



## THE RANK ORGANISATION LIMITED

# ANNUAL REPORT AND ACCOUNTS 1970



The

#### THIS DOCUMENT IS IMPORTANT

## THE RANK ORGANISATION LIMITED

38 South Street, London, W.1.

19th March 1971

Dear Fellow Shareholder:

Owing to the postal strike it became necessary to postpone the Annual General Meeting due to have been held on the 31st March 1971.

The Meeting is now to be held on Thursday the 15th April 1971. The formal Notice convening the meeting is set out on the reverse side of this letter. This Notice cancels and supersedes the Notice printed on page 2 of the Annual Report.

The postponement of the Annual General Meeting, which had become inevitable by the 1st March, would have delayed the declaration by the Shareholders of the recommended final dividend. Accordingly at their meeting on the 1st March your Directors decided to pay the final dividend, as originally proposed, on the 6th April. Warrants in payment of the dividend will be posted on the 6th April to those Shareholders on the Register at the 23rd February 1971.

Yours sincerely,

JOHN DAVIS

Chairman.

#### THE RANK ORGANISATION LIMITED

#### NOTICE OF THIRTY-FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the thirty-fourth Annual General Meeting of the Company will be held at the Odeon Theatre, Marble Arch, London, W.2, on Thursday 15th day of April 1971, at 12 noon for the following purposes:—

- 1. To receive the Accounts for the 70 weeks ended 31st October 1970, and the Reports of the Directors and Auditors.
- 2. To confirm the Final Dividend on Ordinary and 'A' Ordinary Shares paid by the Directors on 6th April 1971.
- To elect Directors, including The Lord Rank who became 82 years of age on the 22nd December 1970.
- 4. To fix the Auditors' Fee.
- 5. As special business to consider and, if thought fit, pass the following Resolution as a Special Resolution:—

#### RESOLUTION

That the Articles of Association be altered by deleting from Article 83 the first sentence thereof and substituting therefor the following new sentence:

"The remuneration of the Directors with effect from 1st November, 1970, shall be at the rate of £3,750 per annum for the Chairman and £3,250 per annum for the other Directors and with the effect from 1st November, 1971, the remuneration of the Directors shall be at the rate of £4,250 per annum for the Chairman and £3,750 per annum for each of the other Directors and such remuneration shall accrue de die in diem."

By Order of the Board. RUSSELL W. EVANS, Secretary.

Dated this 19th day of March 1971.

A warm invitation to attend the Annual General Meeting is extended to all shareholders.

Under the Company's Articles of Association only the holders of Ordinary Shares are entitled to vote. A holder of Ordinary Shares is entitled to appoint one or more proxies to attend and (on a poll) to vote in his stead. A proxy need not be a member. A Form of Proxy is enclosed.

There will be available for inspection at the Registered Office of the Company, Millbank Tower, Millbank, London, S.W.1, during the usual business hours from the 19th March 1971, until the 15th April 1971:—

- (a) A statement for the period 28th August 1970 to 26th February 1971, 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.



# FOR THE SEVENTY WEEKS ENDED 31st OCTOBER 1970

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#### NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the thirty-fourth Annual General Meeting of the Company will be held at the Odeon Theatre, Marble Arch, London, W.2, on Wednesday, 31st day of March 1971, at 12 noon for the following purposes:—

- 1. To receive the Accounts for the 70 weeks ended 31st October 1970, 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 The Lord Rank who became 82 years of age on 22nd December 1970.
- 4. To fix the Auditors' Fee.
- 5. As special business to consider and, if thought fit, pass the following Resolution as a Special Resolution:—

#### RESOLUTION

That the Articles of Association be altered by deleting from Article 83 the first sentence thereof and substituting therefor the following new sentence:

"The remuneration of the Directors with effect from 1st November, 1970, shall be at the rate of £3,750 per annum for the Chairman and £3,250 per annum for the other Directors and with effect from 1st November, 1971, the remuneration of the Directors shall be at the rate of £4,250 per annum for the Chairman and £3,750 per annum for each of the other Directors and such remuneration shall accrue de die in diem."

By Order of the Board. RUSSELL W. EVANS, Secretary.

Dated this 1st day of March 1971.

A warm invitation to attend the Annual General Meeting is extended to all shareholders.

Under the Company's Articles of Association only the holders of Ordinary Shares are entitled to vote. A holder of Ordinary Shares is entitled to appoint one or more proxies to attend and (on a poll) to vote in his stead. A proxy need not be a member. A Form of Proxy is enclosed.

If the proposed Final Dividend on Ordinary and 'A' Ordinary Shares is approved at the meeting, warrants in payment will be posted on 6th April 1971, to those shareholders on the Register at 23rd February 1971.

There will be available for inspection at the Registered Office of the Company, Millbank Tower, Millbank, London, S.W.1, during the usual business hours from 1st March 1971, until 31st March 1971:—

- (a) A statement for the period 28th August 1970 to 3rd February 1971, 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

GRAHAM R. DOWSON
Assistant Chief Executive

J. P. COLLIS

Managing Director, Rank Bush Murphy Limited

C. R. P. HAMILTON

THE LORD HELSBY, G.C.B., K.B.E.

F. KEIGHLEY

C. W. P. MAC ARTHUR

Managing Director, Rank Precision Industries Limited

C. PETER McCOLOUGH (U.S.A.)

DENIS M. MOUNTAIN

THE HON. ANGUS OGILVY

BRYAN QUILTER
Managing Director, Rank Leisure Services Limited

F. JOHN READ

SIR ROBERT SHONE, C.B.E.

SIR IVAN STEDEFORD, G.B.E.

SIR RICHARD TREHANE

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

Secretary and Registered Office
RUSSELL W. EVANS
Millbank Tower, Millbank, London, S.W.1.

**Bankers** 

NATIONAL WESTMINSTER BANK LIMITED

Auditors and Consultant Accountants
PEAT, MARWICK, MITCHELL & CO.

MMC

## **DIRECTORS' REPORT**

#### 1 Accounts

The Directors present the Balance Sheet of the Company and Consolidated Balance Sheet at 31st October 1970 and Consolidated Profit and Loss Account for the 70 weeks ended on that date, these being the first Accounts to be presented following the adoption of the 31st October as the new year-end date.

The attention of Shareholders is drawn to notes 2 and 3 on page 40

relating to the change in basis of accounting.

The Consolidated Profit for the 70 weeks was  Add Share of Profit before Taxation of  Associated Companies	£000s	£000s 13,888
Rank Xerox Group		30,934
Others		2,060
Dividends and Interest Receivable		1,215
		48,097
Less Interest payable		5,028
		43,069
Less Taxation based thereon		20,481
Less Taxation based thereon		20,401
Profit after Taxation		22,588
Less Outside Shareholders' Interests		844
		21,744
Add Non-trading and Special Items		340
The Consolidated Profit attributable to the		-
		22,084
Parent Company was		22,004
Less Retained by	220	
Subsidiary Companies Associated Companies	8,530	8,750
Associated Companies		0,730
Leaving a Surplus in the Parent Company of		13,334
The Revenue Reserves of the Parent Company		
brought forward amounted to		4,060
Making a total of		17,394
Which your Directors (a) have applied (b)		
recommend be appropriated as follows:—		
(a) 6½% Preference Dividend	835	-
(a) 8% Second Preference Dividend	279	=
(a) First Interim Dividend of 12½% on the Ordinary		
and 'A' Ordinary Shares	2,133	
(a) Second Interim Dividend of $17\frac{1}{2}\%$ on the	2,986	
Ordinary and 'A' Ordinary Shares (b) Final Dividend of 17½% on the Ordinary and	2,900	
<ul><li>(b) Final Dividend of 17½% on the Ordinary and 'A' Ordinary Shares</li></ul>	2,996	9,229
. Oraniary onaros		
Leaving an amount to be carried forward in the		
Parent Company of		8,165

#### 2 Rank Xerox Limited

In December 1969 negotiations were concluded between The Rank Organisation and Xerox Corporation whereby the control of Rank Xerox Limited passed to Xerox Corporation. The arrangements provided that, in addition to its extensive operations in the office copying field, Rank Xerox would be entitled to undertake the manufacture, distribution and sale of a number of new product lines, including computers and related electronic data processing equipment and services, educational and library products and services, and other office equipment and products. The Company and certain of its subsidiaries received 213,049 Shares of Common Stock of Xerox Corporation in exchange for the ceding of voting control of Rank Xerox to Xerox Corporation and the cancellation of royalties formerly payable to Rank Xerox by Xerox Corporation on sales by Xerox Corporation in Central and South America.

#### 3 Principal Activities

The principal activities of the Company and its Subsidiaries during the 70 weeks ended 31st October 1970 were:

#### Leisure:

Leisure Services including Film Exhibition, Dancing, Bingo, Motorports and Restaurants.

#### Films:

Film production and distribution, operation of Film Studios and Film Processing Laboratories.

#### Manufacturing:

Production of scientific instruments, electronic equipment, radio and television sets.

#### **Audio Visual:**

Manufacture of high fidelity audio equipment, educational products and theatre lighting equipment, distribution of audio visual aids, cameras, cine equipment and theatre furnishing.

#### **Hotels:**

Operation of hotels in the U.K. and Overseas.

#### **Investment in Associated Companies:**

Rank Xerox: Manufacture and marketing of xerographic equipment for high speed document copying and duplicating.

Others: Manufacture overseas of television and radio sets, radiograms, film exhibition overseas, and Southern Television.

#### 4 Analysis of Turnover and Profit

An analysis of the Turnover and Profits of the various classes of the business carried on by the Company and its Subsidiaries for the 70 weeks ended 31st October 1970 is as follows:

Class of Business	Turnover	Profit before Tax (see note
Leisure Services:	£000s	below) £000s
Film Exhibition British Isles Overseas (mainly Canada) Dancing, Bingo and Tenpin Bowling Motorports and Restaurants	37,894 14,988 16,197 7.624	5,415 1,801 2,003 (41)
Film Production and Distribution Film Studios and Laboratories Scientific Instruments and Electronics Radio and Television Audio Visual Hotels Other Activities Less Unallocated Central Costs	76,703 9,267 7,854 25,173 34,410 22,207 8,420 3,099	9,178 1,035 1,173 383 1,808 184 443 440 (756)
	187,133	13,888
Less Interest Payable		5,028
Share of profits before taxation of Associated Companies		8,860
Rank Xerox Group Others		30,934 2,060
Dividends and Interest Receivable		1,215
	£187,133	£43,069

Note: In the opinion of the Directors it is not practicable to apportion interest payable and certain central costs between the various activities of The Rank Organisation.

#### **5 Directors**

The following were Directors of the Company throughout the 70 weeks ended 31st October 1970.

Mr. J. P. Collis, Mr. John Davis, Mr. Graham R. Dowson, Mr. C. R. P. Hamilton, The Lord Helsby, Mr. F. Keighley, Rt. Hon. Selwyn Lloyd, Mr. C. Peter McColough, Mr. Denis M. Mountain, The Hon. Angus Ogilvy, Mr. Bryan Quilter, The Lord Rank, Mr. F. John Read, Sir Robert Shone, Sir Ivan Stedeford, Mr. Joseph C. Wilson.

Mr. C. W. P. Mac Arthur was appointed to the Board on 6th July 1970. He was re-elected a Director at the Annual General Meeting on 9th October 1970.

Sir Richard Trehane was appointed to the Board on 7th December 1970. He retires in accordance with the Articles of Association and, being eligible, offers himself for re-election.

The Rt. Hon. Selwyn Lloyd retired from the Board on 18th January 1971 following his election as Speaker of the House of Commons.

Mr. H. Leeming retired from the Board on 31st December 1969 and Mr. N. G. Foulkes on 19th January 1970.

Mr. John Davis, Mr. C. R. P. Hamilton, The Lord Helsby, The Lord Rank and Mr. Joseph C. Wilson retire by rotation in accordance with the Articles of Association and, being eligible, offer themselves for re-election. The Lord Rank having attained the age of 82 his proposed re-election will be the subject of a Resolution of which special notice has been given.

#### **6 Directors' Interests**

The interests of the Directors in shares and debentures of the Company and its Subsidiaries, which are set out in the following table, include such family interests in shares and debentures as are required to be shown by the Companies Act, 1967. Their 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 of its Subsidiaries.

THE RANK ORGANISATION LIMITED

			'A'	6 <u>‡</u> %	7½% Convertible
		Ordinary	Ordinary	Preference	Unsecured Loan Stock 1988/93
The Lord Rank	(a) * (b) *	230,221 230,221	156,879 176,879	51 51	_
John Davis	(a) (b)	17,000 17,000	41,722 41,722	_	. <del>-</del>
Graham R. Dowson	(a) (b)	300 300	1,025 5,000	_	_
J. P. Collis	(a) (b)	110 110	_	_	<del></del>
C. R. P. Hamilton	(a) (b)	2,000 2,000	1,000 2,300		£10,000
The Lord Helsby	(a) (b)	_	1,300 1,300	329 329	_
F. Keighley	(a) (b)	800 800	915 915	900 900	<u>-</u>
Rt. Hon. Selwyn Lloyd	(a) (b)	3,000 2,000	3,000 7,000	=	· <u>-</u>
C. W. P. Mac Arthur	(a) (b)	_	7,626 7,626	=	-
Denis M. Mountain	(a) (b)	_	_	1,000 1,000	_
The Hon. Angus Ogilvy	(a) (b)	71 1,071	572 4,580	=	<u> </u>
Bryan Quilter	(a) (b)	215 215	_	_	
F. John Read	(a) (b)	_	8,000 8,000	=	
Sir Robert Shone	(a) (b)	1,000 1,000	_	1,000 1,000	=

#### THE RANK ORGANISATION LIMITED (continued)

			'A' Ordinary	6½% Preference	7½% Convertible Unsecured Loan Stock 1988/93
Sir Ivan Stedeford	(a)	4,000	1,889		
	(b)	4,000	1,889	_	_
Joseph C. Wilson	(a)		9,390		l _
•	(b)	_	9,390 9,390		

#### A. KERSHAW & SONS, LIMITED

		<i>Ordinary</i> 275 275
C. R. P. Hamilton	(a)	275 ·
	(b)	275

\*(a) at 31st October 1970.

Except as stated, none of the Directors was interested in shares in or debentures of the Company at 29th June 1969 (or later date of appointment as Director) or at 31st October 1970; nor was any Director interested at such dates in shares in or debentures of any other body corporate being the Company's Subsidiary or holding Company or a subsidiary of the Company's holding company.

#### 7 Issue of Shares and Loan Stocks

In the relevant periods specified below holders of the Convertible Unsecured Loan Stocks exercised conversion rights and were allotted 233,879 'A' Ordinary Shares of 25p each in the Company in exchange.

Between 1st October and 9th December 1969: £19,608—6½% Unsecured Loan Stock 1975/79.

Between 15th October and 15th November 1969: £526,511—6½% Unsecured Loan Stock, 1988/93.

Leaving outstanding £4,256 Unsecured Loan Stock 1975/79 and £232,781 Unsecured Loan Stock 1988/93. These stocks were repaid on 30th June 1970.

Since the 31st October 1970 217,230 'A' Ordinary Shares of 25p each have been allotted under the Executive Incentive Scheme and £2,361,250  $5\frac{1}{2}$ % Unsecured Loan Stock 1990/95 and £1,694,286 8% Unsecured Loan Stock 1988/93 have been issued arising from the cancellation of preference share capitals in Subsidiary Companies which have consequently become wholly owned.

#### 8 Fixed Assets

The total expenditure on additions to Fixed Assets of the Company and its Subsidiaries (other than arising on acquisition of Subsidiaries) during the 70 weeks ended 31st October 1970, amounted to £15,142,000.

The principal categories of expenditure were:—

	£
Factories and Plant	5,587,000
New Theatres and improvements to existing Theatres	4,738,000
Suites, Clubs and Motorports	1,828,000
Hotels	874,000
Sites acquired for development	902,000

The principal disposals of Fixed Assets of the Company and its Subsidiaries during the 70 weeks ended 31st October 1970, were: Theatres, office and factory premises having a total book value of £3,227,000.

<sup>\*(</sup>b) at 29th June 1969, or later date of appointment as Director.

#### 9 Ultimate Holding Company

53% of the Ordinary Shares of The Rank Organisation Limited, representing Lord Rank's and Lady Rank's original shareholdings, is owned by Rank Group Holdings Limited (formerly Odeon Cinema Holdings Limited), the whole of the share capital of which is ultimately owned by The Rank Foundation Limited (formerly 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. The Rank Foundation Limited, a company incorporated in England and limited by Guarantee, which was set up as part of these arrangements, is the Company's ultimate holding company.

Lord Rank, Mr. John Davis and Mr. F. Keighley are members of The Rank Foundation Limited and Trustees of the J. Arthur Rank Group Charity and Mr. John Davis and Mr. F. Keighley are also Trustees of the 1961 Rank Group Charity but none of them has any beneficial interest in the shareholdings referred to above.

#### 10 Shareholdings Exceeding 10 Per Cent

Additional information is given, so far as is known, regarding persons holding or beneficially interested at 31st October 1970 in more than 10% of the ordinary share capital of the Company.

	Ordinary Shares of 25p each	'A' Ordinary Shares of 25p each
Rank Group Holdings Limited	8,026,040	125,000
Guaranty Nominees Limited	40,195*	29,212,917*
Eagle Star Insurance Company Limited and Subsidiaries	1,854,494	654,636

<sup>\*</sup>Substantially represented by American Depositary Receipts.

#### 11 Ordinary Shares—Distribution of Holdings

At 31st October 1970, the Ordinary and 'A' Ordinary Shares of the Company in issue were held by 32,281 holders (excluding holders of American Depositary Receipts).

The shareholdings were as follows:

Shares held	Number of shareholders
1—100	11,146
101—250	8,024
251—500	6,332
501—1,000	3,910
1,001—5,000	2,353
5,001—10,000	186
10,001—50,000	248
Over 50,000	82

#### 12 Exports and Overseas Earnings

ports una oronodae maninge	£
Value of goods exported by the Company and its Subsidiaries in the 70 weeks ended 31st October 1970	14,384,000
Profits of overseas Subsidiaries, film revenues and royalties earned overseas and share of profits of overseas Associated Companies	3,957,000
Rank Xerox Limited — Associated Company Exports mainly to and earnings of overseas subsidiaries	88,446,000
	£106,787,000

#### 13 Close Companies—Income and Corporation Taxes Act, 1970

The Company is not a close company within the meaning of the Income and Corporation Taxes Act, 1970.

#### 14 Capital Gains Tax—Finance Act 1965

For the information of shareholders and stockholders who acquired their holdings on or before 6th April 1965, the market values of the Company's shares and loan stocks at that date were as follows:

Ordinary Shares of 25p (5/-) each	£1·23125	(24s. 7½d.)
'A' Ordinary Shares of 25p (5/-) each	£1·15	(23s. 0d.)
6½% Cumulative Preference Shares of £1 each	£0.8375	(16s. 9d.)
8% Second Cumulative Preference Shares of £1 each	£1·10	(22s. 0d.)
6% Unsecured Loan Stock 1983/88	90	

#### 15 Employees

The average number of persons in the employment of the Company and its Subsidiaries in each of the 70 weeks to 31st October 1970, and the aggregate gross remuneration for the 70 week period was:

	Number	Aggregate Gross Remuneration £
Employees within the United Kingdom including 9,357 part-time employees Employees outside the United Kingdom	33,256	40,915,000
including 1,098 part-time employees	4,059	7,310,000
	37,315	£48,225,000

#### 16 Charitable and Political Contributions

During the 70 weeks ended 31st October 1970, the Company and its Subsidiaries made contributions for charitable purposes totalling £145,933. The Company contributed £50,000 to the Conservative and Unionist Party and £500 to the North Western Industrialists Council. This latter payment may also be regarded as coming within the definition of political purposes under the provisions of Section 19 of the Companies Act, 1967.

#### 17 Auditors

Messrs. Peat, Marwick, Mitchell & Co. have signified their willingness to continue in office as Auditors.

By Order of the Board. RUSSELL W. EVANS, Secretary. 1st March 1971

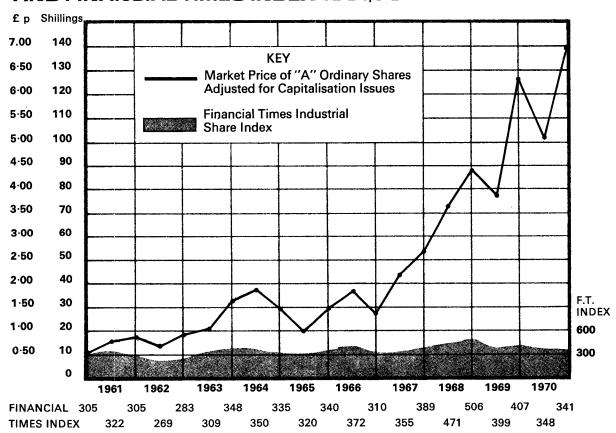
## THE FINANCIAL FIGURES IN BRIEF (see notes below)

£ figures in thousands	1970 October (70 weeks)	1969 October (70 weeks)	1970 October (52 weeks)	1969 June (52 weeks)	1968 June (52 weeks)
Turnover	£187,133	£167,083	£141,869	£237,094	£204,355
Profit before Taxation	£43,069	£32,775	£33,650	£52,307	£35,833
Profit after Taxation	£22,588	£17,074	£17,536	£27,693	£19,547
Profit attributable to the Shareholders (after Outside Shareholders' interests and excluding non-trading and special items)	£21,744	£16,340	£16,880	£11,258	£8,642
Profit per 25p Ordinary and 25p 'A' Ordinary Share Pence (see note 2 below) U.S. cents (\$2.40 = £1)	30·2 72·5	22·4 53·7	23·5 56·4	15·3 36·8	12·0 28·9
Dividend per 25p Ordinary and 25p 'A' Ordinary Share (before deduction of tax) Pence (see note 2 below) U.S. cents (\$2.40 = £1)	11·875 28·5			5·875 14·1	5·6875 13·65
Capital employed	£187,117		į	£234,033	£202,200

Notes: 1. The figures for periods ended October are presented on the new basis of accounting referred to in note 3 on page 40 and reflect the changed status of Rank Xerox from a Subsidiary to an Associated Company. The figures for periods ended June are as previously published.

2. Pence per share information is given in Decimal Currency. Comparative figures have been adjusted accordingly.

## MOVEMENT IN PRICES OF "A" ORDINARY SHARES AND FINANCIAL TIMES INDEX 1961/70



# STATEMENT BY THE CHAIRMAN, MR.JOHN DAVIS

Dear Fellow Shareholders,

I am happy again to present record results and to report that we have achieved our anticipated rate of growth both in our non-Xerox activities and in Rank Xerox.

In September last I reported on the unaudited results for the 52 weeks ended 27th June 1970 which showed a record increase of 31% over those of the previous year.

As the result of the change in our accounting period to 31st October, the accounts under consideration cover 70 weeks to that date.

The change of accounting date creates some anomalies in the divisional results, arising from the new time cycle of operation.

Consequently, in order that shareholders may have the fullest information to enable them to compare the current results with those of previous periods, supplemental financial information is provided which shows the results for the 70 weeks to 31st October 1969 and also those for the 52 weeks ended October 1970. This additional information should assist you in assessing our growth and in making a proper comparison next year.

I am happy to say that the 70 weeks' accounts show Group profits after tax of £21,744,000 an increase of 33% over the corresponding period ended 31st October 1969. The supplementary accounts for the year to October 1970 show an increase in net taxed profits of 31% over the corresponding period for the previous year.

Although Rank Xerox has again been the principal contributor to this result, our other activities have also made good progress as I have previously forecast.

Trading profits of the Group other than those of Rank Xerox increased from £8,050,000 in the year to October 1969 to £10,513,000 in the year to 31st October 1970.

The past period has witnessed some important changes both within the Group and outside it. The most significant event within the Group was the satisfactory completion of negotiations with Xerox Corporation concerning the future of Rank Xerox. I shall be referring to this important development in some detail later.

An important event which will undoubtedly influence the future of our Group was the change of Government last June. As you know, I have always emphasised that the previous Government's economic measures bore particularly hard and unfairly upon our leisure activities. I look forward hopefully to a period in which industry and enterprise can expect a greater measure of encouragement and assistance from the Government to develop the skills and expertise in business which are abundantly available in this country.

The Chancellor's announcement of 27th October in regard to reductions and variations in taxation was most encouraging. I hope that in due course the burdensome and unfair Selective Employment Tax will be abolished.

#### SIGNIFICANT EVENTS

In December 1969 I informed shareholders in some detail of important and exciting changes in our relationship with Xerox Corporation which are summarised briefly here.

Negotiations continued over a considerable period and were concluded by agreements made on 11th December 1969.

Under the new arrangements **Rank Xerox Limited** will have the opportunity of participating in new Xerox products, both in the traditional xerographic field and in other fields such as computers and educational products, for exploitation in the Eastern Hemisphere.

Provision is made for The Rank Organisation to provide its share of finance for the acquisition of new businesses so as to maintain our existing proportionate interest in Rank Xerox.

These arrangements include provision for:

- (a) Rank Xerox to surrender the right to a royalty on sales by Xerox Corporation in South America;
- (b) A payment by Rank Xerox of royalty of 8% on the specified non-xerographic products;
- (c) Rank Xerox to distribute in dividend at least 50% of its net profits each year;
- (d) The Rank Organisation to receive from a wholly-owned U.S. subsidiary of Xerox Corporation a service fee of \$1m. in each of the five years from 1970 to 1974 in consideration of providing design and development and marketing services in connection with data processing systems;
- (e) The transfer of voting control to Xerox Corporation;
- (f) Our participation in the profits of Rank Xerox not being reduced in any way whatsoever;
- (g) Our receiving 213,049 common shares of Xerox Corporation which had a market value of some £9,500,000 at the date of finalising the agreements in December 1969 in consideration of our agreement to these changes.

With the general downturn in the American stock market which has occurred since that date, this holding of Xerox Corporation shares is worth rather less than the above-mentioned sum at current prices.

It is a little over a year since these negotiations were concluded. I am more than satisfied that the new arrangement was and is in the best interest of the Organisation.

In order to permit Xerox Corporation to consolidate Rank Xerox results in accordance with United States Securities Exchange Commission requirements, it was necessary for Rank Xerox to alter its financial year-end to 31st October.

I had long felt that our year-end date at June was inconvenient for internal administration reasons and it was, therefore, decided that The Rank Organisation and its subsidiaries should also alter their accounting dates to 31st October.

Instead of incurring the expense and inconvenience of preparing audited accounts for the year to June 1970 and again for the four months to October 1970, it was considered more convenient to prepare audited accounts covering the sixteen months' period. This meant that audited accounts could not be prepared in time for presentation to an Annual General Meeting in 1970.

Although we could have obtained dispensation from the Board of Trade from holding an Annual General Meeting in 1970, I decided that it was in the shareholders' interests that they should have an opportunity to ask questions on the unaudited results for the year to June 1970. An Annual General Meeting was therefore held in October last for this reason.

It was for many years an accepted accounting practice in this country that profits from companies which were not legal subsidiaries should be reflected in an investing company's accounts only to the extent of dividends or other income actually received. With the great increase in consortia and associated company interests the practice has been changing, since it is considered unrealistic to ignore the full share of profits arising in associated companies where the investing company exerts a significant influence.

In this connection the Accounting Standards Steering Committee of the Institute of Chartered Accountants in England and Wales, in association with the two other chartered institutes, has issued an exposure draft statement on this subject.

The principles involved are of great significance to us since our major investment, Rank Xerox, previously a legal subsidiary, is now an associated company.

We have, therefore, applied in these accounts modern accounting practice to the results of Rank Xerox as well as to the other associated companies.

Further steps have been taken to simplify the Group structure.

Rank Television and General Trust Limited Odeon Properties Limited and Odeon Associated Theatres Limited

are three important subsidiaries, the whole of whose equity share capital is owned within the Group. However, all three subsidiaries had sizeable issues of Preference Capital owned outside the Group.

A Scheme of Arrangement was submitted last October, which became effective in January of this year, enabling the whole of this Preference Capital to be extinguished in exchange for the issue to the holders, of Loan Stock of the Parent Company.

These arrangements involved the issue by the Parent Company of £2,361,250  $5\frac{1}{2}$ % Unsecured Loan Stock 1990/95 and £1,694,286 8% Unsecured Loan Stock 1988/93.

This scheme has a subsidiary advantage in that after taking account of taxation relief, the cost of servicing the Loan Stock will be less than the preference dividends previously payable.

Further conversions of the Parent Company's Loan Stocks have taken place since the last audited accounts were submitted.

Of the  $6\frac{1}{2}\%$  Convertible Unsecured Loan Stock 1988/93, £526,511 was converted leaving £232,781 of Stock outstanding and of the  $6\frac{1}{2}\%$  Convertible Unsecured Loan Stock 1975/79 £19,608 was converted leaving a small amount of £4,256 outstanding.

These conversions involved the issue of 233,879 'A' Ordinary Shares of the Parent Company. No further conversion rights attach to these Stocks.

The only remaining Convertible Loan Stock now outstanding is the  $7\frac{1}{4}\%$  1988/93 Stock, the holders of which have the option to convert into 'A' Ordinary Shares of the Parent Company in any of the years 1971, 1972 and 1973. During 1971 the option became open on 1st January and expires on 30th April next giving the holders the right to 50 shares for each £300 of stock converted.

It has increasingly been the practice of the larger public companies to establish **Incentive Schemes for Executives**. Your Board felt that in order to continue to attract executives of the right calibre we should follow suit.

At the Annual General Meeting held last October an incentive scheme was submitted to shareholders and approved.

The scheme provides for the issue of 'A' Ordinary Shares at a price equal to current market value, the purchase being financed by loans from a Group Company for a period of 10 years.

These rights are being made available to selected executives who are considered to be in a position to influence the future profits of the Group, and will not be available to non-executive directors.

It is not my intention to participate personally in the scheme.

We have acquired an investment in George Kent Limited. Our current share-holdings in that Company are 3,128,000 ordinary shares and 30,000 deferred ordinary shares representing 18-2 per cent of the issued share capital.

During recent years we have redeveloped a number of our cinema theatre properties. Other development schemes are currently in progress or in contemplation.

In order to facilitate management and financing, it has been arranged that completed and future developments should be placed in one company.

Accordingly, Rank Property Developments Limited, a wholly-owned subsidiary within the Group, will carry out these functions. Two major developments of this nature are:

(a) When planning permission is received, the demolition of the Odeon Kensington and adjacent properties, on which a large complex will be built to include a hotel, twin cinemas and shops. This new hotel will

help to satisfy the current shortage of first-class hotel accommodation which exists in Central London and will be an important addition to our Hotel Division.

(b) Redevelopment of the Gaumont Cinema, the Majestic Ballroom and the adjoining car park which occupy a most important site adjacent to Sauchiehall Street in the centre of Glasgow. This new development will comprise a 9-storey office block with shopping precinct at ground and first floor levels, and will include a Top Rank Suite on the second floor.

Other important acquisitions have been made including:

English Numbering Machines is a long established company manufacturing and marketing counting machines and other numbering devices from premises in Enfield. The company has important developments in the data processing field. We have acquired an 80% interest at a cost of £2,400,000 and have great confidence in the future of this important acquisition.

Strand Electric, which we acquired in 1968, had a subsidiary company operating in the United States. With a view to enlarging and consolidating that business, we have now purchased, for the sum of just over £1m. the business and assets of Century Lighting Inc. which also operates in America and Canada as theatre lighting contractors.

Rank Precision Industries has carried out a major re-arrangement of its interests in the United States.

Part of these arrangements involved the acquisition of a franchise to market certain of the divisional products held in the past by an independent U.S. distributor.

As a result, the marketing in the U.S. of products of the Analytical, Broadcast and Industrial Divisions will be handled by Rank Precision Industries, Inc., the existing American wholly-owned subsidiary.

The products of the Metrology Division will be handled by Rank Scherr-Tumico Inc., a company jointly owned by the Organisation and Scherr-Tumico Inc. of Illinois. The latter company has an established organisation handling products of a type similar to those of the Metrology Division.

Rank Film Laboratories has always been a satisfactory profit earner and, to enable it to secure a larger direct stake in the European market, a third share in a film processing laboratory in Rome is being acquired at a cost of £650,000. A smaller investment is being made in a laboratory in Greece.

**Bush Murphy** has taken steps to enter the European market direct by taking an 80% interest in a new company named Rank Arena A.S. based in Denmark.

Rank Arena has taken over the audio products business previously owned by Hede Nielsen A.S. who are our partners in Rank Arena.

It is intended that Rank Arena will manufacture audio products for the existing European markets and for Bush Murphy to market in the U.K. whilst Bush Murphy will supply television sets to Arena for marketing in Europe. The cost of our investment in Rank Arena was £800,000.

The considerable cut-back in our film production programme as compared with some years ago has necessitated a contraction of our **Film Distribution Organisation Overseas** and this has been taking place gradually over recent years.

The past year has seen the disposal of the greater part of our South American interest on satisfactory terms.

I am pleased to report that our direct overseas distribution organisation has now been disposed of without incurring such terminal losses as might have been anticipated.

We have decided to abandon our interest in **bowling**. This sport, regrettably, did not 'catch on' here to the same extent that it did in America. We have now closed down or sold all our bowls, thus eliminating future trading losses.

**DIVIDENDS**—The Government Prices and Incomes Policy has in recent years restricted our distribution policy. The removal of dividend restriction enables us to recommend distributions more in line with our profit levels.

A final dividend for the 70 weeks ended 31st October 1970 of  $17\frac{1}{2}\%$  is proposed. Taking into account the first interim dividend of  $12\frac{1}{2}\%$  and the second interim dividend of  $17\frac{1}{2}\%$ , the distribution for the 70 weeks totals  $47\frac{1}{2}\%$ , equivalent to an annual rate of  $35\frac{1}{4}\%$ . This compares with a total dividend of  $23\frac{1}{2}\%$  in respect of the year ended 28th June 1969. The dividend is substantially covered by net profits i.e. 2.56 times.

In the Interim Statement published under the date of 10th September last, I intimated that a final dividend in respect of the 70 weeks ended 31st October would be paid in March 1971.

Since the issue of that statement the Chancellor of the Exchequer has reduced the rate of Income Tax for 1971/1972 by  $2\frac{1}{2}p$  in the £.

I consulted with my advisers and as a result we decided that on balance it would be preferable to postpone the payment of the final dividend until 6th April next so as to secure for many shareholders the benefit in the reduction in taxation.

#### FINANCIAL ACCOUNTS

The audited accounts of the Organisation are set out on pages 34 to 46 and other financial information is shown on pages 48 to 53.

Your attention is drawn to notes 2 and 3 to the accounts on page 40 which explain the change in the basis of accounting in relation to Rank Xerox and other associated companies to which I have already made reference.

The following comments may assist in obtaining a better appreciation of the accounts and other financial information.

consolidated profit and loss account – The combination of the change in the basis of accounting as regards associated companies and the extension of the accounting period to 31st October has made it more difficult to present our results in such a way that they can be measured against previous years' performances.

In an endeavour to overcome this difficulty, as I have already said, an unaudited profit and loss account covering the 70 weeks to 31st October 1969 and year to 31st October 1970 is presented as part of the ten year financial review on pages 50 and 51. This information is summarised below:

on pages of and on the same	70 weeks ended		Years ended		
Turnover	October 1970 £000s 187,133	October 1969 £000s 167,083	October 1970 £000s 141,869	June 1969 £000s 121,819	
Trading Profit Share of profit before taxation of associated companies	13,888	10,658	10,513	7,283	
Rank Xerox Group	30,934	23,384	24,456	16,906	
Others	2,060	2,078	1,549	1,567	
Dividends and interest receivable	1,215	1,007	935	727	
	48,097	37,127	37,453	26,483	
Interest payable	5,028	4,352	3,803	3,127	
Profit before taxation	43,069	32,775	33,650	23,356	
Taxation	20,481	15,701	16,114	11,334	
Profit after taxation	22,588	17,074	17,536	12,022	
Outside shareholders' interests	844	734	656	546	
	21,744	16,340	16,880	11,476	
Special Items	340			202	
	22,084			11,678	
Preference Dividends	1,114			833	
Amount attributable to the Ordinary and 'A' Ordinary shareholders	20,970			10,845	
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An analysis of turnover and trading profits will be found on pages 48 and 49.

**CONSOLIDATED BALANCE SHEET** – The change of Rank Xerox from a subsidiary to an associated company, which means that the detailed assets and liabilities of Rank Xerox are no longer consolidated, has had a considerable effect upon the Group balance sheet.

So that shareholders may obtain a clear appreciation of the position, the following table shows the June 1969 consolidated balance sheet re-written on the new basis for comparison with the current balance sheets.

	October 1970 £000s	<i>June 1969</i> £000s
Capital Employed		20003
Equity Share Capital	17,064	17,006
Share Premiums	31,089	30,602
Reserves	59,645	37,557
Total Equity Capital & Reserves	107,798	85,165
Preference Share Capital	12,598	12,598
Outside Shareholders	6,996	6,206
Deferred Taxation	4,416	3,243
Loan Capital	16,437	19,859
Short Term Advances	12,808	12,236
Bank Loans and Overdrafts	26,064	17,340
	£187,117	£156,647
Employment of Capital		
Fixed Assets	85,132	80,289
Goodwill	21,166	18,785
Investments—Rank Xerox	34,501	25,867
Other	24.212	10,356
Net Current Assets	22,106	21,350
	£187,117	£156,647
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**Equity Share Capital** and **Share Premiums** reflect the conversion of Loan Stocks.

At 31st October 1970 short term borrowings of £13,674,000 had been secured from overseas sources. It is advantageous to borrow overseas for development there so as to avoid the burden of the currency premium and increasing our credit facilities without bunching repayment dates – a strengthening of our financial position.

THE COMPANY STATUS – The shares of your Company have continued to maintain a high value on the Stock Exchanges, particularly in the United States and London in spite of the general low level of prices of most company shares. This reflects the high regard in which your Company is held as an investment and the consistent growth which we have shown and shall continue to show.

**DIRECTORS** — I set out last year my views on the importance of non-executive Directors on the Board of a Parent Company and the contribution they make to its well being. It is encouraging that during the past year this point of view has become a matter of public concern and that more and more companies are realising the need to adopt our philosophy.

I am sure it will be realised that the period which we are now surveying has not been without its problems and that serious consideration has had to be given to many other matters of importance.

I would like to express again my sincere thanks to the non-executive Directors who have made such an important contribution to our activities and have given us freely of their time.

The Right Hon. Selwyn Lloyd, M.P. It is with the greatest of regret that I accepted the resignation of Mr. Selwyn Lloyd following his election as Speaker of the House of Commons – an appointment for which he is eminently suited

having regard to the great services he has rendered in Parliament and to this country.

He has now been closely associated with The Rank Organisation since 1963 — with a short break whilst he held Ministerial office — during which period he has been an active non-executive Director and contributed greatly to our deliberations.

My colleagues and I would like to thank him for his valuable support and to wish him well in his new activities.

**Directors Fees** – The non-executive Directors at present receive fees totalling £2,750 p.a. (of which £1,000 is paid by The Rank Organisation and £1,750 by four principal subsidiary companies). These fees have been unchanged since 1962.

In order to bring Directors' fees more into line with the increased size and importance of the Company and current monetary values, a resolution will be proposed at the Annual General Meeting to increase the Directors' fees of The Rank Organisation to £3,750 p.a. (the Chairman's to £4,250 p.a.), whereupon the fees from the subsidiary companies will be cancelled.

It is, however, intended that £500 only of the £1,000 increase in total fees will be payable for the current year ending 31st October, 1971.

Executive Directors do not receive Directors' fees from the Company or its U.K. subsidiaries. These are deemed to be included in their remuneration.

**PERSONNEL** – The past year has been a tough one for most businesses, including our own. The situation has not been made easier by the industrial unrest which has existed, coupled with the confusing views expressed in regard to it. Consequently, it is particularly gratifying that we have come through such a year with little or no industrial trouble of our own and that industrial negotiations have been carried on without undue heat. My colleagues and I would like to thank the Executive for the great effort which they have made and continue to make as management in maintaining good relations with employees at all levels.

We would also like to thank all employees (37,000) both in this country and overseas and in our offices, factories and warehouses for the contribution which they have made to the success of the Company.

consultant accountants – It has been my privilege over the years to pay tribute to the consultant services given by Sir Ronald Leach, C.B.E., Senior Partner of Messrs. Peat, Marwick, Mitchell & Co. This relationship has now been a long and happy one.

Consequently my colleagues and I were particularly delighted when we heard that Her Majesty the Queen had recognised the work which he had done for the benefit of this country and had bestowed upon him a knighthood. We congratulate him.

THE FUTURE – If I had to consider only the state of the affairs of your Company and its well-being in making a prediction as to where we are going in the future, my task would be an easy one, as it is my considered opinion that your Organisation will continue to grow substantially, both in the non-Xerox activities and in Rank Xerox.

Inevitably in these days some reservation must be made as to outside influences, such as any acceleration of industrial unrest, but I look to the future with undiminished and justifiable confidence.

Yours sincerely, JOHN DAVIS, Chairman and Chief Executive

# THE CHAIRMAN'S REVIEW OF DIVISIONAL OPERATIONS

#### THE ORGANISATION

The Man with the Gong – a man of many skills

The Rank Organisation has been among the pioneers in developing communication techniques to play an integral part in both management and marketing operations.

We attach the greatest importance to ensuring the closest contact between management and each of our Divisions so that despite the different markets in which they are working there is maintained a Group philosophy.

The closest personal relationships which occur out of planned levels of communication are particularly valuable when quick response to new conditions is required or when it is desired to apply the aggregate experience of our management group to a new development.

All of us know how much easier it is to write a letter to someone we know well or to gauge the purpose of a letter we may receive from someone we have met face to face. We take many steps to put into practice internally the communication techniques which we market to our customers.

Good communications must mean fast communication. The Rank Organisation has devised its own management system which ensures that the heads of divisional operations – 15 in all – have direct access to me at any time.

These 'short leads' ensure that the Organisation enjoys maximum flexibility and does not run the risk of losing opportunities through delays and confusion resulting from 'red tape'.

It is not only the Divisional heads who are in communication with the top executives of the Group.

Once a year I bring together representatives of the middle and senior management, totalling some 600 people, when the progress of our Organisation over the previous 12 months is reviewed and our plans for the forthcoming year and the years ahead are discussed in some detail.

As part of this exercise the executives are encouraged to question me on any aspect of the Group's operations. No subject is excluded and no one need restrict his questions to the affairs of his own Division. I regard this as one of the most important management meetings of the year.

During 1970 we held, in addition, a full day's conference – the first of its kind held in this country, where we brought together the research and development scientists from all Divisions together with our marketing specialists. Through addresses and presentations coupled with question-and-answer periods and the help of distinguished outside speakers, we were able to show and stress the importance of the interdependence of Research and Development on the one hand and of successful Marketing on the other.

We retain a number of distinguished scientists with whom we hold regular meetings at which they and our own scientific executives discuss aspects of the future which may not, at the time, be ready for consideration by a Division.

Such meetings, in our view, add to the value of communication with the best thinking in the Universities and elsewhere and keep our management constantly alive to varying points of view.

We have, for some time, obtained great value from our Women's Advisory Panel from which we ensure that the woman's viewpoint is taken into account at the planning stage of many products and new buildings where the public are involved.

As independent advisers they not only provide a link with professional viewpoints in the fields of design, architecture and information, but also create a continuous communication with those sections of the market dominated by women's choice.

But communication is not just a matter of meeting, or writing messages or telephone calls. In our view a Company communicates with its public each time it offers a product or service for sale. If that product meets a need this is evidence that communication between the manufacturer and the market place has been sound and effective. If the product does not find the right acceptance it is probably the result of a communication failure.

Whilst we are proud of the progress we have made and the importance we attach to the subject of communication and its important contribution to profitability of our Divisions, we know that we can still continue to improve this important aspect of management.

#### LEISURE SERVICES

The Leisure Industry has felt the effect of the national inflationary trends and there has been a material rise in uncontrollable costs. Moreover, expenditure on leisure is regarded in the budget of the individual as non-essential expenditure and consequently it has to compete even more vigorously for its share of the

Consumer Spend.

The introduction, in the autumn of 1969, of colour television, created a demand for a large proportion of the Consumer Spend for colour television receivers. By October 1970 some 440,000 colour television licences had been issued and it is anticipated that the demand for colour receivers in the current year will continue at a high level, thus creating a considerable challenge for the Spend of all 'away from home' activities.

Our leisure activities were affected by the influenza epidemic in early 1970, particularly those activities involving the assembly of a considerable number of people. This, at a time when the business of cinema theatres and clubs is normally at a peak.

In addition, for the second year running, we experienced an exceptionally fine summer and had the added competition of the World Cup series.

It is not possible to estimate accurately the effect of these factors on our business, but it was substantial. But it does underline the effort required by Management and staff at all levels to maintain our results at a satisfactory level.

Theatres – Admissions have continued to decline. For the 52 weeks ended October 1970 as compared with those of the previous year, the fall was 10.6%.

Obviously we cannot be precise as to the exact reason for this fall, but we do know that when a film is shown which the public want to see, they turn out in as large numbers as ever. Film entertainment is still the best value for money if the product is right.

Unfortunately, as I have said before, many of the films which are produced today do not contain the ingredients of entertainment which the public will pay to see as unfortunately many producers continue to ignore the disciplines

of the market place, often with disastrous results.

In my view, this is a highly dangerous situation as the Industry is creating an image with the public which, long-term, can have only a harmful effect.

When we see the great success of such films as 'Oliver', 'Battle of Britain', 'Butch Cassidy and the Sundance Kid' and the 'Carry-On' series, we have positive proof of the public's interest in films of entertainment value.

We have continued our policy of modernisation, re-building and converting theatres into twin and triple situations. Amongst these were the conversion of the Odeon, Glasgow into a triple and Bournemouth, Bradford, Sheffield, Shepherds Bush and Southend into twins.

Top Rank Clubs – The implementation of the provisions of the Gaming Act which came into effect on 1st July, has necessitated radical changes in the Clubs' operating policies.

It is a tribute to management that the reputation and standards attained in the past resulted in every one of our applications for a Gaming Licence being granted.

The restrictions on prize money and advertising affected admissions in the period immediately following the introduction of the new legislation.

Fortunately, the adaption of old and the introduction of new policies has

done much to offset this situation.

Suites and Ballrooms have had a successful year, increasing their profit contribution although not to as large an extent as I would have liked.

It has been necessary to implement new music and lighting policies coupled with a more specialised approach to the various elements which make up the market so as to meet the changing tastes and demands of young people and thus avoid a decline in public dancing.

The Private Function business has made considerable progress. We have

established a reputation which continues to attract additional custom.

Motorports have again had an unsatisfactory year. The negotiations which have continued with the Minister of Transport have not been fruitful. The situation is unsatisfactory.

The House of Commons Estimates Committee in its report, was not unsympathetic towards many of the submissions made by us and other operators. Unfortunately, the recommendations made by the Committee have not yet been implemented.

**Tenpin Bowling** – Declining attendances and rising costs continued; consequently we decided to close the remainder of the bowls which we were operating and convert them to other uses or dispose of them.

**DEON NORTHERN IRELAND** — No useful comment can be passed on the conditions existing in Northern Ireland as unfortunately the severe political unrest is well known to us all.

The Managing Director and all his staff have continued to operate their theatres under the most difficult conditions. A debt of gratitude is due to them for the loyal way in which they have carried on serving the public.

#### HOTELS

Just over a year ago I expressed the belief that in the current financial year the Division would be operating profitably. I am glad to say that during 1969/70 the Division moved into profit.

If the performance of some of our provincial operations had come up to our expectations, this profit would have been even better. In addition we have been faced with severe economic and industrial problems in Southern Ireland adversely affecting our results, both because of abnormal rising costs and the disinclination of tourists to visit that country, aggravated by the unrest existing in Northern Ireland.

We have made certain important changes as a result of experience, which should lead to increased profitability.

At the Royal Lancaster Hotel we decided to transform 'The Looking Glass' restaurant into additional bedroom accommodation and to re-design the Gloucester Banqueting Suite. These alterations are already making an increased contribution to our profitability.

At the same time we improved the amenities for our personnel. It is our considered opinion that unless hotel companies improve the staff amenities they will not remain competitive in the labour market. We intend to be so. I am glad to say that as a result of the Managing Director's – Mr. Robert Grant – effort, our labour turnover has been dramatically reduced during the year.

We believe that we are in good shape to expand our Hotel operation and consequently have embarked on an expansion programme to build a number of new hotels in important centres of population.

When planning permission has been granted, it is our intention to build a new large hotel in High Street, Kensington, on the site of the Odeon Kensington and additional property adjoining it which we own. The complex, when completed, will include not only the hotel, but two new cinemas and shops.

#### **FILM ACTIVITIES**

FILM STUDIOS – We started the year in a period of great activity with all our stages fully occupied, which continued until the beginning of December, 1969. We then, owing to the severe problems in the film production industry, had a slack period until May 1970 when production started to pick up again, although the size of the productions was smaller than in the previous year.

Being fully alive to the problems of film production we have kept our activities constantly under review so that costs could be kept to a minimum which was

of help to producers and to ourselves.

In spite of difficulties we carried through a refurbishing programme of our entire sound system and the re-equipping of our dubbing theatres coupled with the creation of one new theatre designed especially to look after television film production.

We have completed the manufacture of a sophisticated front projection

equipment which I am advised is equal to any to be found in the world.

Consequently whilst we have been faced with a difficult trading period, we have maintained the high quality of the facilities available in the studios and the services which we offer. It is our view that in the years ahead film producers must be more alive to the costs of production and will more and more use those studios which are efficient and equipped with the most up-to-date technical facilities.

Whilst profit for the year has been disappointing, we look to the year ahead with a greater degree of confidence, as film production may have found a solution to some of its problems.

During the period 13 first-feature films, 4 second and 2 television series

were produced in the studios.

**FILM PRODUCTION** — We financed 8 first and 6 second features during the period involving a cost of £1,500,000.

#### FILM PROCESSING

We record with great regret the untimely death of the Managing Director Mr. Robert A. Dibley who died on 19th September after 13 years service with the Organisation.

Mr. Dibley's death was unexpected and came as a shock to his colleagues in the Division and to the Organisation as a whole. He had always been known for his friendly and kindly approach. He will be missed by us all.

On 29th September Mr. R. J. Dutfield was appointed Managing Director in the knowledge that Mr. Dibley had been training him for the position. He joined the Organisation in 1957 and has been a loyal member of the Organisation. I am sure he will make a success of the heavy additional responsibilities which have been placed upon him so suddenly.

It was inevitable that the growth pattern which the Division had established in recent years could not be maintained owing to the substantial problems of the international Film Production Industry which had not been resolved at the year-end.

The curtailment in processing work which arose out of this situation has been offset to some extent by the benefits from the heavy capital expenditure programme over the last two years which enabled the Division to enter new vital areas of growth as distinct from the traditional film processing. The result – the Division has remained a highly profitable operation.

The Division has always kept itself in the forefront of new technology. The introduction of duplicating film stock – colour reversible inter-negative – gave us the opportunity of receiving recognition for the development work which we had done in this area.

This paved the way to setting up agreements with American and European laboratories for an international processing network linking the world's major film studios. By integrating our resources with North American and European laboratories we collectively are able to offer film producers a world-wide service with known standards of quality and cost effectiveness.

As part of the capital expenditure programme to which I have referred, the need for greater mechanical processing which we anticipated led us to expand our facilities at Denham, North Acton, Birmingham and the UP-ITN Laboratory in London, resulting in rapidity in processing turn round with gains in work quality and technical and liaison service to customers.

At Denham a colour commercials unit autonomous from the main plant has been started up to meet the day to day needs of advertising agencies and their production companies. This is the first laboratory of its kind to be opened in Europe.

The new optical block designed with a dust-free environment to ensure crystal-clear optical effects is now operative, as is the new sound recording

studio at the North Acton Laboratory.

The location of sound facilities alongside colour processing provides producers with a fully comprehensive service within one laboratory operation.

Our policy of servicing every facet of the producer's needs whether entertainment, education or advertising, was strengthened by the setting up of the post production facilities – Lewis Rank Post Productions Limited.

Much thought is being given to the video-tape and cassette markets which we feel sure will benefit the laboratory in the years ahead. A Video Manager has been appointed to head the Division's Research and Development into electronic techniques and to establish the leading role of the laboratories in the forthcoming era of teleplayer and cassettes.

The Division is in good shape to maintain its leading position in its professional activities and take advantage of the new opportunities which will arise in the future.

**DOMESTIC FILM DISTRIBUTION** – The continued fall in box office attendances has led to a further closure of theatres and the need to continually streamline our operation to minimise our costs and meet the requirements of the market place.

In spite of working under such difficult conditions the Division has maintained high morale and has efficiently distributed 28 feature films coupled with

the distribution on a road-show basis of other important productions.

**OVERSEAS FILM DISTRIBUTION** – We have completed the withdrawal from direct distribution throughout the world; a most difficult undertaking in which heavy losses would have been incurred if great care had not been exercised in carrying it out.

Great credit is due to Mr. Mac Arthur who was the Managing Director during much of the period of the withdrawal and to Mr. Jamieson who subse-

quently concluded it, and to the staff working under them.

The Head Office organisation has been successfully streamlined to meet the requirements of our more limited production programme and to continue to generate important revenue from the film library.

Its approach to the new method of operation has been most encouraging.

ADVERTISING FILMS – The demand from national advertisers for cinema advertising remained at a high level, particularly from those manufacturers whose products were aimed directly at the young adult market. Local traders maintained their level of advertising, as they appreciate the value of using the local cinema as an advertising medium.

The Short Films Group had the privilege of producing 'Portrait of a People',

the official British film for Expo 70 in Japan.

It also is making industrial films for a number of leading companies, in addition to being responsible for the physical production of the highly successful management and sales training films distributed by Audio Visual.

#### **RADIO AND TELEVISION**

**PANK BUSH MURPHY** has had a successful trading year. To a large extent this was due to improved conditions in the television market following the introduction of colour transmission by BBC-1 and ITA on 15th November 1969.

National deliveries for colour receivers rose progressively from 8,000 in the month of June 1969 to 58,000 in the month of October 1970. The total deliveries for the calendar year 1970 was approximately three times that in 1969 of 155,000 receivers. At the same time, the monochrome market remained steady at 1.7 million receivers a year.

We benefited not only from the improved market conditions but also increased our share of colour receivers whilst maintaining our share of the monochrome

market.

There are conflicting points of view as to the future rate of growth of colour sales, but there is little doubt that colour will be one of the great growth markets of the 70s.

Considerable advances have been made in the Industry's production capability which may create more competitive conditions than those which existed in 1969/70 but we believe that the market will remain buoyant, unless serious industrial unrest creates a lack of confidence, and that colour television sales will expand further.

I have reported in previous years that we have been carrying out extensive factory extensions and plant improvements which now have been of material

assistance to us during this period of great growth.

These modern factories, coupled with our concern for product development and improved marketing techniques, give Mr. Collis the Managing Director and his colleagues confidence in their ability to hold in the future the positions which they have gained in the market.

Whilst, in financial terms, the progress we have made in the Radio and Audio fields is not so great, nevertheless it is gratifying. In a period when the Industry's sales of radio remained largely static, our annual rate of sales increased by 50% and we became the largest distributor in this country.

We significantly increased our penetration of the Record Player market. Sales increased substantially in 1970. As well as gaining from the general uplift, we increased our market share by 50% compared with 1968/69 and are now a

major manufacturer.

Most of the gain has been due to the increasing strength of the Bush and Murphy brands, but since August 1970 we have also been marketing sets under the 'Dansette' name which we acquired earlier in the year. Whilst our experience with this brand has been limited, it has nevertheless been encouraging. The Dansette models should be a strong addition to our record player range. In the coming year it is our intention to extend the Dansette range which are largely distributed through wholesalers.

In the Radiogram market, we have made progress and increased our sales in spite of the total market remaining static.

In September 1970 we formed in Denmark, Rank Arena A.S. owned 80% by Rank Bush Murphy and 20% by Hede Nielsen A.S. who had previously controlled the operation.

A new factory is currently being built which will not be fully operational until the late summer of 1971. When we are fully in production it is our intention to achieve an increased share of the strongly growing market for audio separates and hi-fi.

A great deal has been written about Cartridge and/or Cassette television. The first proven system to reach the market place will be the E.V.R. (Electronic Video Recording) system developed by C.B.S. (Columbia Broadcasting System) in the United States. We have been closely associated with the development and have been responsible for the P.A.L. version built to European standards. We anticipate that the production of E.V.R. players will commence in the

early summer of 1971.

It is our belief that cassette television will be a growth market in the later 70s.

Our Indian Associated Companies, MERIL (Mulchandani Electrical and Radio Industries Limited) and Murphy India Limited have continued their high sales in their home markets and the standard of the product now permits growing

We have been encouraged that it has been possible to bring some of these

products into the United Kingdom market.

Both Companies have submitted applications to the Government of India for manufacturing licences for television receivers as television transmission is beginning to develop in India.

**BUSH IRELAND** has continued to experience difficulties owing to the economic and industrial problems which exist, but even so, part of its production has been supplied to the United Kingdom market.

#### SCIENTIFIC INSTRUMENTS AND ELECTRONICS

**PANK PRECISION INDUSTRIES** — On 2nd January 1970 Mr. Colan Mac Arthur was appointed Managing Director. He had served this Organisation well for over 20 years before the new appointment, much of the time as a Managing Director.

He and I realised that his new assignment would not be easy, but I am glad to say that the Company under his direction has made considerable progress in essential matters. He has consolidated the management to work as a team to a greater degree than ever before and whilst he has not resolved all existing problems, he has identified them so that they can be clearly seen and thus resolved as quickly as possible.

Whilst profits for the period in relation to the capital involved are insignificant, they reflect material progress under difficult economic conditions, particularly in the United States with the result that we can look forward to continuing progress.

As part of the amalgamation and expansion plan to which I referred in 1969 we decided, as a matter of policy, to reorganise and expand our subsidiary companies in certain of the important overseas markets. We are encouraged by the progress which has been made.

In some ways it has been a defensive year, but as a result of the progress we have made we were able to define those areas where it was desirable to increase our Research and Development programme which we have done materially so as to develop products for the international market. Obviously the benefit of such R. and D. expenditure will not be immediately reflected in increased profitability, but it does mean that we are strengthening our product line on a sound basis to produce future growth.

It needed great courage to strengthen the United States company which we had restructured in the previous year, as we have had to do so in the face of the serious economic recession which has curtailed the demand for our products.

As an example of our continuing effort to expand our activities in that important market, we have set up, in conjunction with Scherr-Tumico of Des Plaines, Illinois, a new company named Rank Scherr-Tumico Inc. to market the products of both parent companies in the field of metrology in the United States.

It is encouraging that a number of new products have been placed in the market and have been well received, such as the Talyrond 100 to meet the growing need for roundness measurement outside the laboratory; the security doorway for use in airports, banks and other premises calling for protection which is a natural extension of our metal detection skills and contributes to meeting the menace of hi-jacking; the thermographic instrument which marks a big step forward in thermography in medical diagnoses, and the Plumbicon Telecine designed mainly for the United States' television market.

The severe teething problems we had with the manufacture of the ceramic cathode-ray tube designed in Rank Electronic Tubes were gradually overcome. It is now accepted as a leader in its field, being an essential component of the most up-to-date combat aircraft head-up displays.

We opened our new and enlarged crystal growing facility in the Isle of Thanet and relocated the electronics and associated activities of Broadcast Division at Ware in Hertfordshire.

Whilst inevitably the movement of an operation involves dislocation, I was most encouraged by the smooth way in which it was effected with the minimum of inconvenience to all concerned and by the large proportion of personnel who transferred from Welwyn to Ware.

The operation can now function well in ideal conditions and should be an

important contributor to our profits in the future.

The new 'Special Facilities' building at Debden will be ready for occupation in March or April of 1971.

So to sum up, whilst we have had our problems we have also had our successes and know that we have made material progress in our rationalisation plans.

#### **AUDIO VISUAL**

In continuance of the policy decision to which I referred last year of acquiring manufacturing businesses to create growth at home and overseas, three further acquisitions have been made.

In the United States we acquired **Century Lighting Inc.** which operates in comparable markets to Rank Strand Electric and a small company Sicodim which specialises in small sophisticated computer controlled systems for theatre lighting. This company provides a valuable adjunct to Century and has development projects which could have potential outside of the theatre field.

In the United Kingdom Rank Kerley Film Services was acquired adding expertise to the small film rental business which we had started to develop. We have deliberately gone more slowly than we originally intended owing to the problems existing in the film production industry both in this country and overseas.

Obviously the acquisition of these companies and those to which I referred a year ago has necessitated a complete re-examination of our facilities, both manufacturing and offices. As a result, a considerable programme of rationalisation has been put into effect which inevitably has involved additional cost and reallocation problems.

The Division took over from Rank Precision Industries the new 100,000 sq. ft. factory at Kirkcaldy which as a result of their own rationalisation was surplus to their requirements and have consolidated many of the production activities of Strand Electric which were spread over a number of small factories throughout the country.

The stage lighting activities of Rank Strand Electric have unfortunately suffered a major set-back owing to engineering defects in their control system. Heavy expenditure has been necessary to rectify machines already in the field and to completely redesign the system which had been developed before the acquisition of the Company.

The solution to the problem has been found, but needless to say the Company's reputation has suffered to a limited extent, but we are confident that

we shall regain our position in that field and achieve material sales.

At Bradford 85,000 sq. ft. of new factory space came into production in August and a further building is under way. This will allow for the efficient expansion of production of **Leak** and **Wharfedale** products and the closing of several smaller manufacturing facilities.

The hi-fidelity activities of Leak and Wharfedale had another year of expansion, despite the recession in the United States. It was encouraging to all of us that the business shortfall in the United States was more than made up by increased sales in European and other markets.

Manufacturing facilities for Wharfedale were established also in Australia to take advantage of the growth in that market and other territories in the Southern hemisphere.

Rank Film Library has had another good year. Having achieved successes with the Sales Training films, a full study was carried out as to their potential expansion, resulting in the starting of Rank Industrial Services. This new activity

is producing training films for all levels of management and involves the investment of considerable sums.

The sales force is promoting to Industry the many services which The Rank Organisation offers in training aids and conference facilities.

Top Rank Film Processing has continued to grow despite the free film offers which are being made by companies in their marketing activities.

Further to improve efficiency and reduce costs the three laboratories at Mansfield are being brought together into one building.

The Division's activities have been both of expansion and consolidation during a difficult economic period. We believe that we have now effectively carried through a major reorganisation programme and that the current year will show benefits which will accrue in the Profit and Loss Account.

**ENGLISH NUMBERING MACHINES**—We acquired 80% of the issued share capital of this Company on 14th May 1970. Their historic activities relate to the supply of mechanical numbering machines of many forms and types. Arising out of these activities they had developed certain new products, such as data capture terminals, magnetic tape enscribers and readers and checkdigit generators which we believe will have considerable potential in the years ahead.

To place these products on the market, additional capital was required as a result of which Mr. Konrad Bud, the major shareholder, approached us to ascertain if we were interested in these new developments. We believe that in two or three years time the Company could well be a considerable profit contributor.

In 1968 I referred to **RANK—R.E.C.**, the share capital of which was then owned by Responsive Environments Corporation of the United States and by the Organisation approximately on a 50:50 basis.

By negotiation during the current year, following a reconstruction of the American corporation, we revised our relationship resulting in the Organisation acquiring half of the shares held by Responsive Environments Corporation thus increasing our interest in Rank–R.E.C. to 75%.

Rank-R.E.C. are concerned with systems ('The Talking Page' and 'The Talking Typewriter') which give the equivalent of private tutorials even in the public environment of a noisy classroom. In addition to the electronic devices, the creation of instructional material – software – is also needed for the equipment. Thus the Company markets comprehensive learning systems.

The Talking Page which was introduced into the market place in March 1968 is being used experimentally by more than a third of the educational authorities in this country. It is the first system which enables children to learn to read at their own pace and with a minimum of supervision.

We have received many letters showing great interest and appreciation of these two new learning devices which will be of material assistance to teachers in their training work and, in addition, of great help to those who carry out the very humane work of dealing with the mentally handicapped.

Whilst the volume of sales has not yet reached a commercial basis, we are most encouraged at the reaction which we have received to the limited number of machines which have been taken by teaching establishments up and down the country to satisfy themselves that what we claim the machines could do can in fact be done in day to day working in school.

#### **ASSOCIATED COMPANIES**

**SOUTHERN TELEVISION LIMITED** – We own  $37\frac{1}{2}\%$  of the issued share capital of this Company.

The most significant event of the year was the launching of the colour service in our area.

Many years of careful planning and preparation had gone into this effort, which reached fruition on the 13th December 1969 when the first Southern Television colour programmes were transmitted from the new UHF 625 Line transmitters at Row Ridge, Andover.

We were able to move into full colour operation within a month of the five major ITV Companies. This gave particular satisfaction to all our personnel.

Great credit is due to them in accomplishing the changeover to the new two and a half million pound **Colour Studio Centre** without interruption to our normal seven day a week service.

The impact of this transition to colour is reflected in the number of colour receivers installed in Southern homes, which are equivalent to 5% of the total number of homes, representing more than 9% of the total in the United Kingdom.

There is no doubt that ownership of a colour receiver is now a top domestic

priority in a large number of homes.

These achievements are significant but it is only the beginning as, unfortunately, the current colour service covers only 50% of the area of our potential audience.

This year we have been faced with many problems, not the least of which was the high level of the Television Advertisement Levy charged on our gross receipts. Fortunately, the Independent Television Authority was, and is, very alive to the Industry's problems and as a result of their efforts, the levy was reduced by six million pounds with effect from Wednesday, 15th April 1970 a quite inadequate sum taking into consideration the heavy rise in costs and the future trend of profitability which the Industry placed before the National Board for Prices and Incomes.

The Industry revenue fell by nearly 5% but our revenues fell by only 0.01% at £7,500,000, whilst costs continued to rise, so that Southern made a profit of £1,121,000 for the year ended 30th October 1970 as against £1,766,000 in 1968.

**PANK XEROX LIMITED** — I referred earlier to the revised arrangements which were agreed between Xerox Corporation and this Organisation in December 1969 resulting in Rank Xerox ceasing to be a subsidiary of this Company, but providing that our share of profits was to be calculated on the same basis as before.

I am happy to say that, despite the unavoidable complexity of the negotiations concerning the change in control of Rank Xerox, the relationship between Mr. Peter McColough, President of Xerox, and myself has become as close as that which existed in the past when Mr. Joseph Wilson (now Chairman of Xerox) was President. This good relationship has undoubtedly been helped and fostered by the work which has been effectively carried out by Mr. Joseph Flavin, an Executive Vice President particularly concerned with Rank Xerox, whom we hold in the highest regard. The effect of these relationships has led to a happy understanding at all levels of the operation.

In view of the new relationships it is desirable to reproduce here the report of the Joint Chairmen, Mr. Peter McColough and myself on Rank Xerox.

"It is our pleasure to report on our activities during the 70 weeks ended 31st October 1970.

To facilitate consolidation by Xerox Corporation in its accounts of the results of Rank Xerox Limited which became a subsidiary of Xerox under the Agreement of December 1969 to which we make further reference later, the accounting date was changed to 31st October.

During this period the growth in sales and profits has continued at a fast rate. Sales increased from £158·2m (for the 70 weeks to October 1969) to £206·4m (for the 70 weeks to October 1970), whilst pre-tax profits rose from £65·6m to £88·3m for the corresponding periods. For the 12 months ended 31st October 1970, sales were £163·4m as against £124·7m for the corresponding 12 months a year ago, an increase of 31%, whilst pre-tax profits were £70·0m as against £53·1m respectively, an increase of 32%. These

results, in our view, are satisfactory and encouraging, particularly taking into consideration the difficult trading conditions in some territories caused by political and economic factors.

The number of Rank Xerox machines in use has risen during the past period more sharply than in recent years. It is particularly significant that the number of 3600 models in use has more than doubled since 1969. The company has both consolidated its position in its traditional market and successfully pushed ahead into the much larger short-run duplicating market. The copier/duplicator installations now significantly outnumber the copier installations, demonstrating impressively how the base of the business has been broadened.

The number of employees has risen from 15,000 at June 1969 to 19,500 at October 1970. We are glad to say that the main increases have been in direct revenue earning areas — manufacturing, sales and service. The strength of the sales force has been increased by a little under 50% and there will be further significant increases in the current year.

This strengthening of field forces is the best way to safeguard our position in the market and to meet the very ambitious expansion plans we have for the future. It is well known that in recent years the document reproduction business has attracted a number of new competitors but, by quality of product and standard of service, Rank Xerox has not only been able to hold its position but to grow substantially.

While growth in the current year will come from the present Rank Xerox products, a major effort will be directed to bringing new products to the market.

A Product Development Laboratory under the direction of Mr. Clyde R. Mayo, formerly Vice President, Research Laboratory Division of Xerox Corporation, is being set up in England. In the past, Xerox Corporation's product development work has all been carried out in America: the new laboratory will enable British and European skills to be harnessed.

In September last we announced the 7000 reduction duplicator. The machine is already in use in the Copy Bureau in London and after field testing we hope to place the machine actively in the market in the second half of 1971. The 7000 will be manufactured in the 86-acre plant at Venray in Holland—this will be the first Rank Xerox machine manufactured exclusively at the Dutch plant.

Venray has hitherto produced consumables and carried out machine reconditioning. We have now expanded the plant by more than 200,000 sq. ft. of factory space to enable us to commence machine manufacture and warehousing which includes space for the 7000. The 3600 is already in production at Venray as well as at our well established factory at Mitcheldean.

At our main plant at Mitcheldean in Gloucestershire we have put in a new manufacturing building of about 250,000 sq. ft. Space pressures have been so severe that we have had to acquire an additional factory at Cinderford which is nearby to Mitcheldean. Currently work is progressing at Mitcheldean on the building of a 350,000 sq. ft. international distribution centre which will be undoubtedly one of the largest buildings in the West of England.

Rank Xerox G.m.b.H., the oldest and largest of the overseas operating companies, moved into a new 77,000 sq. ft. headquarters in Dusseldorf, Germany, the building being officially opened in October 1970.

The size of offices and factory space does not, in itself, give an indication of a successful business, but in our case it does this as these facilities have collectively produced the sales and profits to which we have referred earlier. We now occupy, in the territories in which we operate, over 5m. sq. ft. of premises. We have direct operations in 36 countries and a further 25 are covered by distributors.

As a result of the new Agreement made in December 1969 between Xerox Corporation and The Rank Organisation, Rank Xerox has secured

access to new product areas including computers and educational products. There is no doubt that over the years ahead these new activities will be of increasing importance to the Company, but it is our intention to develop on sound and prudent lines, and the new activities, in consequence, are not likely to create spectacular growth in the immediate future.

Xerox Data Systems, a subsidiary of the American corporation, developed its business in the scientific, educational and time-sharing markets and is now introducing new products which will enable it to move gradually into business data processing. It is our intention to follow a similar pattern in our markets.

We are pleased to report that orders for computers have already been taken in this country, Germany, Belgium and Portugal. The introduction of Sigma 9 is a significant extension of the computer range the Company has to offer and software systems have been and are being developed to support the

hardware.

Xerox Corporation is one of the largest educational publishers in the United States having great expertise which will be available to guide us in our development in this new area of activity.

Directors - in July 1970 Mr. N. G. Foulkes resigned as Managing Director and was succeeded by Mr. J. M. Thomas, who has been associated with the Company since 1964. Mr. R. M. Pippitt, a former Vice-President of Xerox Corporation has been appointed Deputy Managing Director. Mr. Clyde R. Mayo, who will be responsible for the Product Development Laboratory, mentioned earlier has been appointed a Director.

Other changes have been made in the constitution, resulting in all the

executive directors now serving on the main Board of the Company.

Staff relations have been highly satisfactory. The maintenance of good industrial relations is given high priority by the management throughout the Company.

We would like to thank the Managing Director, his colleagues and all personnel for the great service which they have given to the Company during

the year.

It is generally accepted that the past year has been a difficult one for most businesses. Our Company has not been immune from the effect of the problems which have existed, but we have come through this situation in

good shape and in good heart.

It is interesting to note that in the case of machine production the economies of scale have in the past roughly matched the rise in costs. Unfortunately this year there was a significant rise in costs. Obviously no company could remain unaffected by the generally high increase in wage and salary levels.

Fuji Xerox, the associated company in Japan, has continued its progress at the same rapid rate as in recent years. It has extended its marketing operations to include Taiwan through a 50% owned company and is now active in nine countries, namely Japan, South Korea, Thailand, Laos, South Vietnam, Ryukyus, Taiwan, Philippines and Indonesia.

Manufacture of our xerographic products in Japan has in the past been carried out in plants owned by Fuji Photo Film and its subsidiaries. Agreement has now been reached to transfer these plants on reasonable

terms to Fuji Xerox.

This transfer, which will date from 21st April 1971, will result in Fuji Xerox becoming a fully-integrated manufacturing and marketing organisation, with consequent benefits to both shareholders - Fuji Photo Film and Rank Xerox.

The Future – There is no doubt that in the year ahead we shall continue to expand at a substantial rate in the principal markets which we

## **EXPORTS AND OVERSEAS EARNINGS 1961-1970**

# THE RANK ORGANISATION AND ASSOCIATED COMPANIES INCLUDING RANK XEROX



Conferred on The Rank Organisation for export achievement by Rank Xerox Limited and Rank Taylor Hobson (Leicester Unit) and for technological innovation in optical engineering by the latter.



Conferred on Hilger & Watts Limited for export achievement.



Conferred on The Rank Organisation for export achievement by Rank Taylor Hobson.

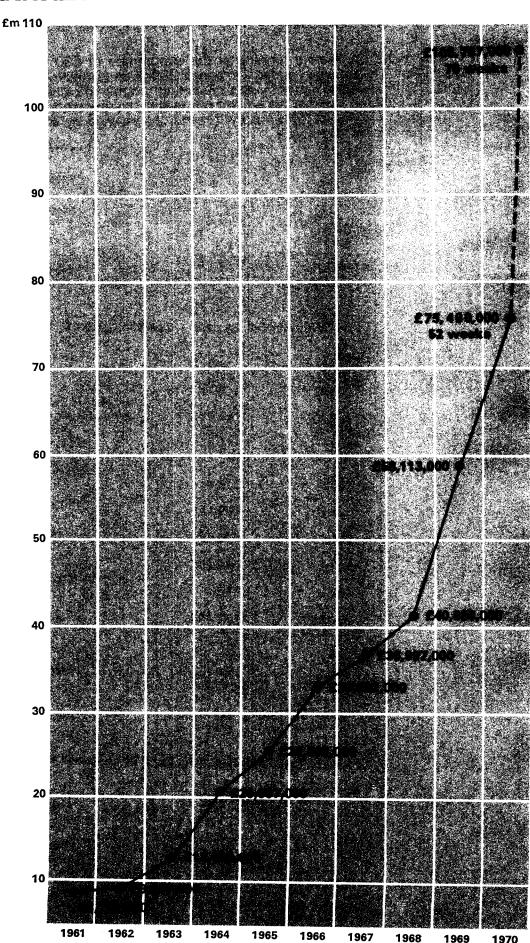


Conferred on The Rank Organisation for export achievement by Rank Taylor Hobson.



Conferred on Hilger & Watts Limited for technological innovation in respect of their computer-controlled Four-Circle, Single Crystal X-Ray Diffractometer System.

Rank Taylor Hobson and Hilger & Watts are now combined with Bush Murphy Electronics and Rank Electronic Tubes in Rank Precision Industries.



# THE ACCOUNTS OF THE RANK ORGANISATION LIMITED

Consolidated Profit and Loss Account	34—35
Consolidated Balance Sheet	36—37
Balance Sheet	38—39
Notes on Accounts	40—46

The attention of shareholders is drawn to notes 2 and 3 on page 40 relating to the change in the basis of accounting for The Rank Organisation's share of profits in Rank Xerox Limited and investments in other associated companies.

The Consolidated Profit and Loss Account shows as comparatives, the figures for the 52 weeks to 28th June 1969 both on the new basis of accounting and as published last year.

The results for the 70 weeks ended 31st October 1969, as adjusted to the 1970 basis (see note 3 on page 40), are shown *in italics* by way of memorandum. These results, which do not form part of the audited accounts, have been obtained by combining the audited results for the 52 weeks ended 28th June 1969 with those for the 18 weeks ended 31st October 1969 as shown by internal unaudited accounts.

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

We have examined the consolidated accounts and balance sheet set out on pages 34 to 46.

In our opinion the balance sheet and the consolidated accounts comply with the Companies Acts, 1948 and 1967 and give respectively a true and fair view of the state of the Company's affairs at 31st October 1970, and, so far as concerns members of the Company, a true and fair view of the state of affairs and of the profit of the Group.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants.
1st March 1971

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

# THE RANK ORGANISATION LIMITED AND SUBSIDIARIES

## Consolidated Profit and Loss Account for the 70 weeks ended 31st October 1970

1969 (70 weeks to 31st October) As adjusted to 1970 basis (see page 33) £000s 167,083	Turnover	Notes and Schedule References 5	1970 (70 weeks) £000s 187,133	1969 (52 weeks to 28th June) As adjusted to 1970 basis (see note 3) £000s 121,819	1969 (52 weeks to 28th June) As published £000s 237,094
15,590	Trading Profit before charging depreciation		19,185	10,876	77,490
4,705 227 4,932	Depreciation: Buildings and plant Rental equipment	12	5,030 267 5,297	3,420 173 3,593	5,486 15,800 21,286
10,658	Trading Profit Share of Profits before Taxation of	_	13,888	7,283	56,204
23,384 2,078	Associated Companies Rank Xerox Group Others	3	30,934 2,060	16,906 1,567	<del>-</del>
1,007	Dividends and Interest Receivable	Α	1,215	727	2,811
37,127 4,352	Less Interest Payable	В	48,097 5,028	26,483 3,127	59,015 6,708
<b>32,775</b> 15,701	Profit before Taxation Less Taxation based thereon	С	<b>43,069</b> 20,481	<b>23,356</b> 11,334	52,307 24,614
17,074	Less: Outside Shareholders' Share of		22,588	12,022	27,693
734	Subsidiaries Profit (including £337, in respect of retained profits of Asso Companies)		844	546	16,435
£16,340	Profit after Taxation attributable to the shareholders in The Rank Organisation Limited		21,744	11,476	11,258
	Add: Non-Trading and Special items excluding amounts attributable to Outside Shareholders	D	340	202	39
	Balance of Profit attributable to sha in The Rank Organisation Limited (of which £13,334,000 is dealt with it	in			
	the accounts of The Rank Organisation Limited – 1969 £6,735,000)	on	£22,084	£11,678	£11,297
	Dividends of The Rank Organisation Line 6½% Cumulative Preference 8% Second Cumulative Preference Ordinary and 'A' Ordinary	nited <b>E</b>	835 279 8,115	625 208 3,996	625 208 3,996
		·	9,229	4,829	4,829
	Profits Retained The Rank Organisation Limited and Subsidiaries	9	4,325	2,411	6,468
	Associated Companies Rank Xerox Group Others		8,291 239	4,331 107	_
			£22,084	£11,678	£11,297
		•		•	•

Notes relating to this Profit and Loss Account appear on pages 40 to 46

Sc	hedules	<b>1970</b> (70 weeks)	1969 (52 weeks to 28th June) As adjusted to 1970 basis	1969 (52 weeks to 28th June) As published
A	Dividends and Interest Receivable Quoted companies Unquoted companies Bank and other Deposits	£000s 195 225 795 £1,215	(see note 3) £000s 67 227 433 ——————————————————————————————————	£000s 95 1,641 1,075 £2,811
В	Interest Payable Debentures and other Loans not fully repayable within 5 years Debentures and other Loans fully repayable within 5 years Bank Loans and Overdrafts	1,427 1,667 1,934 — £5,028	1,152 979 996 — £3,127	2,122 3,297 1,289 £6,708
C	Taxation  The Rank Organisation Limited and Subsidiaries United Kingdom Corporation Tax at 42½% (£4,510,000 before double taxation relief—1969 £17,507,000) Overseas On share of profits of Associated Companies Rank Xerox Group Others	3,988 1,322 14,123 1,048 £20,481	1,648 1,014 7,932 740 £11,334	10,534 14,080 — — £24,614
D	Non-Trading and Special Items  Profit on disposal of investment in Associated Company Profit on redemption of loan stock and debentures Amounts written off goodwill and franchise costs (after taxation relief of £60,000) Losses on cessation of businesses (after taxation relief of £425,000) including Bowls £1,257,000 Exceptional loss on bill acceptances in France Profits less provisions for possible losses on disposal of closed theatres and other properties Provisions for taxation no longer required Recovery of Schedule F Taxation suffered in previous years Other items Share of non-trading and special items of Associated Companies  Attributable to outside shareholders	274 197 (401) (1,810) — 855 214 1,128 (143) — 47 — 361 21 — £340	1,652 127 (110) (1,232) (545) 1,086 228 (1,068) — 30 — 168 (34) — £202	1,652 127 (182) (1,232) (545) 1,056 173 (1,068) (240) ————————————————————————————————————
E	Dividends on Ordinary and 'A' Ordinary Shares First interim of 12½% paid on 68,259,000 shares (1969 of 9½% on 68,025,000 shares) Second interim of 17½% paid on 68,259,000 shares Final of 17½% proposed on 68,476,000 shares (1969 of 14% on 68,025,000 shares)	2,133 2,986 2,996 <u>£8,115</u>	1,615  2,381  £3,996	1,615 

# THE RANK ORGANISATION LIMITED AND SUBSIDIARIES

# **Consolidated Balance Sheet at 31st October 1970**

	Note Reference		1970		1969 Bth June)
Issued Share Capital of The Rank Organisation Limited 6¼% Cumulative Preference Shares	9	£000s	£000s	£000s	£000s
of £1 each 8% Second Cumulative Preference		9,996		9,996	
Shares of £1 each Ordinary Shares of 25p each 'A' Ordinary Shares of 25p each		2,602 3,788 13,276	29,662	2,602 3,788 13,218	29,604
Capital Reserves Share Premium Account Other Capital Reserves	9	31,089 40,537	71,626	30,602 5,756	36,358
Revenue Reserves The Rank Organisation Limited Subsidiaries	9	8,165 10,943	19,108	4,060 22,331	26,391
Issued Share Capital and Reserve Attributable to the Shareholders The Rank Organisation Limited			120,396		92,353
Outside Shareholders Interest in Net Assets of Subsidiaries			6,996		43,731
Deferred Taxation			4,416		9,036
Loan Capital and Borrowed Mon- Not Fully Repayable within 5 y 7½% Convertible Unsecured Loan Stock 1988/93 Debenture Stocks, Mortgages and C Loans (Secured £11,702,000 – 196	rears: 10 other 59	1,277		1,277	
£20,103,000)	11	15,160	16,437	31,219	32,496
Fully Repayable Within 5 years Short Term Advances and Acceptar Credits including from Banks £8,68 (1969 £28,001,000) United Kingdom	nce				
(Secured £2,249,000–1969 £2,040 Overseas	),000)	4,981		25,754	
(Secured £1,622,000-1969 £3,897	7,000)	7,827	12,808	11,554	37,308
Bank Loans and Overdrafts United Kingdom (Secured £6,468,000–1969 £12,04	12,000)	20,217		15,580	
Overseas (Secured £961,000–1969 £694,00		5,847	26,064	3,529	19,109
	,		20,004		13,103
			£187,117		£234,033

	Note Reference	1970		1969 (28th June)		
	terence	£000s	£000s	£000s	£000s	
Fixed Assets	12		85,132		168,586	
Goodwill, Patents and Trade Marks	14		21,166		18,826	
Interests in Associated Companies Rank Xerox Limited Others	19	34,501 9,810	44,311	 4,659	4,659	
Investments	20		12,909		56	
Cash with Trustees for Debenture Stockholders			1,493 <b>165,011</b>		1,304 <b>193,431</b>	
Current Assets Stocks and Work in Progress Film Productions Debtors and Prepayments Dividends Receivable Short Term Deposits Cash at Bank and in Hand	15 15	20,340 1,979 31,318 3,004 447 1,560 58,648		31,307 1,763 63,000  4,377 9,903  110,350		
Deduct: Liabilities and Provisions (Other than borrowed money) Creditors, Expenses Accrued and Provisions Taxation United Kingdom Corporation Tax: due within one year due between one and two years Other Taxation, mainly Overseas Dividends Shareholders in the Company Outside Shareholders of Subsidiaries	16	29,517 237 2,291 1,019 3,277 201		43,030 6,517 7,896 11,568 2,797 4,597		
		36,542	22,106	76,405	33,945	
Taxation on unrealised Profits within the Rank Xerox Group			_		6,657	
			£187,117		£234,033	

# THE RANK ORGANISATION LIMITED

# **Balance Sheet at 31st October 1970**

	Note Reference	197	70	1969 (28th June)		
Share Capital 6½% Cumulative Preference	9	<b>£000s</b> Authorised	<b>£000s</b> Issued and Fully Paid	£000s Authorised	£000s Issued and Fully Paid	
Shares of £1 each 8% Second Cumulative		10,000	9,996	10,000	9,996	
Preference Shares of £1 each Ordinary Shares of 25p each 'A' Ordinary Shares of 25p each		3,000 4,000 17,750	2,602 3,788 13,276	3,000 4,000 17,750	2,602 3,788 13,218	
		£34,750	29,662	£34,750	29,604	
Capital Reserves Share Premium Account Other Capital Reserves	9	31,089 5,002	36,091	30,602 1,861	32,463	
Revenue Reserves	9		8,165		4,060	
			73,918		66,127	
Deferred Taxation			748		489	
Dolollou Tuxution			740		409	
Loan Capital and Borrowed Mor Not Fully Repayable within 5 7½% Convertible Unsecured Loan Stock 1988/93 Debenture Stock, Unsecured Loan	years: 10	1,277		1,277		
Stock, Loan and Mortgage	11	4,107	5,384	5,061	6,338	
Fully Repayable within 5 year: 73/4% Unsecured Loan Stock 1974 at par Promissory Notes (Secured) Acceptance Credit Bank Loans and Overdraft (Secure £6,468,000–1969 £12,017,000)	repayable	52 1,400 200 21,701	23,353	1,600 — 15,517	17,117	
Liabilities and Provisions (Other than borrowed money) Creditors, Expenses Accrued and Provisions Taxation Dividends Accrued on Preference Shares Proposed on Ordinary and 'A' Ordinary Shares	16	4,920 107 281 2,996	8,304	1,532 91 416 2,381	4,420	
				-	£0.6 40.4	
	l		£111,707		£94,491	

	Note	19	70	1969 (28th Ju	
	Reference	£000s	£000s	£000s	£000s
Fixed Assets	12		12,962		14,184
Goodwill			843		849
Interest in Associated Companies Unquoted					
Rank Xerox Limited Others at cost	19	4,870 485 ———	5,355	485	485
Investments	20		6,504		23
Cash with Trustees for Debenture Stockholders			32		32
Subsidiaries Rank Xerox Limited	18	·			
Shares at par Subordinated Unsecured Loan Not	es	_		5,241	
at cost Shares in other subsidiaries at or				600	
under cost Amounts owing by subsidiaries		45,030		42,228	
including dividends receivable		47,44 <b>7</b> ———		36,270	
		92,477		84,339	
Less: Amounts owing to subsidiaries		11,122	81,355	13,153	71,186
			107,051		86,759
Current Assets Stocks	15 15	262		257	
Film Productions Debtors and Prepayments Dividends Receivable	15	1,402 1,750 1,066		1,155 6,269	
Cash at Bank and in Hand		176	4,656		7,732
RANK JOHN DAVIS					
			£111,707		£94,491

Notes relating to this Balance Sheet appear on pages 40 to 46.

# NOTES forming part of the Consolidated Accounts and Balance Sheet of The Rank Organisation Limited on pages 34-39

#### 1 Ultimate Holding Company

The ultimate holding company of The Rank Organisation Limited is The Rank Foundation Limited formerly named Film Development & Research Limited, a company incorporated in England.

#### 2 Rank Xerox Limited

Arrangements have been entered into with Xerox Corporation under which Rank Xerox Limited ceased to be a subsidiary of The Rank Organisation Limited on 11th December 1969 although the Group's share of profits and assets remains unchanged. As part of these arrangements The Rank Organisation Limited and certain subsidiaries received compensation totalling £9,538,000 (satisfied by the issue of 213,049 common shares of \$1 each in Xerox Corporation) for (a) the ceding of voting control of Rank Xerox Limited to Xerox Corporation and (b) the cancellation of royalties formerly payable to Rank Xerox Limited by Xerox Corporation on sales by Xerox Corporation in Central and South America.

#### 3 Change in basis of Accounting

Following the arrangements referred to in Note 2 under which Rank Xerox Limited ceased to be a subsidiary on 11th December 1969, it is no longer appropriate to consolidate the full results of Rank Xerox Limited and its subsidiaries with those of The Rank Organisation Limited and its subsidiaries. Accordingly, the Consolidated Profit and Loss Account for the 70 weeks ended 31st October 1970 includes the proportion of the profits of Rank Xerox Limited and its subsidiaries (including the share of profits of Fuji Xerox Limited) for the same period attributable to the shareholdings of The Rank Organisation Limited and its subsidiaries. On the Consolidated Balance Sheet of the Group the investment in Rank Xerox Limited has been stated at the book amount of the net assets attributable to the shareholdings of the Group. The amount by which the investment has been written up above cost is included in Capital Reserves.

With minor exceptions similar treatment has been accorded to the Group's share of the profits and losses shown by accounts covering the latest available 70 weeks ending on or before 31st October 1970 (audited accounts being apportioned) of other associated companies being investments in which the Group has an equity interest in excess of 20% but not more than 50%. In the Consolidated Balance Sheet these investments are stated at the book amount of the net assets attributable to the shareholdings of the Group plus premiums, if any, paid on acquisition. Up to 28th June 1969 only dividends from these investments were included in the Consolidated Profit and Loss Account and on the Consolidated Balance Sheet of the Group the investments were stated at cost.

#### 4 Exchange Rates

Overseas assets and liabilities have been converted at mid-market rates ruling at 31st October 1970.

#### 5 Turnover

Turnover which relates only to The Rank Organisation Limited and its subsidiaries consists of Sales of Goods and Services, Rentals of Equipment, Admission Receipts, Film Distribution Revenues, Royalties and Commission and includes certain inter-group sales amounting to approximately £5,046,000 (1969 £3,666,000) elimination of which is not considered appropriate.

# 6 Emoluments of Directors of The Rank Organisation Limited

			In respect of Services			
			as D	irectors	Emoluments	
			1970 October (70 weeks) <b>f</b>	<b>1969</b> June (52 weeks) <b>f</b>	1970 October (70 weeks) £	1969 June (52 weeks) <b>£</b>
Chairman			3,000	2,000	64,000	48,000
Other Director	S		2,222	_,	- 1,	,
	Number of D	irectors				
Nil-£2,500 £2,501-£5,000	1970 1970 October (52weeks) 1 13 13					
£5,001-£7,500	1 1					
£7,501-£10,000		1				
£10,001-£12,500		1	49,000	36,000	97,000	78,000
£12,501-£15,000	1 2	1	40,000	00,000	07,000	70,000
£15,001-£17,500	1	_				
£17,501-£20,000 £30,001-£32,500 £40,001-£42,500	$\frac{1}{-}$ 1	1 )				
			52,000	38,000	161,000	126,000
Compensation fo	r loss of executive	office			22,000	720,000
Contributions to		JJ			,	
Life Assurance So	chemes				15,000	13,000
Total Emolument	ts		£52,000	£38,000	£198,000	£139,000
Pension to Past I Executive Service	Director in respect	of				£2,000

£12 £15	nan £10,000 0,001-£12,500 2,501-£15,000 5,001-£17,500 7,501-£20,000	7970 October (70 weeks) 18 5 1	ember of Employ 1970 October (52 weeks) 6 — —	yees 1969 June (52 weeks) 8 2 — 1
8 Remuneration of Auditors			1970 October (70 weeks) £	<b>1969</b> June (52 weeks) <b>£</b>
The Rank Organisation Limited Subsidiary Companies (including £69,000 over	seas)		11,000 181,000	9,000 232,000
			£192,000	£241,000
9 Movements in Share Capital and Reserves			'A' Ordinary Share Capital £000s 13,218	Share Premium Account £000s 30,602
Balances at 28th June 1969 Issue of Shares arising from the conversion of Convertible Loan Stocks			58	487
Balances at 31st October 1970			£13,276	£31,089
Balances at 28th June 1969 Deduct reserves of Rank Xerox Group (note 3) Arising on restating the value of shares in Associated Companies (note 3)	Other Capital The Group The £000s 5,756 (653)	Reserves e Company £000s 1,861 —	Revenue R Subsidiaries Th £000s 22,331 (11,704)	
Adjusted balances at 28th June 1969 Compensation received from Xerox Corporation £9,538,000 less expenses and the amount	22,869	1,861	10,627	4,060
attributable to Outside Shareholders (note 2) Sundry Adjustments Profit retained The Rank Organisation Group	9,054 180 (96)	3,345 (204) —	  316	  4,105
Associated Companies  Balances at 31st October 1970	8,530 £40,537	£5,002	£10,943	£8,165

10 7½% Convertible Unsecured Loan Stock 1988/93 (Redeemable at par)
Stockholders have the right to convert each £300 of the stock into 50 'A' Ordinary Shares between 1st January and 30th April in either 1971 or 1972 or into 42 'A' Ordinary Shares between 1st January and 30th April 1973.

£21,278

£5,017

Included above in respect of undistributed profits of investments in Associated Companies since dates of acquisition

Rank Xerox Group Others

# 11 Debenture Stocks, Mortgages and Other Loans

The Group	Average rate of	1970 October	Average rate of	1969 June
	Interest	£000s	Interest	£000s
Repayable by annual sinking fund or by instalments Final redemption dates from 1975 to 1985 Final redemption dates after 1985	5·0% 7·2%	6,201 8,959	5·7% 7·1%	11,388 19,831
		£15,160		£31,219

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	1970 October	1969 June
Final redemption at par from 1975 to 1985 5% Debenture Stock (Secured), repayable by 13	£000s	£000s
equal half-yearly instalments	601	694
6½% Unsecured Loan Stock 1975/79 7鴔% Unsecured Loan Stock 1974	_	24 52
Loan—6% repayable 1979	52	61
Mortgage—7⋅3% repayable 1985 Final redemption at par after 1985	47	51
6% Unsecured Loan Stock 1983/88 6½% Unsecured Loan Stock 1988/93	159	172
8% Unsecured Loan Stock 1988/93	3,248	759 3,248
	£4,107	£5,061

The Group Cost or Valuation at 28th June 1969* Deduct Rank Xerox assets New subsidiaries Exchange adjustments Additions	Freehold Land and Buildings £000s 51,865 (10,134) — 447 4,458	Leasehold Land and Buildings £000s 29,217 (3,945) 17 17 2,299	Equipment £000s 59,842 (14,113) 724 274 7,613	Rental £000s 110,255 (108,764) 126 11 772	Total £000s 251,179 (136,956) 867 749 15,142
Disposals  Cost at 31st October 1970	(1,426) £45,210	(2,130) £25,475	(3,571) £50,769	£2,113	(7,414) £123,567
Depreciation at 28th June 1969* Deduct Rank Xerox depreciation New subsidiaries Exchange adjustments Charge for period Provision for loss on disposal of closed	7,940 (526) — 126 362	4,811 (639) 3 7 534	25,194 (3,922) 465 155 4,134	44,648 (43,572) 35 12 267	82,593 (48,659) 503 300 5,297
theatres and other properties Disposals	77 (138)	211 (191)	825 (2,166)	<u> </u>	1,113 (2,712)
Depreciation at 31st October 1970	£7,841	£4,736	£24,685	£1,173	£38,435
Net Book Amount at 31st October 1970	£37,369	£20,739	£26,084	£940	£85,132

## 12 Fixed Assets (continued)

	Freehold Land and Buildings £000s	Leasehold Land and Buildings £000s	Plant Vehicles and Equipment £000s	<i>Total</i> £000s
The Company				
Cost or Valuation at 28th June 1969*	3,833	7,644	5,300	16,777
Additions	136	368	1,213	1,717
Disposals	(33)	(1,865)	(481)	(2,379)
Cost at 31st October 1970	£3,936	£6,147	£6,032	£16,115
Depreciation at 28th June 1969*	172	761	1,660	2,593
Inter-group transfers	36	4	6	46
Charge for period	_	150	503	653
Provision for loss on disposal of closed		20	(4.0)	00
theatres and other properties	58	20	(10)	68
Disposals		(51)	(156)	(207)
Depreciation at 31st October 1970	£266	£884	£2,003	£3,153
Net Book Amount at 31st October 1970	£3,670	£5,263	£4,029	£12,962

\*The opening balances have been adjusted in respect of assets reclassified.

The Net Book Amount of Leasehold Land and Buildings at 31st October 1970 includes for the Group £3,824,000 (1969 £5,924,000) and for the Company £2,104,000 (1969 £2,095,000) in respect of leases with less than 50 years to run.

Depreciation has not been charged on land, nor from 28th June 1964 on freehold properties situated in the United Kingdom having a book amount of, the Group £19,313,000 (1969 £19,629,000), the Company £3,670,000 (1969 £3,670,000) which do not qualify for industrial buildings allowances for taxation purposes.

In general other fixed assets are depreciated on a straight line basis having regard to estimated useful life

The Aggregate Annual Rental Charge in respect of Leasehold Land and Buildings of the Group at 31st October 1970 was at the rate of approximately £2,977,000 per annum (1969 £4,498,000 per annum).

# 13 Future Capital Expenditure

There are commitments for capital expenditure by the Group of approximately £3,000,000 (1969 £4,200,000) and by the Company of approximately £90,000 (1969 £20,000). Capital expenditure authorised by the Directors but not contracted for amounts in aggregate to approximately £4,400,000 (1969 £5,500,000) in respect of the Group and approximately £520,000 (1969 £1,500,000) in respect of the Company.

# 14 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 book amount of the net tangible assets at dates of acquisition, less amounts written off.

## 15 Stocks, Work in Progress and Film Productions

Are stated at the lower of cost (including where appropriate a proportion of overheads) and net realisable value on bases consistent with the previous period.

## 16 Creditors, Expenses Accrued and Provisions

Include Provisions for Widows' non-contributory pensions amounting in the case of the Group to £582,000 and in the case of the Company to £506,000 and in the case of the Group and the Company £1,758,000 payable by instalments over three years to the vendors of shares in a subsidiary company acquired during the period.

#### 17 Contingent Liabilities

**The Group** There are Contingent Liabilities in respect of (a) guarantees and bills discounted amounting in aggregate to approximately £7,500,000 (1969 £1,711,000), and (b) additional taxation payable in the event of the profits of certain overseas subsidiaries and associated companies being distributed.

**The Company** There are Contingent Liabilities in respect of guarantees of advances to subsidiaries amounting in aggregate to approximately £8,600,000 (1969 £14,000,000), and in respect of guarantees of advances to associated companies of approximately £6,400,000.

# **18 Subsidiary Companies**

Details of the principal	Nature of Principal Operations	Class of Capital Owned	Percentage Capital Owi Direct Indirect		ned Total	
subsidiary companies are as follows:			%	%	%	
English Numbering Machines Limited	Manufacture of Counting and Numbering Devices	Ordinary	40	40	80	
Gaumont British Limited	Film Exhibition	5½% Cumulative Pref.	100	_	100	
A Manahara & Oare 11 14 1		Ordinary 'A' Ordinary	100 100		100 100	
A. Kershaw & Sons, Limited	Investment Holding Company (see (a) below)	8% 'A' Cumulative Pref. 12½% 'B' Non-		78	78	
•		Cumulative Pref. Ordinary	·	84 80	84 80	
Odeon Associated Theatres Limited	Film Exhibition	Ordinary	100		100	
Odeon (Ireland) Limited	Film Exhibition, Hotels, Television Rental and Retail Film Exhibition	Ordinary	100	_	100	
Odeon Properties Limited The Odeon Theatres (Canada) Limited		Ordinary Ordinary	100	100	100 100	
Rank Advertising Films Limited	Advertising Films	Ordinary	100		100	
Rank Audio Visual Limited	Manufacturers and factors of Audio Visual, Professional Film, Electronic and Educational Equipment	Ordinary	100	_	100	
Rank Bush Murphy Limited	Manufacture of Television and Radio Receivers	5% Cumulative Pref. 5≩% Cumulative	All-village.	100	100	
	Tradio Treceivers	Pref. 6½% Cumulative	100	_	100	
Rank Film Distributors	Eiles Distribution	Pref. Ordinary	100 38	<u></u>	100 100	
Limited Rank Film Laboratories	Film Distribution	Ordinary	100		100	
Limited	Film Processing	Ordinary	<del>-</del>	100	100	
Rank Hotels Limited	Hotels	Ordinary	100		100	
Rank Leisure Services Limited	Manages Theatres, Bingo Clubs, Top Rank Clubs, Tenpin Bowls, Ballrooms, Suites and Motorports	Company Limited by Guarantee				
Rank Precision Industries Limited	Manufacture of Optical, Mechanical and Electronic Equipment	Ordinary	30	64	94	
Rank Precision Industries (Holdings) Limited	Investment Holding Company	5% Cumulative Pref.	4	95	99	
Rank Property Developments Limited	Property Development	Ordinary Ordinary	8 100	84 —	92 100	
Rank Strand Electric Limited	Manufacture of Theatre Lighting Equipment	Ordinary		100	100	
Rank Television and General Trust Limited	Film Studios	6½% Redeemable Cumulative Pref. Ordinary	 40	·005 60	·005 100	

(a) A. Kershaw & Sons, Limited holds 43% of the Preference and 40% of the Ordinary Share Capital of Rank Precision Industries (Holdings) Limited.

(b) To avoid giving particulars which in the opinion of the Directors would be of excessive length the above statement includes details only of the principal subsidiary companies.

(c) Country of Incorporation and Operation:

Odeon (Ireland) Limited

—

-Republic of Ireland

The Odeon Theatres (Canada) Limited—Canada
All other companies listed above —Great B -Great Britain

# 19 Interests in Associated Companies (Note 3)

Interests in Associated Companies (Note 3)		1970 October
Rank Xerox Limited	The Group £000s	The Company £000s
Unquoted B and D Ordinary Shares at Par	11,142	4,270
Increase on stating shares at book amount of net assets (before deduction of £881,000 attributable to outside shareholders in a subsidiary of the Company)	22,159	<u> </u>
Subordinated Unsecured Loan Notes at cost	33,301 1,200	4,270 600
	£34,501	£4,870

Rank Xerox Limited is incorporated in Great Britain. Its business consists mainly in the manufacture and marketing of xerographic equipment for high speed document copying and duplicating in the United Kingdom and abroad through subsidiaries operating in Europe, Asia, Africa and Australasia and also in Japan through Fuji Xerox Limited which is 50% owned. The subsidiaries are wholly owned apart from those operating in Australasia which are 75% owned.

The issued ordinary capital of Rank Xerox Limited and the ownership thereof at 31st October 1970 was as follows:-

	Class of Share of £1 each			
	Α	В	С	D
The Company and Subsidiaries		7,401,254		3,740,694
Xerox Corporation and Subsidiary	7,401,254		7,481,388	

The A and B shares carry no votes. The C shares are entitled to 21 votes for each 20 of such shares.

The D shares are entitled to 2 votes for each share representing approximately 48.8% of the total votes attaching to the C and D shares.

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 at an amount equal to one-half of the A and B capital subscribed) amounting at 31st October 1970 to £7,401,254 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.

#### **Other Associated Companies**

The Group	1970 October £000s	1969 <sup>June</sup> £000s
Quoted Companies Shares at cost (Market Value £129,000, 1969 £105,000) Others (Market Value £578,000, 1969 £362,000)	150	
Premium on Acquisition Share of net assets at book amount	531 462	
	£1,143	£977
Unquoted Companies Shares at Directors' Valuation	221	
Others Premium on Acquisition Share of net assets at book amount	1,940 6,506	
	£8,667	£3,682
Total	£9,810	£4,659

No provision has been made for any liability which might arise to corporation tax on a capital gain on realisation of investments in Rank Xerox Limited and other associated companies at the value at which these investments are stated in the Consolidated Balance Sheet.

# 19 Interests in Associated Companies (continued)

# **Brief details of other Associated Companies are as follows:**

•	Country of Incorporation	-	Holding of Share Capital Percentage	
	and Operation	Class	Group	Company
Film Exhibition	•		•	
Cathay Organisation (Malaya) Sdn. Berhad	Malaysia	Ordinary	26.0	_
Ceylon Theatres Limited	Cevlon	Ordinary	27.3	_
The Greater Union Organisation Pty. Limited	Australia	Ordinary	50.0	25.0
Matubel N.V.	Holland	Ordinary	36.2	
Union Investments Limited and associated companies	New Zealand	Ordinary	50.0	<del></del>
Manufacture Mulchandani Electrical and Radio Industries				
Limited	India	Ordinary	49∙0	
Murphy India Limited	India	Ordinary	49.0	
Property Development		•		
Rank Estates Limited	Great Britain	Ordinary	47.5	26.8
Television				
Southern Television Limited	Great Britain	Ordinary	37.6	_

To avoid giving particulars which in the opinion of the Directors would be of excessive length the above statement includes details only of the principal associated companies.

20	Investments		970 ctober	1969 June
	The Group  Xerox Corporation	000s	£000s	£000s
	115,314 Common Shares of U.S. \$1 each at par value	47 538	9,585	
	328,363 (Market value £12,851,000, 1969 £5,720,000. See note below	w)		
	\$656,700 6% Convertible Subordinated Debentures 1995 at cost (Market value £412,000)		368	<del></del>
	Other Quoted Companies (Market value £2,553,000, 1969 £6,000)		2,956	9
			£12,909	£56
	The Company			
	Xerox Corporation 57,657 Common Shares of U.S. \$1 each at par value	23		23
		.384	3,407	
	133,242 (Market value £5,306,000, 1969 £2,860,000. See note below)	<del></del>		
	\$266,400 6% Convertible Subordinated Debentures 1995 at cost (Market value £167,000)		149	_
	Other Quoted Company (Market value £2,547,000)		2,948	
			£6,504	£23

A sale of the Xerox Corporation shares on the New York Stock Exchange would require a Registration Statement under the U.S. Securities Act 1933.

Quoted Companies includes for the Group and the Company an investment in George Kent Limited, a company incorporated in Great Britain. At 31st October 1970 the Group and the Company owned 14·8% of the total Ordinary Shares and 0·45% of the total Deferred Ordinary Shares then in issue making a total of 13·06% of the equity capital of that company.

No significant liability would arise to corporation tax on a capital gain if the investments were sold at the above market values.

# FINANCIAL INFORMATION

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The attention of shareholders is drawn to notes 2 and 3 on page 40 relating to the change in basis of accounting for The Rank Organisation's share of profits in Rank Xerox Limited and investments in other associated companies.

The comparative figures on pages 48 to 53 for the 70 weeks to 31st October 1969 and the 52 weeks to 31st October 1970 have been presented on the new

basis of accounting.

Comparative figures for the 52 or 53 weeks to June for 1961 to 1969 are as previously published.

# **ANALYSIS OF TURNOVER**

£ figures in thousands	1970 October (70 weeks)	1969 October (70 weeks)	1970 October (52 weeks)	1969 June (52 weeks)	1968 June (52 weeks)	1967 June (53 weeks)	1966 June (52 weeks)
Leisure Services Film Exhibition —British Isles —Overseas (mainly Canada) Dancing, Bingo and Tenpin Bowling Motorports and Restaurants	37,894 14,988 16,197 7,624	37,568 12,146 14,938 7,009	27,709 11,466 12,380 5,361	27,383 8,624 11,121 4,746	29,027 8,249 9,796 4,526	29,855 6,513 8,956 4,473	£ 32,622 6,025 7,787 4,044
Film Production and Distribution Film Studios and Laboratories Scientific Instruments and Electronics Radio and Television Audio Visual Hotels Television, Rental, Relay	<b>76,703</b> 9,267 7,854 25,173 34,410 22,207 8,420	<b>71,661</b> 11,675 7,986 23,563 25,816 16,562 7,902	56,916 6,374 5,757 19,133 27,656 17,227 6,131	51,874 8,782 5,889 17,523 19,062 11,582 5,613	<b>51,598</b> 12,143 5,228 11,313 17,803 8,798 4,331	<b>49,797</b> 11,493 4,932 12,078 11,468 8,929 2,733	50,478 11,123 4,268 10,690 12,024 8,942 1,479
and Retail—U.K. Other Activities	3,099 <b>£187,133</b>	1,918 <b>£167,083</b>	2,675 £141,869	1,494 <b>£121,819</b>	7,292 1,488 <b>£119,994</b>	6,877 1,492 <b>£109,799</b>	7,305 1,519 <b>£107,828</b>

# INFORMATION PER EACH ORDINARY AND 'A' ORDINARY SHARE (see notes 1 and 2 below)

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

Sterling (see note 2 below)  Net Profit after Taxation applicable to Ordinary and 'A' Ordinary Shares (excluding non-trading and	1970 October (70 weeks) pence	1969 October (70 weeks) pence	1970 October (52 weeks) pence	1969 June (52 weeks) pence	1968 June (52 weeks) pence	1967 June (53 weeks) pence	1966 June (52 weeks) pence
special items)	30-2	22.4	23.5	15∙3	12.0	8.0	8.6
Dividends (Gross) Net Assets	11·875 157·9			5·875 <b>11</b> 7·1	5·6875 99·6	5·50 78·9	5·25 75·8
U.S. Dollars	cents	cents	cents	cents	cents	cents	cents
(exchange rate)  Net Profit after Taxation applicable to Ordinary and 'A' Ordinary Shares	(\$2·40 = £1)	(\$2·40 = £1)	(\$2·40= £1)	(\$2·40= £1)	(\$2·40= £1)	(\$2·80= £1)	(\$2·80= £1)
(excluding non-trading and special items)	72.5	53·7	56·4	36·8	28.9	22.4	24.0
Dividends (Gross) Net Assets	28·5 379·0			14·1 281·0	13·65 239·0	15·4 221·0	14·7 212·1

#### Notes:

1. The figures for periods ended October are presented on the new basis of accounting. The figures for periods ended June are as previously published.

2. Pence per share information is given in Decimal Currency. Comparative figures have been adjusted accordingly.

# ANALYSIS OF TRADING PROFITS (see note 1 on page 48)

£ figures in thousands	1970 October (70 weeks) f	1969 October (70 weeks) F	1970 October (52 weeks) £	1969 June (52 weeks) £	1968 June (52 weeks) £	1967 June (53 weeks) £	1966 June (52 weeks) £
Leisure Services	_	_					
Film Exhibition —British Isles	5,415	5,092	3,834	3,511	3,678	3,688	4,209
—Overseas (mainly Canada)	1,801	1,402	1,366	967	893	667	659
Dancing, Bingo and Tenpin Bowling	2,003	1,505	1,632	1,134	800	786	587
Motorports and Restaurants	(41)	(47)	(132)	(138)	(278)	(124)	(113)
	9,178	7,952	6,700	5,474	5,093	5,017	5,342
Film Production and Distribution	1,035	(45)	800	(280)	(447)	119	1,101
Film Studios and Laboratories	1,173	1,665	756	1,248	1,150	966	530
Scientific Instruments and Electronics	383	100	310	27	1,003	810	(248)
Radio and Television	1,808	564	1,832	588	1,188	85	(168)
Audio Visual	184	900	(30)	686	510	248	241
Hotels	443	103	218	(122)	(905)	(684)	(539)
Television, Rental, Relay and Retail—U.K.					(167)	(11)	271
Other Activities	440	160	441	161	144	44	(142)
	14,644	11,399	11,027	7,782	7,569	6,594	6,388
Deduct:	_						4.44
Unallocated Central Costs	756	741	514	499	578	579 ———	441
Trading Profit	£13,888	£10,658	£10,513	£7,283	£6,991	£6,015	£5,947
				1			

# MISCELLANEOUS INFORMATION (see note 1 on page 48)

£ figures in thousands  Depreciation of Fixed Assets	1970	1969	1968	1967	1966
	October	June	June	June	June
	(70 weeks)	(52 weeks)	(52 weeks)	(53 weeks)	(52 weeks)
	£5,297	£21,286	£18,518	£15,211	£11,326
	4,510	14,746	11,928	6,779	6,701
Retained Profits  Group Cash Flow	£9,807	£36,032	£30,446	£21,990	£18,027
Expenditure on Fixed Assets Freehold Land and Buildings Leasehold Land and Buildings Plant, Vehicles and Equipment Equipment on or for Rental	£4,458	£5,735	£2,357	£2,116	£4,327
	2,299	2,262	2,601	3,750	2,250
	7,613	6,435	7,075	8,424	8,740
	772	34,386	23,586	20,510	16,877
	<b>£15,142</b>		£35,619	<b>£34,800</b>	<b>£32,194</b>
Exports and overseas earnings of The Rank Organisation and associated companies including Rank Xerox	£106,787	£58,113	£40,888	£36,997	£33,682
Number of Shareholdings Ordinary and 'A' Ordinary* Preference	57,534	64,499	62,999	61,251	66,184
	14,247	15,503	16,693	18,383	19,210

<sup>\*</sup>Including holders of American Depositary Receipts

# TEN YEAR FINANCIAL REVIEW (see note below)

£ figures in thousands Turnover	1970 October (70 weeks) £187,133	1969 October (70 weeks) £167,083	1970 October (52 weeks) £141,869	1969 June (52 weeks) £237,094
Profits	· · · · · · · · · · · · · · · · · · ·	<del></del>	· · · · · · · · · · · · · · · · · · ·	
Trading profit Share of Profits before Taxation of Associated Companies	£13,888	£10,658	£10,513	£56,204
Rank Xerox Group	30,934	23,384	24,456	_
Others Dividends and Interest Receivable	2,060 1,215	2,078 1,007	1,549 935	 2,811
	48,097	37,127	37,453	59,015
Interest Payable	5,028	4,352	3,803	6,708
·			<del></del>	
Profit before Taxation	43,069	32,775	33,650	52,307
Taxation The Rank Organisation Limited and Subsidiaries Associated Companies	5,310	3,910	4,062	24,614
Rank Xerox Group Others	14,123 1,048	10,810 981	11,245 807	_
	20,481	15,701	16,114	24,614
Profit after Taxation	22,588	17,074	17,536	27,693
Outside Shareholders of Subsidiaries	844	734	656	16,435
Non-Trading and Charles Harry	21,744	£16,340	£16,880	11,258
Non-Trading and Special Items	340	-		39
	£22,084			£11,297
Appropriation Dividends of Parent Company:				
Preference Ordinary	£1,114 8,115			£833 3,996
Additions to Reserves etc.	·			
The Rank Organisation Limited and Subsidiaries Associated Companies	4,325			6,468
Rank Xerox Group Others	8,291 239			
	£22,084			£11,297
Conital Employed				
Capital Employed Ordinary Share Capital and Reserves	£107,798			£79,755
Preference Share Capital Outside Shareholders of Subsidiaries	12,598 6,996			12,598 43,731
Deferred Taxation (and up to 1964 Future Income Tax)	4,416			9,036
Loan Capital Short Term Advances	16,437			32,496
Bank Loans and Overdrafts	12,808 26,064		į	37,308 19,109
	£187,117			£234,033
Represented by:				
Fixed Assets Goodwill	£85,132 21,166			£168,586
Investments—Rank Xerox Limited	34,501			18,826
Other Net Current Assets	24,212 22,106			6,019 <b>33,9</b> 45
Taxation on unrealised Profits within the Rank Xerox Group				6,657
	£187,117			£234,033

Note: The figures for periods ended October are presented on the new basis of accounting. The figures for periods ended June are as previously published.

£39,684 — — 2,118	£27,200 — —	£22,244	£13,793				
  2,118	_ _ 1 910		L13,/33	£10,252	£7,385	£5,747	£5,778
	1.010				<del></del> ,	_	
	1,810	1,254	 1,557	 1,251	1,115	1,038	827
41,802	29,010	23,498	15,350	11,503	8,500	6,785	6,605
5,969	6,293	4,519	3,806	2,354	2,062	1,647	1,369
35,833	22,717	18,979	11,544	9,149	6,438	5,138	5,236
16,286	10,549	8,058	4,256	3,371	2,881	2,782	2,886
<u>-</u>	_		<del></del>	_	_	_	_
16,286	10,549	8,058	4,256	3,371	2,881	2,782	2,886
19,547	12,168	10,921	7,288	5,778	3,557	2,356	2,350
10,905	6,844	5,453	2,506	1,171	618	450	1,048
8,642	5,324	5,468	4,782	4,607 158	2,939 3	1,906 91	1,302 (138)
(82)		(166)	(75)			£1,997	£1,164
£8,560	£5,352	£5,302	£4,707	£4,765	£2,942		
£833	£833	£661	£500	£417	£327	£218	£101
3,713	3,082	2,768	1,673	1,477	969	795	441
4,014	1,437	1,873	2,534	2,871	1,646	984	622
		-		_		_	_
£8,560	£5,352	£5,302	£4,707	£4,765	£2,942	£1,997	£1,164
£64,549	£44,225	<sup>→</sup> £42,374	£39,429	£33,572	£24,948	£21,012	£13,119
12,598	12,598	12,598	12,598	12,553	8,529	8,529	2,750 17,378
35,424	27,519	22,116 3,256	16,225 1,212	9,685 6,045	10,082 4,471	8,909 3,852	3,640
6,066 31,607	5,043 46,675	47,611	41,469	29,192	23,307	23,776	18,454
36,367	35,942	25,326	23,088	17,910	8,203	3,202	2,977
15,589	15,249	11,447	5,703	5,604	9,143	6,961	6,880
£202,200	£187,251	£164,728	£139,724	£114,561	£88,683	£76,241	£65,198
£146,030	£134,564	£117,161	£97,889	£77,237	£61,245	£49,695	£45,356
10,116 —	11,803 —	11,069 —	11,429 —	9,035 —	8,014	6,809 —	5,061
7,443 31,729	6,929 26,705	6,638 23,768	6,473 19,814	5,55 <b>1</b> 19,758	7,367 11,233	8,177 11,560	6,214 8,567
6,882	7,250	6,092	4,119	2,980	824		· · · · · · · · · · · · · · · · · · ·
£202,200	£187,251	£164,728	£139,724	£114,561	£88,683	£76,241	£65,198

# RANK XEROX LIMITED TEN YEAR FINANCIAL REVIEW (see note below)

£ figures in thousands	1970 October (70 weeks)	1969 October (70 weeks)	1970 October (52 weeks)	1969 June (52 weeks)
Turnover	£206,372	£158,203	£163,444	£115,275
Profits Trading Profit Share of Profit before Taxation of Fuji Xerox Dividends and Interest Receivable	£87,553 4,979 1,261	£67,028 2,650 929	£69,129 4,111 976	£48,921 — 797
Interest Payable	93,793 5,526	70,607 4,981	74,216 4,216	49,718 3,671
Profit before Taxation Taxation based thereon	88,267 40,226	65,626 30,275	70,000 32,130	46,047 21,324
Profit after Taxation Outside Shareholders of Subsidiaries	48,041 226	35,351 235	37,870 160	24,723 171
Non-Trading and Special Items	47,815 —	35,116	37,710	24,552 (397)
D. J. of American and H. Arthura	47,815	35,116	37,710	24,155
Deduct Amount attributable to Xerox Corporation	31,004	22,542	24,499	15,496
Profit after Taxation attributable to The Rank Organisation Group	£16,811	£12,574	£13,211	£8,659
Capital Employed Share Capital and Reserves The Rank Organisation Group Xerox Corporation Outside Shareholders of Subsidiaries Deferred Taxation (and up to 1964 Future Income Tax) Loan Capital Short Term Advances Bank Loans and Overdrafts Other Loans and Advances	£33,302 54,821 897 8,932 14,959 28,615 5,464 103 £147,093			£24,012 37,044 556 5,793 13,837 24,796 1,769 277 £108,084
Represented by: Fixed Assets Goodwill and Patent Rights Investment in Fuji Xerox Net Current Assets Deferred Expenditure: Taxation on Unrealised Inter-Group Profits Development Expenditure	£118,356 ————————————————————————————————————			£88,073 90 444 12,351 6,657 469 £108,084

Note: The figures for periods ended October are presented on the new basis of accounting for Fuji Xerox. The figures for periods ended June are as previously published.

1968 June (52 weeks) £84,361	1967 June (53 weeks) £61,812	1966 June (52 weeks) £44,353	1965 June (52 weeks) £26,933	1964 June (52 weeks) £14,971	1963 June (52 weeks) £6,464	1962 June (53 weeks) £2,599	1961 June (52 weeks) £1,130
£32,693	£21,185	£16,297	£8,218	£3,366	£1,097	£29	£36
702	702	<u>3</u> 11	29	9	19		
33,395 3,458	21,887 2,974	16,608 1,822	8,247 1,282	3,375 615	1,116 209	29 75	36 6
29,937 13,506	18,913 8,525	14,786 6,449	6,965 2,861	2,760 1,077	907 401	(46) —	30 
16,431 114	10,388 71	8,337 44	4,104 20	1,683 17	506 2	(46) (11)	30 (3)
16,317 514	10,317 (33)	8,293 (273)	4,084 (49)	1,666 (115)	504 (23)	(35) (25)	33
16,831	10,284	8,020	4,035	1,551	481	(60)	33
10,593	6,287	4,858	2,240	789	241	(30)	16
£6,238	£3,997	£3,162	£1,795	£762	£240	£(30)	£17
£19,787 29,115 386	£15,455 21,615 226	£12,256 16,530 130	£8,541 10,877 87	£3,807 4,436 31	£1,606 1,607 9	£897 898 1	£827 828 (3)
3,760 13,512 24,750 4,605 366	3,071 13,075 24,446 4,035 385	1,714 10,681 21,703 657	778 4,000 17,645 32 —	2,891 3,000 12,503 42 —	870 938 4,727 461 —	206 1,593 592	  
£96,281	£82,308	£63,671	£41,960	£26,710	£10,218	£4,187	£1,893
£72,197 90	£60,406 90	£45,527 187	£30,990 248	£18,124 320	£6,954 254	£2,505 307	£679 369
427 15,986	397 13,204	397 10,295	397 5,586	198 4,874	99 2,028	99 1,210	— 768
6,882 699	7,250 961	6,092 1,173	4,119 620	2,980 214	824 59	23 43	_ 77
£96,281	£82,308	£63,671	£41,960	£26,710	£10,218	£4,187	£1,893
		-					

# PRODUCTS AND SERVICES BY DIVISIONS

# ADVERTISING FILMS

Distribution of commercials in over 700 cinemas and over 50 bingo clubs.

Production of cinema and television commercials.

Production of sponsored, industrial training and educational films.

Consumer and trade promotions and exhibitions in Rank venues.

# **AUDIO VISUAL**

RANK ALDIS

Rank Film Library

Distribution of 16 mm entertainment, industrial training and sponsored films, and educational films; 8 mm concept loop films and 35 mm filmstrips.

Audio visual language courses on tape and film.

Industrial Services

Sales training kits.

16 mm training films, 35 mm filmstrip tape texts.

16 mm projectors.

Rank Aldis overhead projectors.

Tutor 2 filmstrip projectors.

Discassette players (for both cassettes and discs).

Coordination of Industrial Training requirements.

Rank Photographic

Asahi Pentax 35 mm single lens reflex still camera system.

Asahi Pentax binoculars.

Rank Aldis super 8 mm cameras and projectors.

Rank Aldis cameras.

Rank Aldis slide projectors and accessories.

Rank Aldis binoculars.

Rank Aldis photographic accessories.

Pullin Photographic

Mamiya 35 mm single lens reflex cameras. Mamiya 21 in. sq. format twin lens reflex cameras.

Mamiya Press cameras.

Konica 35 mm still cameras.

Bauer super 8 mm cine cameras,

projectors and electronic flash equipment.

Rank Hylite slide projectors.

Elektra photographic accessories.

Akai amplifiers, tuners, speakers and tape recorders.

Rotel tuners, amplifiers, receivers and turntables.

Empire (U.S.A.) cartridges.

**Educational Services** 

Rank Aldis Epivisor.

Rank Aldis 16 mm portable sound projectors.

Rank Aldis Tutor 2 slide and filmstrip

projectors.

'Write-on' film.

Top Rank Television

Closed circuit television systems, audio systems and video tape recording equipment.

RANK STRAND ELECTRIC

Profile and fresnel spotlights. Floodlights and soft lights.

Scene and effects projectors. 'Cinemoid' colour filters.
Thyristor dimmers.

Pre-set lighting controls.

Dimmer memory controls.

Electrical contracting.

Stage-lighting hire.

Theatre and cinema seating.

Retractable and stacking seating.

Stadia seating.

Lecture theatre seating.

Chalkboards and screen units.

White writing boards.

Stage equipment.

Scenery contractors.

Curtains and carpeting.

#### RANK FILM EQUIPMENT

Arriflex 16 mm and 35 mm motion picture and TV film cameras. (U.K. only).

Broncolor studio flash equipment.

Cinemeccanica professional film projection and sound equipment.

Carbons, Xenons and cinema sundries.

Film and television camera mounting equipment.

Front projection equipment.

Hortson 16 mm professional projection equipment.

laniro studio lighting equipment.

Barricuda telescopic lighting support system.

Laboratory processing and printing equipment.

Nikon 35 mm single lens reflex still camera system.

Nikon Super 8 mm cameras.

Nikon process lenses.

Rank Taylor Hobson motion picture lenses. (U.K. only)

Westrex sound recording and reproduction equipment.

Weircliffe bulk erasers.

Top Rank Film Processing

Processing and printing of still films.

#### RANK WHARFEDALE

H. J. LEAK

Rank Wharfedale

High-fidelity speakers and speaker systems.

High-fidelity stereo receivers.

High quality speakers for original

equipment manufacturers.

H. J. Leak

High-fidelity loudspeaker systems.

High-fidelity stereo amplifiers and tuners.

High-fidelity turntables.

ANDREW SMITH HARKNESS

Screens and screen frames.

# RANK KERLEY FILM SERVICES

Rental of complete range of production equipment for the film and television industries.

## **ESSOLDOMATIC LIMITED**

Carries out complete automation of cinemas throughout the world.

#### BUSH MURPHY

Colour and monochrome television receivers.

Radios.

Radiograms.

Record players.

Cassette recorders.

Unit stereo equipment.

Rank EVR Teleplayer.

## **CELLULOID PRODUCTS**

Film stripping and recovery.

# **DISCATRON**

Manufacture of specialized and conventional record players and record player/cassette player mechanisms.

Manufacture of the 'Talking Page' teaching machine.

# **ENGLISH NUMBERING MACHINES**

Development and manufacture of a wide range of electrical and mechanical counting, numbering and dating devices.

Imprinters of machine readable characters.

A new range of business data equipment including data capture terminals, magnetic tape ENscribers, magnetic tape readers

and check-digit generators.

# FILM LABORATORIES

Comprehensive laboratory processing services for all motion picture and television film, colour and black-and-white, in the 35 mm, 16 mm and 8 mm gauges, including:—

Production processing and rushes printing of major studio features and television series, cinema and television commercials, industrial films and telerecordings.

Special effects, opticals and the Rank Travelling Matte process.

Sound recording, dubbing and transfer studios.

Release printing of 35 mm and 16 mm copies for cinema distribution at home and overseas, and for television transmission.

Printing of 8 mm home entertainment films, printing and cassetting of 8 mm educational film loops, and printing of 35 mm filmstrips.

Post production studios and offices at Wardour Street; colour processing laboratories at Birmingham to service A.T.V. newsfilm requirements and operation of the U.P.I.T.N colour laboratory at Wells Street, London.

## FILM STUDIO

Production of feature films, television film series and commercials at Pinewood Studios.

Available at Pinewood for rental to producers:—
15 film stages covering 141,000 sq. ft.
Outdoor 'lot' of 72 acres. 24 departments
with numerous skilled technicians and
craftsmen, covering all aspects of film
production.

#### **HOTELS**

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

England

Royal Lancaster,

Lancaster Terrace, Hyde Park, London, W.2.

Brampton Hotel, Brampton, Hunts.

Bridgford Hotel, Trent Bridge, Nottingham.

Five Bridges Hotel, Gateshead 8, Co. Durham.

Great Danes Hotel, Hollingbourne, Maidstone, Kent.

Merrion Hotel, Merrion Centre, Leeds, 2, Yorks.

Pennine Hotel, Macklin Street, Derby.

Unicorn Hotel, Prince Street, Bristol, 1.

Scotland

Coylumbridge Hotel, Aviemore, Inverness-shire.

Eire

Silver Springs Hotel, Tivoli, Cork.

South County Hotel, Mount Merrion, Dublin.

Trident Hotel, Kinsale, Co. Cork.

Overseas

Hotel Medano, Medano, Tenerife, Canary Islands.

Hotel Romazzino, Costa Smeralda, Sardinia.

Hotel Sol e Mar, Albufeira, Algarve, Portugal.

Hotel Valle d'Aosta, Aosta, Italy.

# LEISURE SERVICES

Bingo: 55 full-time Top Rank Clubs, and two part-time situations.

Catering: restaurants, banqueting suites, licensed bars and buffets.

Dance Clubs: 8 Top Rank 'Rendezvous' for

dancing. Ice Rinks: 2 indoor rinks.

Live Shows: presentation of live

entertainment, ranging from popular music to opera and ballet at theatres throughout the country.

Motorports: 5 service areas on motorways, offering fuel and catering facilities.

Suites and Ballrooms: 19 for banquets, conferences and dancing.

Theatres: exhibition of films at 260 theatres in Britain.

(The Rank Organisation also controls or operates in partnership 607 theatres overseas.)

# **ODEON NORTHERN IRELAND**

Exhibition of films at 13 theatres in Northern Ireland.

Presentation of live shows.

# OVERSEAS FILM DISTRIBUTION

Film distribution and sales in countries outside the United Kingdom.

# **RANK PRECISION INDUSTRIES**

**METROLOGY** 

**Engineering Measuring Instruments** Talyrond roundness measuring instruments.

Talysurf and Surtronic surface texture measuring instruments.

Talystep Step-height measuring instruments.

Talylin straightness measuring

instruments.

Universal profile projectors.

Micro-alignment telescopes.

Auto-collimators-visual and photoelectric.

Talyvel Electronic Level Angular Digitizers.

Linear transducers.

Scales and readers.

Talymin comparator gauges.

Photo-electric and Talyden microscopes.

Survey Equipment

Clinometers and levels.

Microptic theodolites.

Quickset, Autoset, Microptic and Cowley

Levels.

Photogrammetric instruments.

Seismometers.

Other Equipment

Interferometers.

TV grids.

Night viewing devices.

## **ANALYTICAL**

Absorption spectroscopy equipment

including:

Atomic absorption spectrophotometers.

Infra-red spectrophotometers.

Ultra-violet spectrophotometers.

Raman spectroscopy.

Emission spectroscopy equipment

including:

Direct reading spectrographs.

Photographic spectrographs.

Interpretation equipment.

Source units.

Carbon and sulphur analysers.

X-ray analysis equipment including:

X-ray diffractometers.

X-ray fluorescence spectrometers.

Applied optics equipment including:

Monochromators.

Spectrometers.

Vacuum spectrometers.

Precision optics.

Optical crystals.

Scintillation crystals.

Gas mixtures.

#### **BROADCAST**

Cinte/

35 mm and 16 mm colour or monochrome film scanners.

2-position colour or monochrome slide scanner.

60- and 30-position colour slide scanner.

Tarif processing equipment.

Single wire control systems.

Encoders and decoders.

Camera type colour telecine.

International TV Standards Converter.

Colour and monochrome monitors.

Off-air receiver.

#### **Telecommunications**

UK/PRC-316 H.F. patrol radio.

Eureka/Homer/Transponder Beacon.

Rebecca high precision tactical Navaid.

Mitre VHF Two-way pocket phone.

# Stanley Cox Medical Equipment

Faradic, Galvanic and Sinusoidal apparatus.

Ultrasonic equipment.

Ultra-short wave therapy equipment.

Microwave apparatus.

Ultra-violet, Infra-red and radiant heat

equipment.

Wax baths.

Remedial, massage and gymnastic

equipment.

Cardioscope.

Surgical diathermy.

#### Taylor Hobson

Varotal zoom lenses and Sental controls for broadcast television production.

Cook, Speed Panchro and Kinetal lenses for motion picture production.

Monital lenses for closed-circuit television and 16 mm motion pictures.

Ortal and Vidital fixed focal length lenses.

Flotronic weighing systems.

# INDUSTRIAL Rank Kershaw

Digital read-out devices.

Fibre Optics, coherent and non-coherent.

Fibroscopes and light sources.

Industrial optics.

Engraving machines and cutters.

Precision engineered components.

Government optical systems. Opto/mechanical systems.

Taylor Hobson process and aerial lenses.

Opotal process lenses.

## Microwave Instruments

Microwave test equipment.

Microwave teaching and demonstration apparatus.

Waveguide components.

Moisture measuring equipment.

Radar test gear.

Aluminium waveguide systems for aircraft.

Government contracts.

#### Rank Electronic Tubes

Special cathode-ray tubes:

High brightness head-up display tubes. Matricon alpha-numeric display tubes. Monocon high definition tabular display

ubes.

High resolution tubes.

Multigun tubes for thermographic displays. Scanning tubes.

Airborne display and recording tubes.

Radar tubes.

Instrument tubes.

Custom-built display tubes.

Photo-electric cells for switching and phometry.

Physics demonstration tubes for educational uses.

#### Rank Pullin Controls

Government contracts.

D.C. Motors.

Gyro stabilisation equipment.

Sonar equipment.

Small precision gear boxes.

Portable metal detectors.

Industrial metal detectors.

Aldis lamps.

Thermograph equipment.

Dough consistency controller.

#### Solus Schall

Comprehensive pipeline service including provision of engineers and welding, coating and reinstatement inspectors.

Engineering inspection of materials, high pressure pipe and prestressed concrete.

Heavy fabrication inspection, including shot

blasting and painting.

Laboratory and on-site non-destructive testing services, including X- and gamma radiography, ultrasonic, magnetic particle and dye penetrant techniques.

Leak detection.

Cathodic protection services including survey, design, supply of materials, installation and commissioning of schemes and maintenance.

Comprehensive diving service.

Holiday detectors.

# Wray Optical

Process and industrial lenses.
Copying lenses.
Amateur photographic lenses.
Binoculars.
Binocular magnifiers.
2 in. × 2 in. slide projectors.

## RANK-R.E.C.

Development and marketing of advanced learning systems including The 'Talking Typewriter', The 'Talking Page', the 'Edison Disc' and the 'Voice Mirror'.

# U.K. FILM DISTRIBUTION

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.

# RANK RESEARCH LABORATORIES

Research and advanced development to requirements of Divisions of The Rank Organisation, and sponsored research for associated companies and government establishments, in the fields of:— Fibre optics.

Metrology (including lasers).
Thermography.
Matricon and other displays.
Data transmission.
Advanced electrical networks.

# **SOUTHERN TELEVISION LIMITED**

The Rank Organisation has a 37-6% interest in Southern Television.

# **RANK XEROX GROUP**

Jointly owned by Xerox Corporation and The Rank Organisation—see page 58.

# ASSOCIATED COMPANY-RANK XEROX LIMITED

Jointly owned by Xerox Corporation and The Rank Organisation

# PRODUCTS AND SERVICES

Manufacture and marketing of xerographic equipment for high speed document reproduction: marketing of computer systems. Rank Xerox is a multi-national company, with its own marketing organisation in twenty-one countries and distributors in many others. It now has operating companies in all the West European markets; in Australia, New Zealand, South Africa, Kenya and Uganda; and branches in Hong Kong, Singapore and Malaysia. Fuji Xerox Co. Ltd. of Tokyo (jointly owned by Rank Xerox and the Fuji Photo Film Co.) covers the Japanese market.

A comprehensive range of copiers and copier/duplicators is available to cater for wide communications needs and varying amounts of reproduction

HIGH SPEED COPIER/DUPLICATORS

3600 copier/duplicator: makes a print a second and finally breaks the barrier between copying and duplicating.

Computer Forms Printer: reproduces direct from computer printout, reducing it to easily collated pages ready for binding.

An automatic sorter/collator can be used on-line with the 3600 and the Computer Forms Printer.

## **CONSOLE MODELS**

914 copier.

422 copier/duplicator.

720 copier/duplicator.

Books (or other three-dimensional objects) can be reproduced on these console models.

#### **DESKTOP MODELS**

813 copier.

660 copier/duplicator.

Both these take single-sheet originals.

ENGINEERING DRAWING REPRODUCTION The 1860 printer: accepts originals up to 3 feet wide and reduces down to 45%.

#### MICROFILM PRINTERS

The 1824 printer.

Reproduces engineering drawings from microfilm.

## COPY BUREAUX

In Britain—and in some other major markets—Rank Xerox operates Copy Bureaux where the latest machines are available to process customers' own specialised copying and duplicating requirements.

#### **COMPUTER SYSTEMS**

Rank Xerox Data Systems market the Sigma range of computers for the scientific, real-time and time-sharing markets.

# **DIRECTORS**

C. PETER McCOLOUGH (U.S.A.)

JOHN DAVIS

Joint-Chairmen

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GRAHAM R. DOWSON

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C. R. P. HAMILTON

A. R. McCARDELL (U.S.A.)

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

J. M. THOMAS

Managing Director

R. M. PIPPITT (U.S.A.)

Deputy Managing Director

G. S. COOPER Director of New Business Development

J. C. DELAFON (FRANCE)

Director Market Operations

C. R. MAYO (U.S.A.)

Director of Product Development

H. ORR-EWING

Director of Administration

A. PARK
Director, Planning, Information & Control

G. H. PEREGRINE

Resident Director, Rochester, U.S.A.

H. E. R. SHAND
Director of Finance

F. WICKSTEAD Director of Production & Supply Operations

