture and marketing of xerographic equipment for high-speed document copying throughout the world with the exception of the Americas.

813 copier

914 copier

2400 copier/duplicator

720 copier/duplicator

420 copier/duplicator

330 copier/duplicator

Copyflo printers for high-volume copying and for reproduction of engineering drawings, etc., from microfilm.

1824 printers for reproducing from microfilm. Model 1385 equipment for making offset litho printing masters.

*Rank Xerox is a Division within The Rank Organisation, jointly owned with Xerox Corporation of Rochester, New York,

RESEARCH LABORATORIES

Research and advanced Development to requirements of Divisions of The Rank Organisation, and sponsored research for associated companies and government establishments.

Fibre optics.

Metrology.

Matricon and other displays.

Data transmission.

Advanced electrical networks.

TAYLOR HOBSON DIVISION

RANK TAYLOR HOBSON

'Talyrond' roundness measuring instruments.

'Talysurf' surface finish measuring instruments.

- 'Talystep' thin film measuring instruments.
- 'Talyvel' electronic levels.
- 'Talymin' comparator gauges.
- 'Talymike' auto-sizing equipment.
- 'Talylin' straightness measuring instruments.
- 'Talyden' workshop microscopes.
- 'Mitronic' micro-comparators and multi-gauging equipment.

Micro-alignment telescopes.

Profile projectors.

Workshop and blade-edge microscopes.

- 'Varotal' television zoom lenses.
- 'Ortal' fixed focus lenses for television.
- 'Sental' zoom lens control systems.
- 'Vidital' television zoom lenses.

Aerial reconnaissance lenses.

- 'Ental' enlarging lenses.
- 'Kinetal' lenses.

Pantograph engraving, routing and light milling machines,

Cutter grinders.

Fibre optics.

RANK PULLIN CONTROLS

D.C. motors.

D.C. tachometers.

Gearheads.

Precision film potentiometers.

Torque motors.

Industrial and portable metal detectors.

Miniature meters.

Aldis light signalling devices.

Tel-O-Tel data retrieval.

Food instrumentation.

Industrial control systems.

Machine tool tracing devices.

Defence equipment of electronic, optical or electro-mechanical forms for The Ministry of Defence, Army, Royal Navy, Royal Air Force, Merchant Navy, Civil Aviation and civil undertakings generally (including sonar hunting and detection systems; surface ship main armament stabilization gyroscopes; tank armament stabilization gyroscopes; aerial resonator drive units for ships' radar; mine detectors; torpedo guidance control equipment; land-based sonar teaching simulators).

ALDIS

Manufacture of slide projectors marketed by Rank Audio Visual.

KERSHAW

Precision optical and mechanical engineering (contractors to Ministry of Defence and other Government departments and suppliers to Rank Taylor Hobson and other Divisions of The Rank Organisation).

SOLUS-SCHALL INTERNATIONAL INSPECTION SERVICE

Cathodic protection.

Coat and wrap supervision.

Ditch and backfill inspection.

Dye penetrant examination.

Holiday detectors.

Magnetic particle inspection.

Mill and fabrication inspection.

Ultrasonic inspection.

Welding control.

Welding supervision.

X-ray and gamma-ray inspection.

Matlock laboratory non-destructive testing service.

THEATRE DIVISION

Bingo: operation of 50 full-time Top Rank Clubs, in addition to part-time situations.

Catering: operation of restaurants, banqueting suites, licensed bars and snack bars.

Dance Clubs; eight Top Rank 'Rendezvous' for dancing.

Live Shows: presentation of live entertainment, ranging from popular music to opera and ballet, at theatres throughout the country.

Theatres: exhibition of films at 328 theatres in Britain. (The Rank Organisation also controls or operates in partnership over 650 theatres overseas.)

TOP RANK TELEVISION DIVISION

Television rental and the sale of television sets, radios and electrical appliances in nearly 200 shops. Relay radio and television service in 22 towns. Closed circuit television.

Communications systems for education, security and entertainment purposes.

U.K. FILM DISTRIBUTION DIVISION

Distribution of British, American and other foreign films, in addition to Rank Organisation productions, throughout the United Kingdom and Republic of Ireland, Malta and Gibraltar.

Production and distribution of 'Look at Life' colour magazine film series.

WHARFEDALE DIVISION

Loudspeakers:-

High fidelity stereo units.

High fidelity cabinet models.

Extension speakers.

Public address units and systems.

High quality speakers for original equipment manufacturers.

High fidelity components including:-

Stereo amplifiers and tuners.

Amplifiers and tuners by Akai.

Speakers by Akai.

Tape recorders by Akai.

Turntable assemblies.

Public address amplifiers.

Portable public address equipment.

SOUTHERN TELEVISION LIMITED

The Rank Organisation has a 37.5% interest in Southern Television

For further information on any of the listed products and services, please write to:
Donald Harker,
Controller of Information Services,
P.O. Box 4QU
38 South Street, London, W.1.





How to have a really successful fishing holiday with your family

if they don't share your love of fishing, they'll still enjoy themselves. The hotel itself is new and very comfortable. All the bedrooms have their own private bathrooms and telephone. The food is very very good and the bars are excellent. Outside the hotel there are plenty of things to interest your family, while you yourself have the most successful fishing holiday of your life. Equipment and boats are available. And the fishing, as you probably know, is superb. Kinsale is recognised as the centre for European Anglers. You can book direct, or through our Central Reservations Office. Telephone: TATe Gallery 0089. 11 Belgrave Road, London, S.W.I.







We can measure to a millionth of an inch in any language

and we do in most

Industrial measurement is a double-edged Rank Taylor Hobson instruments measure sword. Whether you make expensive precision components or goods of relatively wide tolerance, it cuts time, wastage, costs. Why? Because reliable measurement is the only means of knowing just when your products have reached the

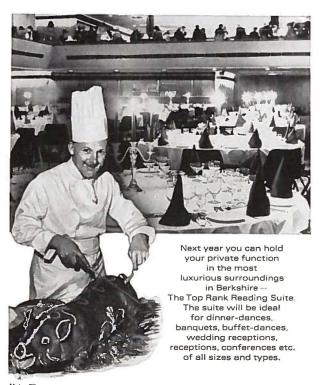
such things as roundness, surface roughness and straightness in millionths of an inch (or hundredths of a millimetre). They are relied upon all over the world to control the quality of an astonishing variety of things—from satellites to sewing





M Top Rank

THE NEW VENUE FOR BANQUETING AND DANCING



Mr.lan Ella RANK LEIBURE SERVICES LTD.,11 BELGRAVE ROAD, LONDON S.W.1. Temphone 01:454 6533



FOCUS ON INDUSTRIAL TRAINING

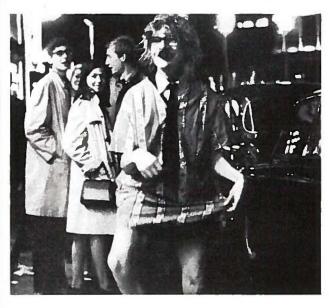
The Industrial Training Act slipulates that all businesses must assume responsibility for training their staff. No one suggests that their staff. No one suggests that film is the complete answer to Industrial Training but it has a very important part to play Indeed there are many processes in industry so minute, or fast that the only way to present them is on film Others are so wast that they have to be broken down into diagrams to be shown—again on film. There is now a considerable volume of instructional film available, and a

growing number of Film Libraries including Rank Film Library, who are major distributors of training

are migor occurring the state of the acknowledged leaders in the field of visual aids, one example of which is the Bell & Howell Filmosound 652 projector, shown

Filmosound 652 projector, shown above.
Many other models are available for optical/magnetic playback, magnetic recording and playback featuring still picture and animatio control.





Ronnie Ross makes about seven quid out of our audiences every Saturday evening

You can make a lot more, and you won't even have to take your trousers off.

Ronnie's market is rather specialised the quous outside the Odece, Lecester Square of a Saturday evening.

Those kids aren't even inside the cinema yet and alroady they re chucking money about Once they got inside, anyone who advertises to them with wit and intelligence can do termendous business.

Receptive, People in the cinema are in a warm excited mood, anticipating the big litim ahead, usually with someone they love or enjoy being with absolutely free.



The new Murphy is a revolutionary set

It has a new device called a Contrast Compensator Circuit which gives the picture an exceptional subtlety, definition and clarity. Its speaker is 3's times bigger than normal to provide a quality of rich undistorted sound you've never heard from a television set before. The touch-button controls employ solid-state components and real gold-plated contacts for instant, effortless programme selection and rock-steady reliability. A dramatic single-leg swivel stand is optional at extra cost. There's never been a television set like it before.

That's why we painted it red...



...or blue, or green, or black,

or white, or orange. Spectacular decorator colours that will tone with the furnishings you have in your living room, or change your living room and perhaps even change you a bit too. Smooth tough resistant-to-everything polyester colours painted on like satin over good solid wood. Or you can have the same set in traditional rosewood or teak. Cost? Around 72 guineas for any one you choose. You can buy or rent this

choose. You can buy or rent this new Murphy now.
Send off this coupon for a colour card or see your Murphy stockist. ------

The facing pages show examples of current advertising for some of the Divisions of The Rank Organisation



THE RANK ORGANISATION MANAGEMENT

Director of Marketing Director of Central Services Controller of Information Services	Graham R. Dowson J. K. Montgomerie Donald Harker	(C. R. Harrison & Sons Limited)	T. E. Chilton J. P. Collis J. W. A. Harrison L. Holme	
Patent Department Manager	H. G. Amann	Advertising Films (Rank Advertising Films Limited)	C. R. W. Sale (Managing Director) Graham R. Dowson	
Chief Medical Officer	Dr. A. B. Black	Bush Murphy	C. C. Moore	
Insurance Manager	H. G. Coplestone	(Rank Bush	(Vice-Chairman) J. P. Collis (Managing Director) J. H. Barker W. T. Deuchrass Graham R. Dowson P. F. Goff	
Employee Services Controller	H. F. Lock	Murphy Limited)		
Chief Accountant	J. C. E. A. Rolls			
Computer Controller	P. B. Sandford-Johnson			
Purchasing Controller	D. C. Simpson			
Market Research	E. Sinclair		D. N. T. Scott	
Rank Research Laboratory Director	Dr. A. T. Starr	Celluloid Products (Rank Celluloid	J. K. Montgomerie (Chairman)	
Transport Controller	P. A. Thompson	Products Limited)	Miss K. Thurston- Moon (General Manager)	
Personnel Controller	D. H. Walker			
Central Property Manager	J. W. H. Wilson		Graham R. Dowson S. E. A. Pitman	
		Data Systems (Rank Data Systems Limited)	I. D. Brotherton (General Manager) Graham R. Dowson	
DIVISIONAL MANAGEMENT BOARDS Each Division of The Rank Organisation has its own Management Board. The membership of these Boards is given below. The Chairman and Chief Executive is Chair-		Film Processing (Rank Film Processing Limited)	R. Dibley (Managing Director) Graham R. Dowson	

given below. The Chairman and Chief Executive is Chairman of each Board with the exception of Celluloid Products.

Audio Visual (Rank Audio Visual Limited)	J. P. Collis (Managing Director) T. E. Chilton (Assistant Managing Director) A. G. Smith (Assistant Managing Director) N. C. B. Abbott Graham R. Dowson	
	A. R. Hodge G. J. Williams	
(Andrew Smith Harkness Limited)	T. S. Harkness (Managing Director) T. E. Chilton J. P. Collis	

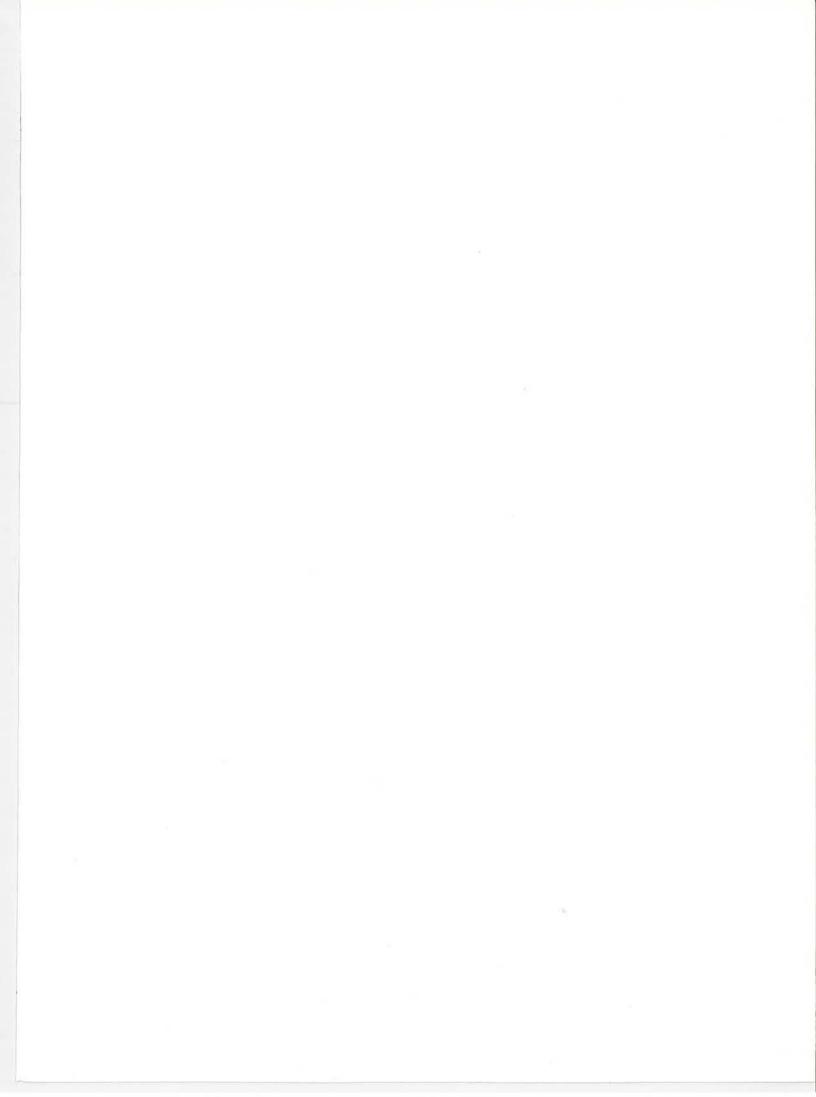
	J. H. Barker W. T. Deuchrass Graham R. Dowson P. F. Goff D. N. T. Scott		
Celluloid Products (Rank Celluloid Products Limited)	J. K. Montgomerie (Chairman) Miss K. Thurston- Moon (General Manager) Graham R. Dowson S. E. A. Pitman		
Data Systems	I. D. Brotherton		
(Rank Data	(General Manager)		
Systems Limited)	Graham R. Dowson		
Film Processing	R. Dibley		
(Rank Film	(Managing Director)		
Processing Limited)	Graham R. Dowson		
Film Production	E. A. R. Herren		
(Rank Film	(Managing Director)		
Productions Limited)	Graham R. Dowson		
	D. F. Holland		
	J. Horn		
Theatre	B. P. P. Quilter		
(Rank Theatres	(Managing Director)		
Limited)	Graham R. Dowson		
	G. Pinches		
	H. P. Walshaw		
Odeon Northern Ireland	R. V. C. Eveleigh		
(Rank Odeon [Northern	(Managing Director)		
Ireland] Limited)	Graham R. Dowson		
	J. K. Montgomerie		

U.K. Film Distribution (Rank Film Distributors Limited) Overseas Film Distribution (Rank Overseas Film Distributors Limited)		F. L. Thomas (Managing Director) Graham R. Dowson F. S. Poole C. W. Rymer C. R. Young	On Co Managing Director Director of Marketi Director of Marketi	g Services J. H. Pickering		
		C. W. P. Mac Arthur (Managing Director) D. S. Cumming Graham R. Dowson W. H. Jamieson	Director of Financial Services Director of Production Director and Company Secreta Director of Administration Services Director and General Manager, U.K. Division		H. E. R. Shand F. Wickstead J. M. Thomas A. E. Singer G. S. Cooper	
Overseas Managers Argentina Austria Belgium Brazil Chile Colombia France Germany Hong Kong India Italy Mexico Philippines Portugal Singapore Malaysia Thailand Venezuela Leisure Services (Rank Leisure Service Limited)	H. Lassa J. Tomir G. F. Re K. Nair M. Pesuc V. T. Di P. A. Gi G. A. Fo Lee Chea R. L. H.	chau enbosch ndner a billington eski earden cci ckins eaves oster e Wung Davidson	Overseas Operations France Germany Italy Scandinavia Denmark Finland Norway Sweden Austria Belgium Holland Switzerland Portugal Spain Australia Hong Kong New Zealand Singapore/Malaysia South Africa Holland (Manufacturing)	J. C. Delafo K. H. Warn A. Bordone J. A. Lavers B. Enrum V. J. Nurmin K. Nielsen O. Söderholn K. Rischka M. Cledes D. A. Thom C. S. Thom F. P. Glibbe H. M. Sargis E. R. Kinsm G. L. Strick K. P. Langle	fon rns ne rrs mimaa nolm a mpson mpson bery gisson sman ckland gley	
Taylor Hobson (Rank Taylor Hobson Limited)	sion	H. Leeming (Managing Director) J. A. Stafford (Joint Managing Director—Technical) H. A. Anderson B. Armitage Dr. K. W. Brittan Graham R. Dowson	Wharfedale (Rank Wharfedale Limited) Scientific and	(A G G W Technical C		
(Top Rank Television (Limited)		J. Parkin (Managing Director) Graham R. Dowson J. F. O'Neill R. W. Powbothom	Professor P. B. Fellgett, Professor F. Koenigsberger Women's Advisory Panel Miss Molly Love, Miss Joyce Lowrie, Mrs. Jo Pattrick, Miss App Sullivan			

J. F. O'Neill B. W. Rowbotham

Miss Ann Sullivan





acc. 110. 950763