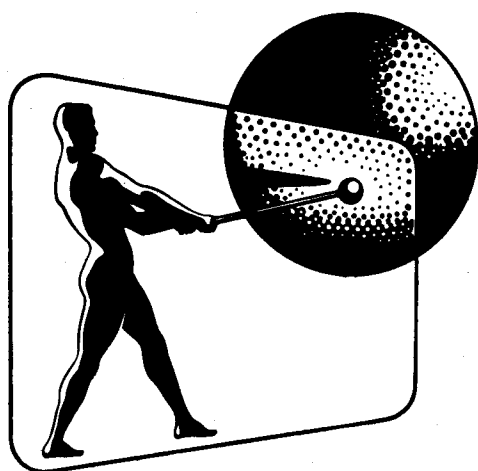
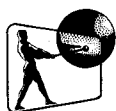


THE RANK ORGANISATION LIMITED

Annual Report and Accounts
1974







**THE RANK ORGANISATION LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31st OCTOBER 1974**

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Key Features of the Group Accounts

Éléments principaux des comptes du groupe

1974	1973	Consolidated Profit and Loss Account	1974	1973	1974	1973	Compte de pertes et profits consolidé
£m	£m		U.S. \$m	U.S. \$m	FF millions	FF millions	
<u>287.7</u>	<u>260.3</u>	Turnover	<u>673.2</u>	<u>635.1</u>	<u>3.153</u>	<u>2.676</u>	Chiffre d'affaires
18.9	24.7	Trading Profit	44.2	60.3	207	254	Marge d'exploitation
59.2	51.3	Share of Profits of Associated Companies	138.5	125.2	649	527	Quote-part des bénéfices des sociétés associées
62.3	68.4	Profit before Taxation	145.8	166.9	683	703	Bénéfice avant impôt
30.6	33.5	Earned for Equity Share Capital	71.6	81.7	335	344	Bénéfice revenant aux actions ordinaires
8.4	7.6	Equity Dividends	19.7	18.5	92	78	Dividende ordinaire
<u>10.3</u>	<u>26.6</u>	Retained Profit	<u>24.1</u>	<u>64.9</u>	<u>113</u>	<u>273</u>	Bénéfices mis en réserve
Consolidated Balance Sheet							
312.6	278.9	Fixed Assets	731.5	680.5	3.426	2.867	Bilan consolidé
143.8	126.2	Investments and Goodwill	336.5	307.9	1.576	1.297	Immobilisations
52.4	68.1	Net Current Assets	122.6	166.2	574	700	Participations, goodwill et divers
<u>508.8</u>	<u>473.2</u>		<u>1,190.6</u>	<u>1,154.6</u>	<u>5.576</u>	<u>4.864</u>	Fonds de roulement
226.1	222.1	Equity Share Capital and Reserves	529.1	541.9	2.478	2.283	Capital-actions ordinaires et réserves
19.1	18.0	Preference Capital and Minority Interests	44.7	43.9	209	185	Capital-actions privilégiées et intérêts minoritaires
263.6	233.1	Borrowings and Deferred Liabilities	616.8	568.8	2.889	2.396	Emprunts à long terme et impôts différés
<u>508.8</u>	<u>473.2</u>		<u>1,190.6</u>	<u>1,154.6</u>	<u>5.576</u>	<u>4.864</u>	
Capital Expenditure							
53.6	45.6	Fixed Assets	125.4	111.3	587	469	Dépenses d'investissement
8.0	78.4	Investments	18.7	191.3	88	806	Immobilisations
<u>61.6</u>	<u>124.0</u>		<u>144.1</u>	<u>302.6</u>	<u>675</u>	<u>1.275</u>	Participations
Profitability Ratios							
13.6%	17.8%	Equity Earnings: Equity Net Assets	13.6%	17.8%	13,6%	17,8%	Rentabilité des fonds propres
8.4%	11.1%	Profit after Tax: Capital Employed	8.4%	11.1%	8,4%	11,1%	Rentabilité des capitaux permanents
20.4 pence	22.3 pence	Earnings per Equity Share	47.7 cents	54.4 cents	FF 2,24	FF 2,29	Bénéfice par action ordinaire
5.58 pence	5.05 pence	Dividends per Equity Share	13.0555 cents	12.3296 cents	FF 0,61	FF 0,52	Dividende par action ordinaire

All profits, earnings and ratios are before extraordinary items (1974 £11,899,000 loss—1973 £690,000 profit)

£1 = U.S. \$2.44
£1 = U.S. \$2.34

£1 = FF 10,28
£1 = FF 10,96

Tous les bénéfices, revenus et ratios sont calculés sans qu'il soit tenu compte des postes exceptionnels (1974 FF130.413.000 BF1.059.011.000 perte —1973 FF7.093.200 BF61.962.000 profit)

Voornaamste Cijfers uit de Geconsolideerde Jaarrekening

Wichtigste Zahlen der Konzernbilanz

1974 BF millions	1973 BF millions	Geconsolideerde Winst- en Verliesrekening	1974 × f 1mln	1973 × f 1mln	Konsolidierte Gewinn- und Verlustrechnung	1974 Mio.DM	1973 Mio.DM
25.605	23.375	Omzet	1.772	1.611	Umsatzerlöse	1.732	1.551
1.682	2.218	Bedrijfsresultaat	116	153	Betriebsgewinn	114	147
5.269	4.607	Aandeel in de winst van gelieerde maatschappijen	365	318	Anteil am Gewinn der Beteiligungsgesellschaften	356	306
5.545	6.142	Winst voor Belasting	384	423	Gewinn vor Steuern	375	408
2.723	3.008	Winst beschikbaar voor gewoon Aandelenkapitaal	188	207	Auf das Stammaktienkapital entfallender Gewinn	184	200
748	682	Uit te keren Dividend op Gewone Aandelen	52	47	Dividenden auf Stammaktien	51	45
917	2.389	Ingehouden Winst	63	165	Einbehaltener Gewinn	62	159
		Geconsolideerde Balans			Konsolidierte Bilanz		
27.821	25.045	Duurzame productiemiddelen	1.926	1.726	Sachanlagevermögen	1.882	1.662
12.798	11.333	Deelnemingen, beleggingen en Goodwill	886	781	Beteiligungen und Goodwill	866	752
4.664	6.115	Netto vlottende middelen	323	422	Netto-Umlaufvermögen	315	406
45.283	42.493		3.135	2.929		3.063	2.820
20.123	19.945	Gewoon Aandelenkapitaal en Reserves	1.393	1.375	Stammaktienkapital, Rücklagen und nicht ausgeschüttete Gewinne	1.361	1.324
1.700	1.616	Preferent Aandelenkapitaal en Minderheidsbelang derden	118	111	Vorzugsaktienkapital und Anteile der Minderheitsgesellschafter	115	107
23.460	20.932	Leningen en andere langlopende verplichtingen	1.624	1.443	Darlehen und Bankkredite sowie Rückstellungen	1.587	1.389
45.283	42.493		3.135	2.929		3.063	2.820
		Investerings			Investitionen		
4.770	4.095	Duurzame productiemiddelen	330	282	Insachanlagen	323	272
712	7.040	Deelnemingen en Beleggingen	49	485	Inbeteiligungen	48	467
5.482	11.135		379	767		371	739
		Kengetallen met betrekking tot de rentabiliteit			Rentabilitätskennziffern		
13,6%	17,8%	Winst op Gewoon Aandelen kapitaal/ eigen vermogen	13,6%	17,8%	Auf Stammaktienkapital entfallender Gewinn: Dem Stammaktienkapital zurechenbares Reinvermögen	13,6%	17,8%
8,4%	11,1%	Winst na Belasting/ Totaal Vermogen	8,4%	11,1%	Gewinn nach Steuern: ingesetztes Kapital	8,4%	11,1%
BF 18,2	BF 20,0	Winst per Gewoon Aandeel	f 1,26	f 1,38	Gewinn pro Stammaktie	DM 1,23	DM 1,33
BF 4,97	BF 4,53	Dividend per Gewoon Aandeel	f 0,34	f 0,31	Dividende pro Stammaktie	DM 0,34	DM 0,30
£1 = BF 89,80 £1 = BF 89,00	Alle winsten, inkomsten en kengetallen werden berekend voor buitengewone posten (1974 BF1.059.011.000 f73.298.000 verlies—1973 BF61.962.000 f4.271.100 winst)		£1 = f6,19 £1 = f6,16	Saemtliche Gewinn-und Verhaeltnisziffern verstehen sich vor Aussergerwoehnlichen Posten (1974 DM 71.632.000 Verlust—1973 DM4.112.400 Gewinn)		£1 = DM 5,96 £1 = DM 6,02	

The Financial Calendar

**Half-Year Interim Report
Annual Results**

published mid July.

Preliminary Statement published mid January. Annual Report posted to shareholders in February.

Annual General Meeting

Held in March.

Date of Payment of Dividends and Interest

Ordinary and 'A' Ordinary Shares—Interim announced mid July paid November; Final Dividend announced mid January paid April.

6¼% Preference Shares—30th June; 31st December

8% Second Preference Shares—30th June;
31st December

4¼% Convertible Loan 1993—15th February

6% Unsecured Loan Stock 1983/88—30th June;
31st December

5½% Unsecured Loan Stock 1990/95—30th June;
31st December

8% Unsecured Loan Stock 1988/93—30th June;
31st December

8¾% Bonds 1986—1st November

10¾% Unsecured Loan Stock 1997/2002—30th April;
31st October

L'année Financière

**Rapport intérimaire de fin de
premier semestre
Résultats annuels**

publié à la mi-juillet.

Abrégé de rapport publié à la mi-janvier. Rapport annuel envoyé par la poste aux actionnaires en février.

Assemblée générale annuelle

A lieu en mars.

Date de paiement des dividendes et de l'intérêts

Actions ordinaires et actions ordinaires "A"—Acompte annoncé mi-juillet, payé en novembre; Solde de dividende annoncé mi-janvier, payé en avril.

Actions de priorité de 6¼%—30 juin; 31 décembre

Actions de priorité de deuxième rang à 8%—30 juin;
31 décembre

Emprunt convertible à 4¼%—1993—15 février

Titres d'emprunt sans garantie à 6%—1983/88—
30 juin; 31 décembre

Titres d'emprunt sans garantie à 5½%—1990/95—30 juin;
31 décembre

Titres d'emprunt sans garantie à 8%—1988/93—30 juin;
31 décembre

Obligations à 8¾%—1986—1er novembre

Titres d'emprunt sans garantie à 10¾%—1997/2002—
30 avril; 31 octobre

De Financiële Kalender

**Halfjaarlijks Interimverslag
Jaarresultaten**

publikatie midden juli.

Voorlopige Opgave publikatie midden januari.

Verzending Jaarverslag aan aandeelhouders in februari.

Gehouden in maart.

Algemene Jaarvergadering

Betaaldatum van Dividenden en Rente

Gewone en Gewone Aandelen 'A'—Interimdividend: bekendmaking midden juli, betaling november; Slotdividend: bekendmaking midden januari, betaling april.

6¼% Preferente Aandelen—30 juni; 31 december

8% Preferente Aandelen van de Tweede Orde—
30 juni; 31 december

4¼% Converteerbare Lening 1993—15 februari

6% Lening Zonder Waarbor 1983/88—30 juni; 31 december

5½% Lening Zonder Waarbor 1990/95—30 juni; 31 december

8% Lening Zonder Waarbor 1988/93—30 juni; 31 december

8¾% Obligaties 1986—1 november

10¾% Lening Zonder Waarbor 1997/2002—30 april; 31 oktober

Wichtige Termine für das Rechnungsjahr

**Halbjahresbericht
Jahresergebnisse**

Veröffentlichung Mitte Juli

Veröffentlichung der vorläufigen Ergebnisse Mitte Januar. Veröffentlichung des Geschäftsberichts im Februar.

Jahreshauptversammlung

findet im März statt.

Zahlung von Dividenden und Zinsen

Stammaktien und Stammaktien 'A'—Die im Juli angekündigte Zwischendividende wird im November ausgezahlt; Die Schlussdividende wird nach Verkündigung Mitte Januar im April ausgezahlt.

6¼% ige Vorzugsaktien—30. Juni; 31. Dezember

8% ige Vorzugsaktien 2. Klasse—30. Juni;
31. Dezember

4¼% ige Euro-Wandelanleihe 1973-1993—15. Februar

6% ige nicht gesicherte Anleihe 1983/88—30. Juni;
31. Dezember

5½% ige nicht gesicherte Anleihe 1990/95—30. Juni;
31. Dezember

8% ige nicht gesicherte Anleihe 1988/93—30. Juni;
31. Dezember

8¾% ige Euro-Anleihe 1971-1986—1. November

10¾% ige nicht gesicherte Anleihe 1997/2002—30. April;
31. Oktober

Directors

Sir John Davis *Chairman*

Graham R. Dowson *Chief Executive*

Russell W. Evans, M.C., LL.B. *Secretary*

Sir Robert Bellinger, G.B.E., D.Sc.

Sir Arnold France, G.C.B.

C. R. P. Hamilton, C.M.G.

The Lord Helsby, G.C.B., K.B.E.

F. Keighley

Denis M. Mountain

The Rt. Hon. Lord O'Brien of Lothbury, G.B.E., P.C.

The Hon. Angus Ogilvy

F. John Read

Sir Robert Shone, C.B.E.

Harry Smith

Sir Richard Trehane

Secretary and Registered Office

Russell W. Evans
Millbank Tower, Millbank,
London SW1P 4QR

Deputy Secretary

B. C. Owers

Bankers

National Westminster Bank Limited

Brokers

Cazenove & Co.
Joseph Sebag & Co.

**Auditors and Consultant
Accountants**

Peat, Marwick, Mitchell & Co.

Solicitors

Richards, Butler & Co.

Notice of Meeting

Notice is hereby given that the thirty-eighth Annual General Meeting of the Company will be held at the Royal Lancaster Hotel, Lancaster Terrace, Hyde Park, London W2, on Tuesday, 11th day of March 1975, at 12 noon for the following purposes:

- 1 To receive and adopt the Accounts for the year ended 31st October 1974 and the Reports of the Directors and Auditors.
- 2 To declare a Final Dividend on the Ordinary and 'A' Ordinary Shares.
- 3 To elect Directors.
- 4 To fix the Auditors' Fee.

13th February 1975

By Order of the Board
Russell W. Evans
Director and Secretary

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. If you are the holder of Ordinary Shares, 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 8th April 1975, to those shareholders on the Register at 21st February 1975.

There will be available for inspection at the Registered Office of the Company, Millbank Tower, Millbank, London SW1 during the usual business hours from 13th February 1975, until 11th March 1975, 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 fifteen minutes prior to and throughout the meeting.

Directors' Report

1 Accounts

The Directors present the Balance Sheet of the Company and Consolidated Balance Sheet of the Company and its subsidiaries at 31st October 1974 and Consolidated Profit and Loss Account for the year ended on that date.

The Consolidated Profit and Loss Account appears on page 36.

2 Ordinary Dividend

An Interim Dividend of 2·1875p per share was paid on the Ordinary and 'A' Ordinary share capital on 1st November 1974.

The Directors recommend payment of a Final Dividend of 3·391796p per share payable on 9th April 1975.

3 Principal Activities

Leisure: Film exhibition at home and overseas, Top Rank Suites, Top Rank bingo and social clubs, dancing, film production and distribution, studios and laboratories, radio, television, audio visual, motorports, restaurants, marinas, hotels and holiday centres.

Manufacturing: Production of scientific instruments, optical goods, electronic equipment, radio and television receivers, high fidelity audio equipment, educational products and theatre lighting equipment.

Property: Development of property for investment.

Investment in Associated Companies

Rank Xerox and other companies owned jointly with Xerox Corporation: Manufacture and marketing of xerographic equipment for high-speed document copying and duplicating.

Others: Manufacture overseas of television and radio receivers and audio equipment; film exhibition overseas; film distribution in the U.K. and Southern Television.

4 Analysis of Turnover and Profit

The analysis of Turnover and Profit of the various classes of business carried on by the Company and its subsidiaries for the five years ended 31st October 1974 and a geographical analysis for the year ended 31st October 1974 are set out on pages 52 and 53.

Directors' Report *continued*

5 Ultimate Holding Company

53% of the Ordinary Shares of The Rank Organisation Limited is owned by Rank Group Holdings Limited, the whole of the share capital of which is ultimately owned by The Rank Foundation Limited, the Trustees of the J. Arthur Rank Group Charity and the Trustees of the 1961 Rank Group Charity.

The Rank Foundation Limited, a company incorporated in England and limited by guarantee, is the Company's ultimate holding company.

Sir John Davis and Mr F. Keighley are Directors and members of The Rank Foundation Limited and Trustees of the J. Arthur Rank Group Charity and are also Trustees of the 1961 Rank Group Charity but neither of them has any beneficial interest in the shareholdings referred to above.

6 Directors

The following were Directors of the Company throughout the year ended 31st October 1974. The age of each Director is shown in brackets after his name.

Sir Robert Bellinger (64), Sir John Davis (68), Mr. Graham R. Dowson (52), Mr. Russell W. Evans (52), Sir Arnold France (63), Mr. C. R. P. Hamilton (71), The Lord Helsby (66), Mr. F. Keighley (74), Mr. Denis M. Mountain (45), The Hon. Angus Ogilvy (46), Mr. F. John Read (54), Sir Robert Shone (68), Mr. Harry Smith (57), Sir Richard Trehane (61).

Mr. J. P. Collis retired from the Board on 1st April 1974.

The Rt. Hon the Lord O'Brien of Lothbury (66), was appointed a Director on 7th January 1974. He was re-elected a Director at the Annual General Meeting on 12th March 1974.

Sir Robert Bellinger, Mr. Graham R. Dowson, Mr. R. W. Evans, Mr. D. M. Mountain and Sir Robert Shone retire by rotation in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

7 Directors' Interests

The beneficial 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

	at 31st October 1974			at 1st November 1973		
	Ordinary	'A' Ordinary	6½% Preference	Ordinary	'A' Ordinary	6½% Preference
Sir John Davis	34,000	83,444	—	34,000	83,444	—
Graham R. Dowson	500	52,720	—	500	52,720	—
Russell W. Evans	—	8,320	—	—	8,320	—

Directors' Report *continued*

7 Directors' Interests *continued*

The Rank Organisation Limited *continued*

	at 31st October 1974			at 1st November 1973		
	Ordinary	'A' Ordinary	6¼% Preference	Ordinary	'A' Ordinary	6¼% Preference
C. R. P. Hamilton	5,400	400	—	5,400	400	—
The Lord Helsby	—	2,600	329	—	2,600	329
F. Keighley	1,600	1,830	900	1,600	1,830	900
Denis M. Mountain	250	—	1,000	250	—	1,000
The Hon. Angus Ogilvy	142	2,144	—	142	2,144	—
F. John Read	400	10,000	—	400	10,000	—
Sir Robert Shone	2,000	—	1,000	2,000	—	1,000
Harry Smith	260	—	1,563	260	—	1,563
Sir Richard Trehane	1,000	—	1,000	1,000	—	1,000
A. Kershaw & Sons, Limited	Ordinary			Ordinary		
C. R. P. Hamilton	1,100			1,100		

Except as stated herein none of the Directors was interested in shares in or debentures of the Company at 1st November 1973 (or later date of appointment as Director) or at 31st October 1974, 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.

Throughout the financial year Sir John Davis and Mr. F. Keighley as Trustees of the Charities mentioned in paragraph 5 above held non-beneficial interests in 81,000 'B' non-voting Ordinary Shares of 50p each in Group Holdings Limited, a holding company of Rank Group Holdings Limited and the Company.

Mr. Denis Mountain has the following non-beneficial interests in shares and Loan Stock of the Company as Trustee of:

Eagle Star Staff Pension Fund—£35,000 8% Unsecured Loan Stock.
Eagle Star Widows' Benefit Fund—£10,000 8% Unsecured Loan Stock and 10,000 Ordinary Shares.

With the exception of the following, none of the Directors or their families has acquired or sold any interests in shares or debentures of the Company or its subsidiaries since 31st October 1974.

Mr. Denis M. Mountain sold 250 Ordinary Shares and 1,000 'A' Ordinary Shares on 11th November 1974. He acquired 250 Ordinary Shares and 1,000 'A' Ordinary Shares on 12th November 1974.

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 year ended 31st October 1974, amounted to £53,563,000.

Directors' Report *continued*

8 Fixed Assets *continued*

The principal categories of expenditure were:

	£
Factories and Plant	14,215,000
New Theatres and improvements to existing Theatres	1,809,000
Suites, Clubs and Motorports	1,162,000
Holiday Centres and Marinas	6,833,000
Hotels	3,283,000
Development of properties for investment—U.K.	9,231,000
—Overseas	17,030,000

Disposals of Fixed Assets by the Company and its subsidiaries during the year ended 31st October 1974 realised £3,000,000.

9 Shareholdings Exceeding 10 Per Cent

Additional information is given, so far as is known, regarding persons holding or beneficially interested at 14th January 1975 in more than 10% of the Ordinary or 'A' Ordinary share capital of the Company.

	Ordinary Shares of 25p each	'A' Ordinary Shares of 25p each
Rank Group Holdings Limited	16,052,080 (53%)	250,000 (0.2%)
Guaranty Nominees Limited	149,187*(0.5%)	65,496,369*(55%)
Eagle Star Insurance Company Limited and Subsidiaries	3,998,988 (13%)	1,090,000 (0.9%)

*Substantially represented by American Depository Receipts.

10 Ordinary and 'A' Ordinary Shares

At the 31st October 1974 the Ordinary and 'A' Ordinary Shares of the Company in issue were held by 57,359 holders (excluding holders of American Depository Receipts) as follows:

Shares held	Number of Shareholders
1—100	32,098
101—250	8,342
251—500	6,754
501—1,000	5,218
1,001—5,000	4,089
5,001—10,000	353
10,001—50,000	322
Over 50,000	183

The total number of Ordinary and 'A' Ordinary shareholdings, including American Depository Receipts, was 82,808 (1973—83,343).

11 Exports and Overseas Earnings

Value of goods exported by the Company and its subsidiaries in the year ended 31st October 1974	£ 23,432,000
Profit of overseas subsidiaries, film revenues and royalties earned overseas and share of profits of overseas Associated Companies	6,414,000
Associated Companies owned jointly with Xerox Corporation	155,051,000
	<u>£184,897,000</u>

Directors' Report *continued*

12 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.

13 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 (adjusted for the one for one capitalisation issue in 1973) and loan stocks at that date were as follows:

Ordinary Shares of 25p (5s.) each	61.5625p (12s. 3 $\frac{3}{4}$ d.)
'A' Ordinary Shares of 25p (5s.) each	57.5p (11s. 6d.)
6 $\frac{1}{4}$ % Cumulative Preference Shares of £1 each	83.75p (16s. 9d.)
8% Second Cumulative Preference Shares of £1 each	110p (22s. 0d.)
6% Unsecured Loan Stock 1983/88	£90 per cent

14 Employees

The average number of persons in the employment of the Company and its subsidiaries in each of the 52 weeks to 31st October 1974, and the aggregate gross remuneration for the year was:

	Number	Aggregate Gross Remuneration £
Employees within the United Kingdom including 7,568 part-time employees	34,535	49,952,000
Employees outside the United Kingdom including 1,240 part-time employees	5,865	15,109,000
	<u>40,400</u>	<u>£65,061,000</u>

15 Charitable and Political Contributions

During the year ended 31st October 1974, the Company and its subsidiaries made contributions for charitable purposes totalling £110,215. The Company contributed £40,000 to the Conservative and Unionist Party, £5,000 to the Liberal Party and £1,000 to the Centre for Policy Studies Limited.

16 Executive Share Schemes

The Executive Incentive Scheme was constituted on 19th October 1970 and provides for the Company and certain subsidiary companies to lend money through Trustees to nominated executives to enable them to acquire 'A' Ordinary Shares of the Company at market values. Loans made thereunder were interest free and are repayable within 10 years.

It is not intended to issue any further shares under the Executive Incentive

Directors' Report *continued*

16 Executive Share Schemes *continued*

Scheme—a total of 258,050 'A' Ordinary Shares having been issued prior to 31st October 1972 for an aggregate consideration of £1,803,618. This shareholding is stated before the one for one capitalisation issue of 30th March 1973.

After the capitalisation issue a total of 78,300 shares were held by Mr. J. P. Collis, Mr. Graham R. Dowson and Mr. R. W. Evans who were Directors of the Company during all or part of the year ended 31st October 1974.

An Executive Share Option Scheme was adopted on 30th March 1973 and, on 12th March 1974, shareholders approved the extension of this Scheme to overseas executives. No options have been granted under this Scheme.

17 Contracts with Directors

There were no contracts or arrangements subsisting during the year ended 31st October 1974, or at that date, in which a Director of the Company is or was materially interested and which was significant in relation to the Company's business.

18 Auditors

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

20th January 1975

By Order of the Board
Russell W. Evans
Director and Secretary

Statement by the Chairman

Sir John Davis

Dear Fellow Shareholder,

It is with regret that I have to report a significant fall in profits, the first for many, many years. Unfortunately, in common with other United Kingdom companies, we have, as I anticipated in the Interim Report of July last, found trading conditions in the past year extremely difficult resulting in the 1974 profits showing a significant down-turn from those of the previous year.

Heavier interest charges have bitten deeply into profits, primarily as a result of rate increases.

The consolidated profit after taxation for the year to 31st October 1974 was £31,153,000 compared with £34,116,000 for the previous year—a fall of 9%, notwithstanding an increase of some 17% over last year in our share of pre-tax profits from the Companies owned jointly with Xerox Corporation.

Our activities, as distinct from those of Rank Xerox, have suffered, particularly in the Hotels Division and in the manufacture of Television and Hi-Fi equipment; these operations have been the hardest hit by the economic conditions, which worsened in the latter part of the year.

Inflation and Price Control—The general problem of inflation is one which unfortunately is familiar to all shareholders.

The policy of the Government in attempting to control inflation by controlling prices, thus controlling the effect and not the cause, has led to an inexorable squeeze on the U.K. margins as the effect of price regulations has in our case permitted only an approximate 55% recovery of wage rises and no increase at all to offset certain other costs. In addition, it has a serious adverse effect on cash flow. There will be some relief from these onerous restrictions from the November Budget in respect of future cost increases.

The current adverse conditions called for a re-appraisal of the whole of the Organisation's activities. It was decided as a result to defer authorised capital expenditure, where a commitment had not been made, for at least six months, whilst contemplated capital expenditure has been deferred indefinitely but will be reviewed from time to time. At the same time we decided not to entertain possible acquisitions. These decisions obviously cannot produce immediate benefits but will help to improve cash flow as 1975 develops.

You will see from Note 4 to the Accounts on page 44 that total commitments for capital expenditure at 31st October 1974 amounted to £52,300,000. At the foot of the Source and Application of Funds Statement on page 49, the unutilised financial resources available to the Group at 31st October 1974 are stated at £66,400,000.

Rank Xerox

I am happy to say that our relations with the Xerox Executive remain excellent. During the year it became desirable to modify the arrangements established in 1969 between Xerox Corporation and The Rank Organisation, in order to provide for the direct ownership of certain European manufacturing companies by the two major shareholders in Rank Xerox Limited.

Under the new arrangements, Xerox Corporation and The Rank Organisation agreed that the companies owning the manufacturing facilities at Venray, Holland, and the two factories which were in the course of construction at Lille, France and Aachen, Germany should be subsidiaries of a newly formed Dutch company—Rank Xerox Holding B.V.

Chairman's Statement *continued*

The whole of the issued share capital of Rank Xerox Holding B.V. is held by Xerox Corporation and The Rank Organisation. The voting and dividend rights attaching to the shares of Rank Xerox Holding B.V. reflect the rights of the respective shareholders in Rank Xerox Limited.

Rank Xerox Holding B.V.'s Dutch subsidiary (which purchased the Venray assets from a subsidiary of Rank Xerox Limited) is wholly owned, but Xerox Corporation and The Rank Organisation also have direct shareholdings in the French and German subsidiaries.

The new arrangements preserve for The Rank Organisation the same right to profit participation as would have been the case if each of the manufacturing companies had been a subsidiary of Rank Xerox Limited.

The Rank Organisation's investment in the holding and subsidiary companies is held by Rank RX Holdings Limited, owned equally by The Rank Organisation Limited and Rank Precision Industries (Holdings) Limited, thus preserving fully the interest which shareholders in Rank Precision Industries (Holdings) Limited and A. Kershaw & Sons, Limited have always had in the Organisation's investment in Rank Xerox Limited.

The factories owned by the new company will manufacture goods exclusively for sale by Rank Xerox Limited and its marketing subsidiaries whose activities will continue as before. There is no change whatsoever in the ownership of Rank Xerox or in the allocation of its profits between shareholders.

In addition, provision has been made to enable such arrangements to be revised unilaterally by either shareholder should taxation or other factors adversely affect either partner.

It would be appropriate to mention here that companies such as Rank Xerox with substantial overseas profits suffer a disadvantage under the new imputation system of taxation introduced in the United Kingdom from April 1973 in that it is not possible to obtain full relief for Advance Corporation Tax paid on dividends to shareholders where part of the dividends is paid out of overseas earnings.

One advantage of the new arrangements should be to reduce the excessive burden of taxation since dividends from the directly owned European factories will flow directly to Xerox and The Rank Organisation and will not be subject to Advance Corporation Tax.

In order to enable shareholders to appreciate the results and financial position of the directly owned and Rank Xerox Limited owned operations as a whole, special audited accounts have been prepared of the combined operations and these, which appear on page 25, form the basis for reporting in this Statement.

Mr. Maldwyn Thomas's Annual Statement which is reproduced on pages 26 to 29 also deals with the latest developments of the enquiry by the United Kingdom Monopolies Commission into the domestic market for indirect electrostatic copiers and in the complaint filed by the U.S. Federal Trade Commission against Xerox Corporation, both of which have an important bearing on our investment.

I welcome the proposed settlement between Xerox and the Federal Trade Commission, which is subject to ratification at the time of writing this report.

Whilst Rank Xerox will be working under difficult conditions in some countries I am convinced that the prospects for long term growth remain.

Acquisitions and Disposals

These are as follows:

Mercury Yacht Harbours Limited—The 86,668 Ordinary Shares (21.7% of the capital) not already owned by the Organisation were acquired in October 1974 at a cost of £92,951.

The acquisition results in Mercury becoming a wholly-owned subsidiary, primarily operating a marina on the River Hamble.

R. Richardson (Pleasure Craft) Limited operating a boat hire-fleet on the Norfolk Broads was acquired in May last at a cost of £1,600,000.

Ayreville Lido, Paignton was acquired for £285,000 on 1st November 1974 by Butlin's which now operates seven of these smaller holiday centres in addition to the larger holiday camps for which it is probably best known.

Hotel Sol e Mar was sold in May 1974 for Escudos 33 million (£559,000) as Governmental restrictions on tariffs and requirements of the staffing levels prevented the hotel operating at a reasonable profit.

Westminster Investing Corporation (U.S.A.)—My review of Divisional operations last year made brief reference to this comparatively small property operation in the United States, which was a subsidiary of the Oddenino Group at the time of acquisition. The portfolio did not represent, to us, a suitable opportunity for expansion. The decision was taken to dispose of the company to a group of overseas investors. The consideration was based on a property valuation of U.S. \$27 million, the purchasers assuming a long term debt of U.S. \$17 million and paying in cash U.S. \$10 million from which short term borrowings of approximately U.S. \$6 million were discharged on completion.

Rank Odeon (Northern Ireland) Limited—The unhappy situation in Northern Ireland continued throughout the year. Unfortunately, Mr. Roy Eveleigh, the Managing Director, did not fully recover from the breakdown in his health and retired in June last.

An offer of £467,000 to purchase the Company was made by a group of local Northern Ireland investors, which in the circumstances it was decided to accept. The interests of the staff who have worked loyally in exceedingly difficult conditions have been safeguarded under the terms of the sale.

Horsens Factory, Denmark—(Arena)—was acquired in 1970 as part of the European expansion programme of the then Rank Bush Murphy division through the acquisition of 80% of the issued share capital from Hede Nielsen A/S, the balance being acquired in September 1971.

At that time Arena had suffered a disastrous fire and a new factory was in the process of construction, which we subsequently took over.

Unfortunately this investment has not worked out as well as was anticipated by the management.

With the material change in demand for colour TV not only here, but in Europe, coupled with the state of the economy in Denmark and the high level of unemployment, substantial losses were being incurred which it was anticipated would increase in the coming year. It was reluctantly decided in October last to close the factory.

Substantial termination losses were involved but in the current year a material saving in the Rank Radio International overhead will be effective.

Chairman's Statement *continued*

George Kent, Limited—The investment in George Kent, Limited amounted to 3,158,500 Ordinary Stock Units, 17·8% of the total in issue. Approximately 24% of the issued capital was owned by the Government.

Both the Organisation's and the Government's holdings originated from the Organisation's bid for Cambridge Scientific Instruments Limited in 1968 which was contested by Kent with Government backing.

In July 1974 BBC Brown, Boveri & Company Limited put forward an offer whereby the loss making scientific and medical business of Kent was to be transferred to a new company (without a Stock Exchange listing) to be owned by the existing Kent shareholders, and Brown Boveri was to acquire a 53% interest in the balance of Kent's business by the formation of a new company.

In September 1974 the General Electric Company Limited, made a counter offer of 32p cash for each Kent Ordinary stock unit, proposing to amalgamate Kent's business with the existing scientific apparatus and industrial instrument businesses of GEC.

The Government and the Organisation signified their intention to accept the GEC offer whereupon Brown Boveri improved the terms of its offer, the effect of which was to reduce its participation in the new proposed Kent company to 49% and to increase its proposed cash injection from £6·1 million to £6·5 million.

Both the Government and the Organisation agreed to support the revised proposal resulting in the lapse of the GEC offer.

The Organisation's resultant shareholding in Brown Boveri Kent Limited amounts to 8·9% of its issued capital (which is quoted) and in Scientific & Medical Instruments Limited remains at 17·8% (unquoted).

We completed a 'bed and breakfast' transaction resulting in a loss of £3·4 million, placing a value on our investment of £521,000 being equal to the then market value of the shares.

Finance

In April, 1974 U.S. \$45 million medium term finance was arranged by N. M. Rothschild & Sons Limited from a consortium of European and North American banks. This loan facility was arranged primarily to finance an important development in Toronto by Rank City Wall Canada Limited.

The Source and Application of Funds and Financial Resources Statements on page 49 reflect the raising of additional facilities of £59 million of which £15 million was used to replace existing borrowings primarily in the Oddenino Group.

In view of current conditions, including the marked reductions in Stock Exchange and property values, it is extremely difficult to make a proper assessment of the continuing value to the Group of certain investments and other assets. We have, however, tried to be realistic with the result that substantial provisions and write-offs have been made. We believe that, as a result, our assets are reasonably stated in the Consolidated Balance Sheet.

North Sea Oil

Last year I gave details of those Groups with which we are associated in North Sea Oil exploration.

The Group for which Forest Oil Corporation acts as Operator, and in which we have a 25% interest, plans to commence drilling operations during 1975 on Block 3/13 which

Chairman's Statement *continued*

is situated next to Block 3/14 where Total's Alwyn field is located. On the north side of Block 3/13 is BP's Block 3/8 containing part of the Ninian field.

Fluor Corporation acts as Operator for the second Group in which we have a 25% interest. They also have plans for drilling in 1975, on Block 16/13.

We also have a small indirect interest in Licences awarded to Groups for which Total Oil Marine acts as Operator. One of these Groups drilled a joint exploratory well with Signal Oil & Gas on the border of the Group's Block 211/17 and Signal's Block 211/18. Unfortunately this well showed no traces of oil or gas. Our interest in the Block is 0.4%. Last year I reported that Total had made a gas discovery on Block 3/19 where we also have a 0.4% interest.

We have not judged this the right time to extend our investments in oil exploration. We have, however, maintained contact with a number of oil companies, so as to be in a position to examine any promising opportunities should they occur.

Australia — Last year I reported the re-organisation of some of our interests into a new wholly-owned subsidiary, Rank Industries Australia Pty. Limited.

The creation of this new company entailed major changes in organisation, personnel and premises. These have now been completed. I am pleased to report a successful first full year's trading, with pre-tax profits at A\$207,000.

All divisions (except Systems Engineering which has now been re-organised) have contributed in line with or above their anticipated sales/profits.

Whilst Australia, in common with other countries, is experiencing problems of inflation, Rank Industries Australia is in good shape to meet such difficulties and share in the long term growth of the economy.

On 1st March 1975 full colour television transmission will be introduced in Australia. To participate in the opportunities arising from this, a new company has been formed, Rank-NEC Pty. Limited, owned as to 60% by Rank Industries Australia and 40% by Nippon Electric Company Limited, a major Japanese electronics manufacturer.

Rank-NEC is developing the manufacture of colour television receivers designed by NEC at a new plant in Penrith, near Sydney, which will be sold under the Rank Arena name.

The Australian colour television market will be highly competitive, but we are confident that Rank-NEC will capture a significant share of it.

Dividends

The dividends paid in respect of the year ended 31st October 1973 were subject to statutory measures which restricted the increase to 5% of the total dividend paid for the previous financial year.

These statutory measures have been somewhat relaxed and dividends for the year ended 31st October 1974 plus the related tax credits are now permitted to be 12½% above 1973. We are recommending the payment of the maximum dividend permitted.

Ordinary and 'A' Ordinary dividends in respect of the year to 31st October 1973 consisted of an interim of 2.1875p per share paid in November 1973 and a final of 2.865625p per share paid in April 1974.

Chairman's Statement *continued*

Dividends *continued*

An interim dividend in respect of the year to 31st October 1974 of 2.1875p per share was paid on the 1st November last and a final of 3.391796p per share has been proposed payable on 9th April 1975 to those shareholders on the Register at 21st February 1975.

Preference dividends continue to be paid at the same rate which applied after 1st April 1973 when the new imputation system of taxation came into effect. The dividend rate remains unchanged in spite of an increase in the rate of income tax introduced by the 1974 Finance Act.

Inflation Accounting

I have repeated the supplementary statement showing the effect of inflation upon the results and financial position which was included for the first time in the report last year. The statement which is set out on pages 50 and 51 has been drawn up in accordance with the requirements of the Provisional Accounting Standard No. 7 issued in May, 1974 by the accounting bodies on the recommendation of the Accounting Standards Steering Committee.

Financial Accounts

The audited financial accounts are set out on pages 33 to 49 and other financial information is given on pages 50 to 58.

Consolidated Profit & Loss Account—A summary for the last two years is set out for convenience.

	1974 £000s	1973 £000s
Turnover	£287,686	£260,293
Trading Profit	18,862	24,667
Share of Profit before Taxation of Associated Companies excluding those companies owned jointly with Xerox Corporation	3,930	3,963
Dividends and Interest Receivable	2,943	3,619
	25,735	32,249
Interest Payable	18,767	11,223
	6,968	21,026
Share of Profit before Taxation of Companies owned jointly with Xerox Corporation	55,319	47,384
Profit before Taxation	62,287	68,410
Taxation	29,943	33,338
	32,344	35,072
Outside Shareholders' interests	1,191	956
	31,153	34,116
Preference Dividends	583	622
Profit (excluding extraordinary items) attributable to the Ordinary and 'A' Ordinary shareholders	£30,570	£33,494
Earnings per share	20.4p	22.3p

Chairman's Statement *continued*

The imputation system of taxation, which came into effect on 1st April 1973 is fully reflected in the 1974 accounts for the first time.

The taxation charge in the 1973 accounts was based upon the actual rate of U.K. corporation tax of 40% up to 31st March 1973 and an indicated rate of 50% for the period from 1st April to 31st October 1973.

The 1974 Finance Act fixed the rate applicable to the year to 31st March 1974 at 52% and for the purposes of the 1974 accounts this rate has been assumed to apply to the period from 1st April to 31st October 1974.

Consolidated Balance Sheet—A summary of each of the last two years is as follows:

	1974 £000s	1973 £000s
Capital Employed		
Equity Share Capital	37,542	37,542
Share premiums	64,151	64,151
Reserves	124,439	120,448
	<hr/>	<hr/>
Preference Share Capital	226,132	222,141
Outside Shareholders	12,598	12,598
Deferred Taxation	6,550	5,375
Loan Capital	13,743	8,799
Short Term Advances, Bank Loans and Overdrafts	121,100	118,942
	<hr/>	<hr/>
	128,758	105,298
	<hr/>	<hr/>
	£508,881	£473,153
	<hr/>	<hr/>
Employment of Capital		
Fixed Assets	312,606	278,854
Goodwill and Deferred Revenue Expenditure	44,249	42,451
Investments		
Companies owned jointly with Xerox Corporation	83,232	57,784
Others	16,355	25,957
Net Current Assets	52,439	68,107
	<hr/>	<hr/>
	£508,881	£473,153
	<hr/>	<hr/>

Personnel

It is important to reiterate at this time what I said a year ago that it is my opinion the Chairman's Review is equally addressed to all those who work within an organisation as well as the shareholders.

All of us who are employed in The Rank Organisation depend on the success of the enterprise for our well-being—and there are prospects for each of us—and the degree of success achieved in turn reflects the quality of our work.

We have had to work during the past year under great difficulty with increasing pressures. Unfortunately last year's results, for the reasons which I have given, do not fully reflect the quality of the work of all personnel and in particular the loyalty of our staff, which has been above reproach, particularly during the three-day working week and the subsequent periods of difficulty.

Chairman's Statement *continued*

Personnel *continued*

My colleagues and I are most grateful to all those who work with us for what they did, and are doing, in spite of these problems. I hope in the future, an increasing measure of communication will develop between us all.

Non-Executive Directors—I have referred before to the important contribution which is made by non-Executive Directors to the well-being of this Organisation. I cannot stress too strongly the important part which they play in our deliberations, for which I am most grateful, particularly under the current difficult conditions.

Chief Executive—On the 31st October last I relinquished this position in favour of Mr. Graham Dowson as previously announced.

I now give a more detailed view of our activities:

Leisure

Our involvement is heavy and confidence strong, in spite of the difficulties encountered during the year arising partly out of Governmental policies as leisure activities are labour intensive. I must reiterate that there has been an inexorable squeeze on margins as the effect of price restrictions has in our case permitted no more than an approximate 55% recovery on wage rises. The Autumn Budget gave limited relief in some areas in respect of future cost increases.

Cinema Theatres—Attendances have shown an improvement, with the halting of the decline for the first time since 1956. This has been brought about by the availability of more films of acceptable entertainment value helped by the multi-auditoria facilities enabling us to offer more alternative programmes to the public. We created thirty-four new screens whilst eleven cinemas have been closed; this modernisation programme continues at a slower rate in the current year.

Top Rank Clubs—had another successful year as the popularity of Bingo continues with increasing admissions over those of the previous year. One new club, one replacement and three part units were opened. We intend to continue the policy of creating a 'club' atmosphere with entertainment and party nights as well as organised events away from the club premises.

Entertainment and Catering—In these activities, fashion dictates changes in style of presentation and decor which has been borne in mind to enable changes to be as often as necessary.

It has been a year of considerable change, in which we have closed and disposed of nine unprofitable suites and opened four new units. These are either cabaret bars with live entertainment or relatively sophisticated discotheques for young people.

I am glad to say that the new policy, in addition to satisfying a public demand has helped in overcoming some rowdyism problems.

Motorports—The traffic flow increased, despite high petrol prices. Whether this will be maintained in 1975 with the increased charges is a matter for conjecture, even allowing for the possibility of more people taking holidays at home.

The policy of installing self service petrol units is proving successful.

Southern Ireland—The operation has had a difficult time having as a background disruption to the normal way of life in Dublin city through bomb explosions, scares and

Chairman's Statement *continued*

severe car parking restrictions as well as a disastrous 'bus strike which lasted for ten weeks, hurting evening business, all of which has not helped tourism. A significant change in leisure habits has resulted as the Dublin City Centre is now largely deserted at night.

Film Studios—The number of films started in this country during the last twelve months has shown a material reduction on that of the previous year with almost a cessation of American financed production for many months.

The position improved somewhat in the Spring, our studios being busy in the Summer, with the production of three important films, the Bond film 'Man with the Golden Gun', 'Rollerball' and 'One of Our Dinosaurs is Missing', productions largely financed by American distributors.

In spite of the studios being busy for a considerable portion of the year it is more than disappointing that we did no better than break even, bearing in mind that our substantially written down capital investment is £1.7 million.

So that, whilst I am not despondent that limited feature film production will continue in this country, it seems probable that a lot of hard work will be put in by a lot of people for little reward and that our Studios are unlikely to show a fair profit in relation to the capital employed.

I am sorry to say that since the Summer redundancies have occurred which we did our utmost to avoid. Undoubtedly the overall position of all Studios in this country is unsatisfactory.

Film Production—Whilst we had a carry over of films in production at the end of the previous year, we financed four films, 'Carry on Dick', 'Carry on Girls', 'The Belstone Fox' and 'Don't Just Lie There, Say Something', and partly financed 'Soft Beds and Hard Battles' and 'Caravan to Vaccares' in addition.

Much has been written and said about the state of the British Film Production Industry but the unpalatable fact is that generally speaking, low budget films against the competent competition of colour television have little chance of financial success, whilst high budget films, unless strongly supported by American distribution, have none.

Film Laboratories—have been faced with the continuing problem of shrinkage in traditional film markets and the need to adjust activities to expand into new areas whilst coping with great technological change. In addition we have been faced with the risk on the one hand of shortage of vital raw materials and on the other of three film stock price increases within seven months and material increases in other costs.

With the approval of the Price Commission we increased our charges on two occasions, in June and October, but unfortunately their implementation was delayed by the controls and only part of the cost increases allowed.

The three-day working week and electricity restrictions seriously reduced throughput and hurt profitability, but by the year end, by great effort, some of the loss had been recovered.

We have continued our diversification programme to attract work from all film markets, increasing our share of the 16mm short films and the 8mm colour markets.

We give very specialised attention to the processing of television programme material both for the BBC and ITA companies.

Chairman's Statement *continued*

Film Laboratories *continued*—The video laboratory in Wardour Street came into profit at the close of the year considerably later than anticipated largely caused by frustrating delays in delivery of the new equipment—in particular the laser beam recorder, which transfers video tape images to film. This exciting equipment will bridge the gap between the video and film reproductive methods and employs a new technology much of which is revolutionary.

We knew when we contemplated this installation that the acceptability of these new technologies would take time, involving educating the creative innovators in both the television and film worlds that the merits of both systems have much which will be of benefit to the other.

The contract with United Press Independent Television News (U.P.I.T.N.) was renewed in July last requiring us to continue to meet their exacting laboratory requirements over fifty-two weeks of the year on a seven-day basis, covering the ITN news and syndication of film throughout the world. We are proud to continue this important service to U.P.I.T.N.

Our jointly owned laboratory in Rome has been faced with substantial problems, caught up with the crippling effect of the Italian economic crisis.

Film Distribution—The joint distribution arrangement with Twentieth Century-Fox—Fox-Rank, has worked smoothly. Film distribution reflects the problems of film production so we are fortunate that our partners have contributed some important box office attractions.

Advertising Films—Similar cost and other problems to those which I have already referred affected this activity. Whilst last year was successful we have reservations as to what will happen in the current year as economic conditions will obviously affect advertisers.

Butlin's Holiday Centres—have had a successful year. Another high labour intensive activity. The results have been adversely affected by substantial wage increases, only part of which was recouped by higher charges.

We believe that the tariffs for the 1975 season are even more competitive than hitherto and the off-peak tariffs should appeal in particular to the cost conscious holiday maker. This coupled with the 'weatherproof' nature of the Butlin holiday should mean another successful season.

We have a continuing programme of improving our main centres, coupled with increasing self-catering facilities to meet the demand. In addition we have established a foot-hold in an important growth market of caravanning as we propose to develop sites with facilities covering a combination of caravan—self catering chalet—camping and boating.

The Division has extended its activities to provide holidays on the Broads. We believe our expertise is such that we will make a major contribution to the well-being of those who enjoy the great holiday facilities the Broads offer. This is a long term project as when we acquired 'Richardsons' we knew that a large portion of their fleet had to be replaced and improvements made to the boatyard facilities.

Marinas—Considerable time has been spent in exploring the possibility of increasing our marina interests both at home and abroad. This is a long term project which will progress slowly under current economic conditions.

Chairman's Statement *continued*

Hotels—A further substantial loss has been incurred, aggravated in our case by the opening of the new hotels to which I referred last year, but on the whole our results and problems are not out of line with those with which all hoteliers have been faced.

Apart from the severe curtailment of tourism caused by the three day working week, etc., we have been unable to adjust prices sufficiently quickly to offset the rising cost of wages, rates and fuel.

Audio Visual—The Division faced its problems realistically and had a good year. In the first half of the year a material increase in profitability over that of the previous year was achieved but the economic problems, both at home and overseas, restricted the continued increase in the second half.

Sales have remained reasonably buoyant as the division has good products and competent marketing policies.

Hi-Fi has been an important contributor to sales and profitability whilst a good start has been made in distributing the Rotel Hi-Fi products throughout the EEC countries.

Photographic products continued to be a major contributor to profitability particularly with the brand leaders in the quality camera market of Nikon and Asahi Pentax.

Rank Strand is at long last making profits and should continue to do so. It has a major opportunity overseas as we have world leadership in electronic theatre and studio lighting control systems and have been successful in placing many major installations overseas.

Amateur film processing had a moderate year, adversely affected by 'free film' competition and again its inability to increase prices.

Rank Radio International—The colour television boom enjoyed last year came to an abrupt and premature end with the introduction, in December 1973, of severe credit restrictions. The Division has been faced with major problems following the dramatic change in market conditions as, whilst during 1972 and 1973 turnover and profits showed material growth continuing up to the end of 1973, by March 1974 the effect of the economic crisis and the application of consumer credit controls had materially reduced demand for colour TV.

Even so, the situation was masked to some extent by the reduction in supply caused by the three-day working.

It was decided to carry out a complete and objective review of the whole operation. This review, amongst other factors, emphasises the basic problems which had been appreciated in the past, but which had not been adequately tackled, namely dependence on the U.K. market, over-expansion of overheads in anticipation that the conditions of 1973 would continue, too wide a product portfolio and delays in developing the new range of 110° television receivers. All these problems are being actively tackled.

Needless to say unpleasant and difficult decisions have had to be taken, including the closure of factories at home and overseas. Such action has not been of benefit in the last financial year, in fact the reverse, but in the current year the benefits should begin to show.

We are expanding our marketing operation in Europe and hope that by the end of the current financial year we shall have established marketing companies in most European countries.

Scientific Instruments, Optics and Electronics

The results anticipated by the management of Rank Precision Industries Limited have not been realised in total, but primarily the shortfall was in the Optics Division.

Nevertheless, a profit of £839,000 has been made against a loss of £244,000 in the previous year which reflects the benefits accruing from past rationalisation effort.

We entered the current financial year with the largest order book ever. It is the responsibility of management to concentrate on satisfying these orders as quickly as possible particularly as there were signs that the order intake was slackening towards the end of the year.

Investment Properties

Rank City Wall—Our cut-back in capital expenditure hit the Property operation at home the hardest as we had a substantial portfolio of projects in various stages of development. This was unavoidable as, in addition to the economic problems, it was difficult to evaluate the financial effect of the new legislation, whilst interest rates had risen in advance of anticipated rentals in the short term.

Overseas, our building programme continues and should make an increasing contribution to income from late 1975 onwards. We intend to consolidate our existing programme before placing further contracts, although plans for other important developments are being progressed.

We completed during the past year:

- (a) 1,029,000 square feet of office space
- (b) 357,000 square feet of retail and showroom space
- (c) 9,500 square feet of residential accommodation
- (d) 23,000 square feet for leisure activity
- (e) Multi storey car parking for 400 cars

and had under construction at the year end:

- (a) 1,626,000 square feet of office space
- (b) 102,000 square feet of industrial space
- (c) 850,000 square feet of retail and showroom space
- (d) 998,000 square feet of residential accommodation
- (e) Multi storey car parking for 2,000 cars.

On completion of this programme the approximate total investment will be £160,000,000 with a potential gross income of approximately £17,000,000 ignoring current and future rent reviews, covering:

- (a) 4,495,000 square feet of offices
- (b) 142,000 square feet of industrial space
- (c) 2,635,000 square feet of retail and showroom space
- (d) 1,420,000 square feet of residential accommodation
- (e) 828,000 square feet of hotel and leisure accommodation
- (f) Multi storey car parking for 5,400 cars

split as to 2.5% in Belgium, 25% in Canada, 1% in France, 3% in Holland and 68.5% in the United Kingdom.

I would emphasise that by far the greater part of our investment properties are carried in the Balance Sheet at cost. On page 43 it is shown that properties revalued amounted to £43,635,000 out of the Balance Sheet total of £137,531,000 at 31st October 1974.

I am glad to say that despite these difficult times our property operation is in a healthy condition.

Chairman's Statement *continued*

Associated Companies

Rank Xerox—Our investment in Rank Xerox and the other companies owned jointly with the Xerox Corporation continues to be the most important asset of The Rank Organisation. My colleagues and I have full confidence in its future. A summary of the combined financial statements of Rank Xerox Limited and its subsidiaries and Rank Xerox Holding B.V. and its subsidiaries (after eliminating inter-company transactions) is given below.

Profit and Loss Account	Year ended 31 October	
	1974	1973
	£'000	£'000
Turnover	£477,522	£370,341
Trading Profit before charging Depreciation	234,870	192,608
Depreciation	59,835	48,650
Interest Receivable	175,035	143,958
	1,567	1,464
Interest Payable	176,602	145,422
	22,358	13,346
Share of Profit before Taxation of Associated Company (Fuji Xerox)	154,244	132,076
	9,377	7,245
Profit before Taxation	163,621	139,321
Taxation	74,938	67,099
Profit after Taxation	88,683	72,222
Profit attributable to Minority Interests	885	563
Dividends	87,798	71,659
	14,000	23,711
Increase in Retained Profits	£73,798	£47,948
Balance Sheet		
Capital Employed:		
Share Capital	27,067	26,064
Share Premium Account	2,367	1,626
Retained Profits	205,130	131,332
Total Shareholders' Equity	234,564	159,022
Minority Interests	3,801	2,813
Loan Capital and Borrowed Money repayable after one year	115,731	86,569
Deferred Taxation	71,325	48,338
Non-Current Taxation	97	3,526
	£425,518	£300,268
Represented by:		
Fixed Assets	363,196	253,304
Associated Company (Fuji Xerox)	25,675	17,313
Loans for the Purchase of 'E' Shares	2,425	1,756
Net Current Liabilities	(18,633)	(6,015)
Deferred Expenditure:		
Taxation on Unrealised Intra-Group Profits	35,468	25,246
Development Expenditure	17,387	8,664
	£425,518	£300,268

Chairman's Statement *continued*

Mr. Maldwyn Thomas, Chairman of Rank Xerox Limited, has covered fully the trading operations and results in his statement, which is now reproduced, so that I do not feel it needs additional comment on my part save that the figures in the first two paragraphs relate to Rank Xerox Limited and its subsidiary companies and do not include the directly owned European companies.

Quote:

"Despite adverse economic conditions in many of our markets, we achieved a turnover of £482.3 million this year, a growth of 30.2% over the 1973 figure of £370.3 million. Pretax profits rose by 14.7% from £139.3 million last year to £159.8 million. These results are indicative of the Company's concerted effort to maintain a satisfactory rate of growth.

Turnover and profits expressed in sterling in 1974 were helped by the effects of currency changes. If these are excluded, growth of profit before taxation would approximate to 11%.

It should be noted that these results reflect the decision made during the year to restructure the European manufacturing operations. Operating companies, subsidiaries of Rank Xerox Holding B.V., were established to own the factory in Lille, France and the factory planned for Aachen, Germany. A separate subsidiary of Rank Xerox Holding B.V. was also established to acquire, with effect from 1 November 1973, the manufacturing assets at Venray in The Netherlands from Rank Xerox's Dutch subsidiary. (Rank Xerox Holding B.V., registered in Holland, is owned by Xerox Corporation and The Rank Organisation).

This restructuring of the European manufacturing operation did not result in a substantial change in the year-to-year profit growth of Rank Xerox Limited.

New Products—In the Autumn of 1973, the Xerox 3100 mobile copier was announced and quickly established its position in our main markets.

In April 1974, the Xerox 4500 copier/duplicator made its European debut at a number of exhibitions and, like the Xerox 3100, met with a favourable response. The Xerox 4500 combines the best features of the Xerox 4000 with an automatic sorting capability previously only available on our higher output machines. An early introduction of the Xerox 4500 is planned for Europe and for certain of our other markets.

The Xerox 6500 colour copier was also demonstrated at a number of international exhibitions. Both as a breakthrough into copying in colour and as a major technological advance in its own right, this machine aroused considerable interest. A limited number of Xerox 6500s will be made available in Europe in the coming year.

Manufacturing Interests—Our British factories, at Mitcheldean and Welwyn Garden City, were able to maintain almost full production throughout the period of the energy crisis which affected the country, particularly at the beginning of the year. It is greatly to the credit of the workforce and our suppliers that, in the year as a whole, production was higher than in 1973.

The Mitcheldean factory extended its capability not only to cope with increasing demands for machines already in production but to accommodate the production of a new machine which is to be launched in a number of markets in the coming year.

Chairman's Statement *continued*

Quote continued

The construction of new facilities at Welwyn Garden City kept to schedule and the Technical Service and Supply Group took possession of its new International Supply Centre. Their previous premises, at Denham, were taken over by the U.K. marketing company.

In Spain, production of toner and brushes began at a new factory in Coslada near Madrid.

Production of the Rank Xerox Holding B.V. Group was expanded through the completion of the new assembly plant at Lille and extension of the new Venray factory, notably to meet our marketing subsidiaries' requirements for the Xerox 3100 mobile copier.

Research and Development—In line with Xerox Corporation's research and development activities throughout the world, it was decided to transfer the assets of the Rank Xerox Development Laboratory to Xerox Research (U.K.) Limited, a wholly owned subsidiary of Xerox Corporation.

A start has been made in the construction of the new engineering centre at Milton Keynes in the U.K. Occupation will commence in 1975. The new centre will provide Rank Xerox and Xerox Corporation with a modern engineering facility where research, technological developments, product design for worldwide manufacturing and the study of advanced manufacturing development will proceed side by side.

Activities in Eastern Europe—Technical delegations were exchanged with the Soviet Union pursuant to the 1973 agreement to explore the possibilities of industrial co-operation. Discussions were most constructive. It was particularly pleasing that Rank Xerox Eastern Export Operations received official accreditation in the Soviet Union, enabling us to open an office in that country.

People's Republic of China—There was an encouraging beginning to our trade with the People's Republic of China. Following the successful exhibition of our products at Peking, a range of Rank Xerox machines was shipped and is in operation. Our dealings with representatives of the People's Republic continue on a satisfactory basis.

Data Systems Group—The Data Systems Group significantly increased its scope. Two more computers were introduced to the market—the Xerox 550 and the Xerox 560—following the 1973 launch of the Xerox 530. In addition, a new computer systems engineering facility was set up.

Fuji Xerox Company Limited—Positive action by Fuji Xerox in their manufacturing and marketing operations minimised the effect of Japan's difficult economic situation on the company's performance. Nevertheless, a combination of the energy crisis, inflation and a softening in market conditions had their effect.

Under these difficult conditions, Fuji Xerox still increased its turnover by 26% to £102.2 million. Pretax profits at £18.8 million were almost 30% above the 1973 figure. As was the case last year profits, expressed in sterling, benefited from favourable movements in foreign currency rates. Fuji Xerox results were also helped by a sustained demand for the 2200 copier and by a good level of customer acceptance for the 4000 copier/duplicator which was introduced to the Japanese market in 1973.

Chairman's Statement *continued*

Quote continued

Fuji Xerox established Korea Xerox in August as a joint venture to cater for demand arising from South Korea's fast developing industrial and commercial sector.

New Companies—The founding of our first West African company, Rank Xerox (Nigeria) Limited, was a further element in the year's expansion. With the support of our partners, Henry Stephens & Sons Limited, this young organisation made an energetic start in a market which shows considerable promise.

From Xerox Corporation we acquired the whole of the issued share capital of University Microfilms Limited. This British based organisation provides a wide-ranging microfilm service and markets microfilm readers and other equipment.

Directors—The year saw a further exchange in personnel between Rank Xerox and Xerox Corporation. In May, Robert M. Pippitt, who had been Rank Xerox Managing Director since 1972, returned to Xerox as Senior Vice-President and Senior Staff Officer. In his place we welcomed William F. Glavin from Xerox Corporation where he held the positions of Group Vice-President and President of the Business Development Group.

Since the end of the financial year our Group Director, Engineering, Dr. Frederick A. L. Winternitz, has been appointed Vice-President, Research and Development in Xerox and Dr. D. Theodore N. Williamson, F.R.S., has succeeded him in Rank Xerox.

Finally, I was invited to join the Board of Xerox Corporation, an invitation which I was delighted to accept.

Gerald L. Dennis, Group Director, Personnel and Organisation, resigned to take up a post outside the Company and J. P. Collis also resigned on accepting an appointment outside The Rank Organisation whose interests he represented on the Rank Xerox Board. Harry E. R. Shand, Group Director, Finance, retired after a long and distinguished career with the Company in which he made a particularly valuable contribution to our growth and success.

Michael A. Hynes joined the Board as Group Director, Planning, Information and Control.

We have continued our policy of strengthening the Boards of our Operating Companies by appointing non-executive directors. All of them enjoy considerable respect in their countries and elsewhere and we are gaining very real benefits from their knowledge and experience.

Social Policy—Sensitive to our obligations of corporate citizenship around the world and to the aspirations of our employees, the Company continued to give its support to a variety of events and organisations.

The Social Service Leave Scheme enabled Rank Xerox people to help in causes as diverse as famine relief in Ethiopia, aid for the homeless young in the U.K., care for disturbed and disabled children in Germany and for drug addicts in Finland.

Charitable donations were made in virtually every country in which we are directly represented. Including support given to European Architectural Heritage Year, donations amounted to some £350,000.

Our work in support of European Architectural Heritage Year (sponsored by the Council of Europe and which officially commenced on 1 January 1975) made excellent progress. Two issues of the magazine "European Heritage", sponsored by the Company, were

Chairman's Statement *continued*

Quote continued

published and three further issues are in the course of production. A major contribution comprised the sponsorship of a film. This has now been completed and distributed to all national committees.

Government Enquiries—The Company continued to co-operate fully with the U.K. Monopolies and Mergers Commission in its investigation of the supply of “indirect electrostatic reprographic equipment”. The Commission recently defined those aspects of our business in the United Kingdom which it wished to consider from a public interest standpoint and a reply is being compiled.

Rank Xerox AB, our Swedish subsidiary, is among the forty companies in receipt of a request for information from Sweden's National Price and Cartel Office. This is in connection with an investigation into the supply of copying machines for office use and covering equipment incorporating all reprographic processes.

The U.S. Federal Trade Commission, who filed a complaint against Xerox Corporation in January 1973, has provisionally accepted a Consent Order settling the case. The proposed Consent Order was placed upon the public record for comment for a 60 day period which ended on 14 January 1975. The Federal Trade Commission has 30 days from that date to either accept or reject the proposed Consent Order.

Rank Xerox and Fuji Xerox undertook to be bound in effect by the proposed provisions on patent licensing, giving third parties worldwide access to Xerox patented technology in the office copying field.

Outlook—Uncertainties in the world's economic situation, increasing costs and a softening in market conditions are combining to place our profits under pressure and it is difficult to make an accurate prediction of events. However, the Company remains strong and I am confident that 1975 will be a good year for Rank Xerox.

The Company is fortunate in the skills, enthusiasm and dedication of its people and I must express my thanks to all Rank Xerox staff, wherever they are located, for their fine performance and my confidence in their continued support in the coming year.”

end of quote

Financial information relating to companies owned jointly with Xerox Corporation is included on pages 56 to 58.

Associated Companies *continued*

Southern Television Limited—in which we have a 37½% participation.

When I reported a year ago I indicated that 1974 was likely to produce a number of economic problems, in the event it proved even more difficult than anticipated. It was inevitable that the serious economic problems we have experienced should adversely affect service industries in particular.

During the first half of the year Southern Television suffered a marked reduction in advertising revenue which was further curtailed by the restriction on television transmissions imposed by the Government during the power crisis.

I am pleased to report that there was a steady recovery during the latter part of the year so that the net advertising revenue at £11,500,000 was only £270,000 below that for the previous year whilst the profit at £1.9 million compared with £2.6 million last year.

Chairman's Statement *continued*

A further burden this year has been the Levy on profits which is currently set at a rate of 67%. Although the Levy was in operation for only four months of the financial year it reduced the profit by £510,000. It should not be forgotten that the profit remaining after charging the Levy is subject to Corporation Tax.

Despite the many difficulties the Company has continued to maintain the quality of its service and its standard of programming which is designed with particular regard to the tastes and interests of viewers in the region. A total of 534 hours of originated material was produced of which more than 149 hours were networked.

We were again able to add to our recordings of operas which have received national and international acclaim. The two new operas are Mozart's 'Idomeneo' from Glyndebourne and Puccini's 'La Bohème' from the Royal Opera House, Covent Garden.

Mention should be made also of the success of Southern Television's film 'The Race Apart' covering the Round the World Yacht Race which secured the Pye Oscar Award for the best regional Documentary of the year.

In April 1974, Mr. Brian Harpur, a Director of the Associated Newspapers Group, and Mr. Russell Evans, a Director of The Rank Organisation Limited, joined the Board. Mr. Letch who is General Manager and Secretary of the Company was made a director in September last.

As to the future, it becomes increasingly difficult to predict each year. The IBA has indicated that the present contracts and areas will continue until 1979. Meanwhile the Authority is carrying out a detailed appraisal of the performance of all programme companies.

A decision on the crucial issue of a fourth television channel has been still further postponed as a result of the re-constitution of Lord Annan's Committee of Enquiry, all of which makes it difficult to make long term plans with confidence.

However, the Government's decision to extend the present legislation until 1979 will mean that there is a prospect of reasonable stability for the next four years.

I am convinced that 'Southern' is well equipped to face the immediate future and to operate successfully from a sound financial base under experienced management.

Australia—Our substantial investment in Australia (50% in The Greater Union Organisation Pty. Limited) is an important and satisfactory one.

Our share of the pre-tax profits of Greater Union amounted to A.\$2,109,000 against A.\$2,044,000 for the previous year.

The cinemas acquired in 1971 from Metro-Goldwyn-Mayer, and which are now directly operated by Greater Union, as well as other additional cinemas, have contributed towards the increased profitability, whilst a number of cinema construction projects have been completed and others are under consideration.

It is a pleasure to report that Mr. R. L. Montgomery and Sir John Worrocker Austin, both of whom are eminent Australian businessmen, have agreed to serve on this Board.

New Zealand—The Kerridge Odeon Corporation (in which we have a 50% interest) has continued to operate on a satisfactory basis. Here again our share of the pre-tax profits showed an increase over that of the previous year at N.Z.\$1,427,000 having increased from N.Z.\$1,175,000.

Chairman's Statement *continued*

Malaya and Singapore—We hold a 24% interest in Cathay Organisation (Malaya) Sdn. Berhad and Cathay Organisation Private Limited.

These organisations have important film interests in Malaya and Singapore and in film exhibition in North Borneo.

Our share of the pre-tax profits amounted to S.\$3,548,000 as against S.\$2,545,000 for the previous year.

The Future

I have been writing the annual report for many years and I realise that this report is disappointing from my point of view and that of the shareholders. The reader will rightly feel that I am not optimistic in the short term. However, I have tried to give a frank appraisal of our activities and the problems with which we are faced. So now I must take a view of the future which under current economic/political conditions can only be for the short term.

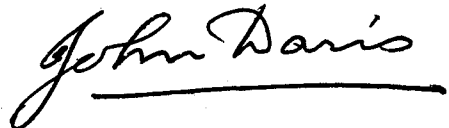
A year ago I said that it was extremely difficult to express a view as to what would happen in the coming year but that it would be a difficult one, and gave my reasons for this view. Unfortunately the difficulties which I foresaw have been fully realised.

The problems which face this country at the moment are only too apparent and I will not dwell on them. I believe there is a danger in elaborating on our difficulties, some of which are not peculiar to this country, and I have faith in the inherent common sense and courage of the British people to face up to and overcome these problems.

Our profits in the United Kingdom are currently showing little, if any, improvement over those of the previous year but the actions which have been taken over the last six to nine months should show increasing benefit as the year progresses.

We are not alone in facing a difficult year—we shall do our best to meet the problems as they arise in the hope of improving the profits over those of the previous year and in the belief that better times lie ahead.

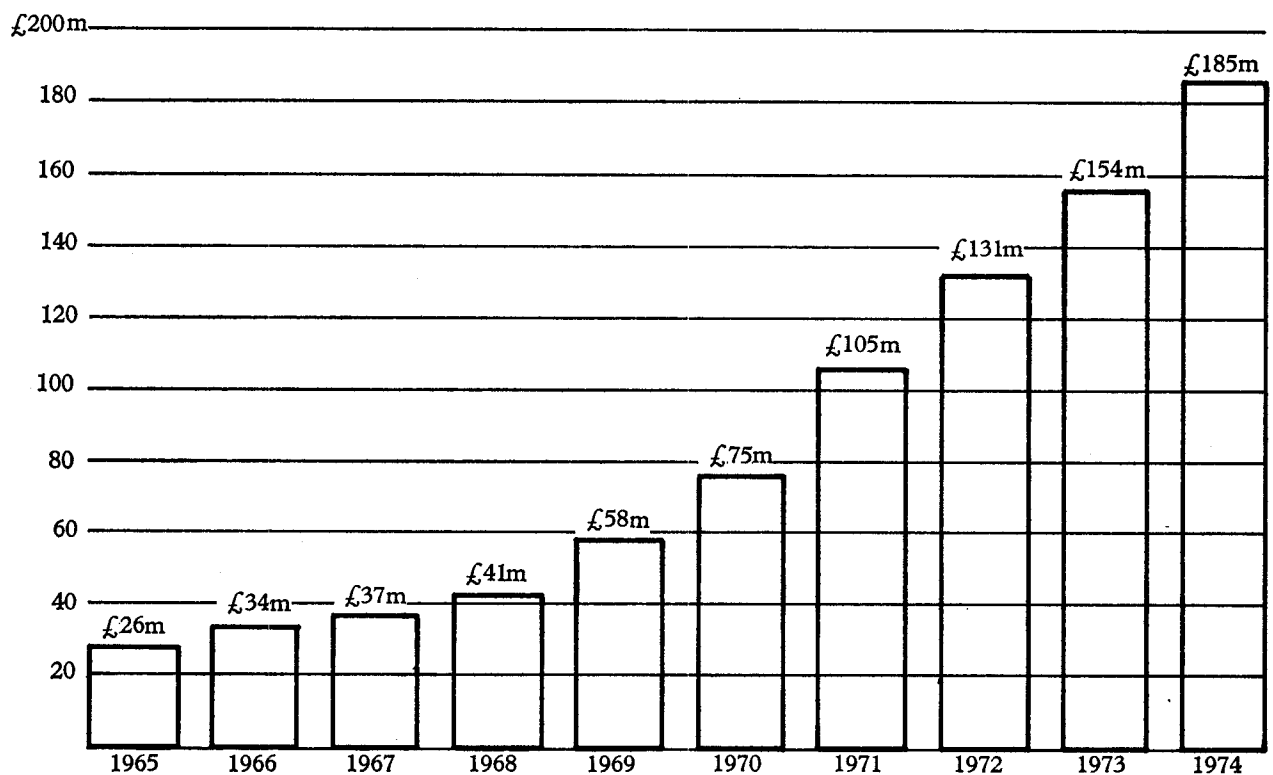
Yours sincerely,

A handwritten signature in cursive script that reads "John Davis". The signature is written in dark ink and is positioned above a horizontal line.

Chairman

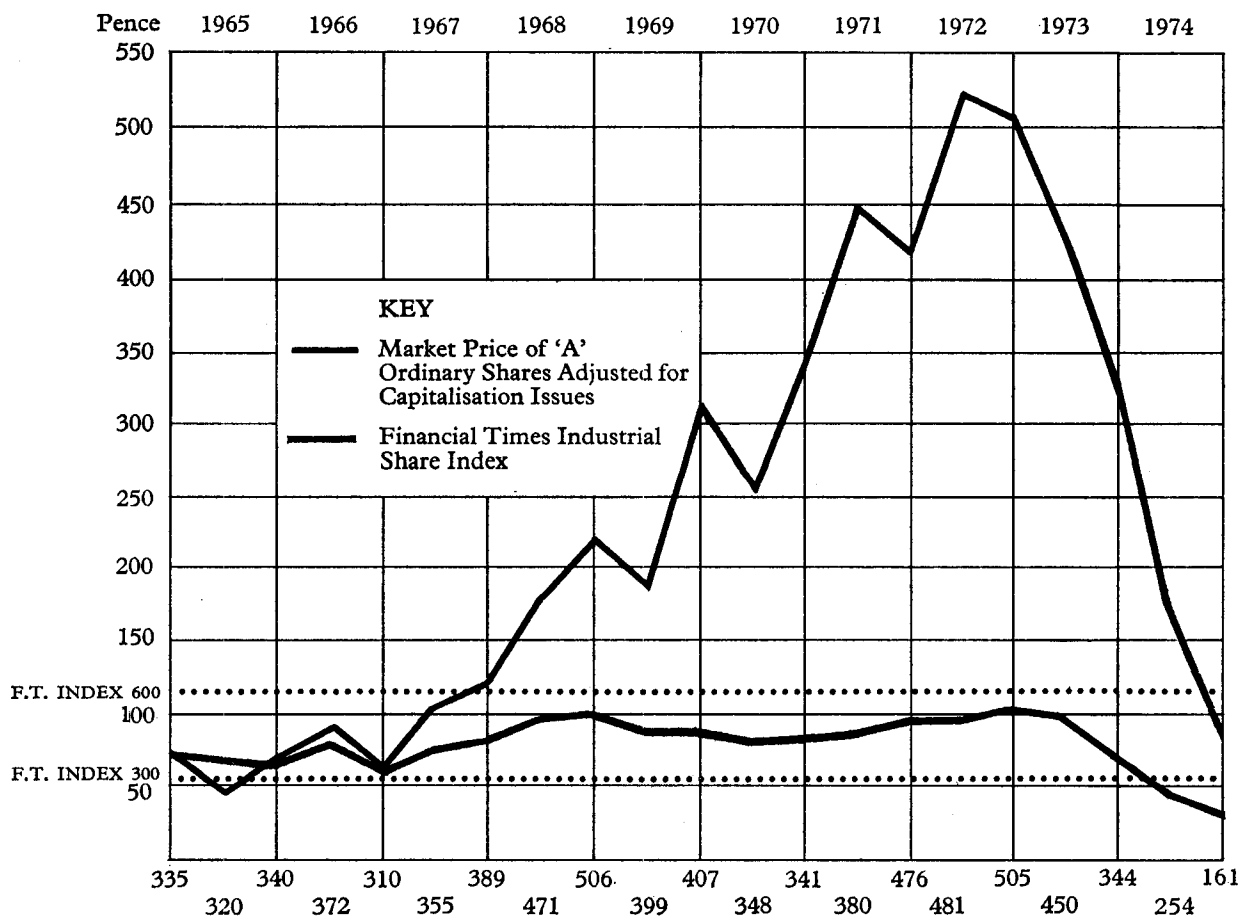
The Rank Organisation and Associated Companies including Companies owned jointly with Xerox Corporation

Exports and Overseas Earnings 1965/74



Movement in Prices of 'A' Ordinary Shares and Financial Times Index 1965/74

(Share Prices and Index at 30th June and 31st December)



The Rank Organisation Limited

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

We have examined the balance sheet and consolidated accounts set out on pages 34 to 48. In our opinion the balance sheet and 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 1974 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.

We have also examined the statement of source and application of funds set out on page 49 which, in our opinion, gives a true and fair view of the source and application of the Group's funds for the year ended 31st October 1974.

London
20th January 1975

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

The Rank Organisation Limited and Subsidiaries

Accounting Policies

forming part of the Accounts for the year ended 31st October 1974

Subsidiary Companies

The Consolidated Accounts include the audited accounts of all Subsidiary Companies made up to 31st October 1974. With minor exceptions, profits arising from trading transactions between companies within the Group have been eliminated. Details of principal Subsidiary Companies are given in note 7.

Associated Companies

The Consolidated Profit and Loss Account includes the proportion of the results of Associated Companies attributable to the shareholdings of The Rank Organisation Limited and its Subsidiaries. The principal cases where accounts have been used which are not conterminous with those of The Rank Organisation Limited, are as follows:

<i>Company</i>	<i>Year End Date of Accounts</i>
Cathay Organisation (Malaya) Sdn. Berhad	31st December 1973
The Greater Union Organisation Pty. Limited	30th June 1974
Kerridge Odeon Corporation Limited	31st March 1974

In the Consolidated Balance Sheet the investments in Associated Companies are shown at the aggregate of cost (less amounts written off) and the Group's share of post-acquisition retained profits and reserves.

Details of principal Associated Companies are given in note 5.

Exchange Rates

Assets and Liabilities and Profit and Loss Account items in foreign currencies are converted into sterling at the rates ruling at the Balance Sheet date. Exchange differences on trading transactions are dealt with in arriving at Trading Profit. Realised exchange differences on non-trading transactions are dealt with in the Profit and Loss Account in Extraordinary Items. All other exchange differences are dealt with in Reserves.

Depreciation of Fixed Assets

The following is a summary of the Group's policy for depreciation of fixed assets applied in respect of the year ended 31st October 1974.

Properties held for investment

- (a) No depreciation has been provided on land.
- (b) No depreciation has been provided on freehold buildings other than in respect of certain overseas properties where depreciation has been provided on a straight line basis to write off the cost over the estimated useful lives.
- (c) No depreciation has been provided on leasehold properties where the leases have more than 50 years to run. Other leasehold properties have been depreciated on a straight line basis over the remaining terms of the leases.

Other Properties

- (a) No depreciation has been provided on land.
- (b) Freehold properties situated in the United Kingdom qualifying for industrial buildings allowances are depreciated on a straight line basis at 2% per annum. With the exception of certain overseas properties, other freehold properties are not depreciated.
- (c) Leasehold Properties are depreciated on a straight line basis over the remaining terms of the leases.

Plant, Vehicles and Equipment

Depreciation is provided on a straight line basis to write off the cost of the assets over their estimated useful lives.

Goodwill

Goodwill represents the net excess of the cost of shares in Subsidiaries over the net tangible assets at dates of acquisition and is stated at cost less amounts written off.

Deferred Revenue Expenditure

Deferred Revenue Expenditure comprises pre-opening expenses which are written off on a straight line basis over ten years.

Stocks and Work in Progress

Stocks and Work in Progress are stated at the lower of cost (including where appropriate, production overheads) and net realisable value on bases consistent with the previous period.

Film Productions

Film productions are valued on bases consistent with the previous period. Unreleased and uncompleted films are valued at or below cost. Released films, the value of which in aggregate is below cost, are valued on the following basis:

- (a) at the end of the year of release at estimated recoverable value.
- (b) at the end of the first year following the year of release, at the value of contracts for future exhibition in the United Kingdom plus estimated future overseas earnings.
- (c) at the end of the second year following the year of release and subsequent years, at the value of contracts for future exhibition overseas.

Deferred Taxation

Deferred Taxation mainly represents taxation set aside at current rates on the excess of the book values over the written down values for tax purposes of the relevant fixed assets and is stated after deduction of Advance Corporation Tax considered to be recoverable against future Corporation Tax.

No provision has been made for taxation payable:

- (a) in the event of the profits of certain overseas subsidiaries and associated companies being distributed and
- (b) on capital gains which might arise from the sale of properties and investments in Associated Companies at the values at which they are stated in the Consolidated Balance Sheet.

Turnover

Turnover consists of sales of goods and services, admission receipts, film distribution revenues, royalties, commissions and gross rents receivable from investment properties and proceeds of sale of properties held as trading assets. Certain inter-group sales and rents are included as their elimination is not considered appropriate. Turnover of Associated Companies is not included.

The Rank Organisation Limited and Subsidiaries
Consolidated Profit and Loss Account
for the year ended 31st October 1974

	Notes and Schedule References	1974 £000s	1973 £000s
Turnover (including certain inter-group sales amounting to approximately £4,913,000—1973 £2,767,000)		£287,686	£260,293
Trading Profit before charging Depreciation		27,119	31,453
Depreciation	3	8,257	6,786
Trading Profit		18,862	24,667
Share of Profits before taxation of Associated Companies			
Companies owned jointly with Xerox Corporation		55,319	47,384
Others		3,930	3,963
Dividends and Interest Receivable	A	2,943	3,619
<i>Less: Interest Payable</i>	B	81,054 18,767	79,633 11,223
Profit before Taxation		62,287	68,410
<i>Less: Taxation based thereon</i>	C	29,943	33,338
<i>Less: Outside Shareholders' Share of Subsidiaries' Profit</i>		32,344 1,191	35,072 956
Profit after Taxation attributable to the Shareholders in The Rank Organisation Limited		31,153	34,116
<i>Less: Extraordinary Items excluding amounts attributable to Outside Shareholders</i>	D	11,899	(690) Profit
Balance of Profit attributable to the Shareholders in The Rank Organisation Limited			
(of which £9,424,000 loss is dealt with in the accounts of The Rank Organisation Limited—1973 £15,359,000 profit)		£19,254	£34,806
Dividends of The Rank Organisation Limited			
6½% Cumulative Preference		437	466
8% Second Cumulative Preference		146	156
Ordinary and 'A' Ordinary	E	8,379	7,588
<i>Profit Retained</i>		8,962	8,210
The Rank Organisation Limited and Subsidiaries	1	(14,071)	8,434
Associated Companies			
Companies owned jointly with Xerox Corporation		24,097	15,733
Others		266	2,429
		£19,254	£34,806
Earnings per Ordinary and 'A' Ordinary Share of 25p			
The calculation of earnings per share is based on earnings of £30,570,000 and on shares in issue at 31st October 1974 of 150,168,000 (1973 £33,494,000 earnings and 150,168,000 shares).		20.4p	22.3p

Notes relating to this Profit and Loss Account appear on pages 42 to 48.

Schedules

	1974 £000s	1973 £000s
A Dividends and Interest Receivable		
Quoted companies	115	120
Unquoted companies	49	162
Bank and other Interest	2,779	3,337
	<u>£2,943</u>	<u>£3,619</u>
B Interest Payable		
Bank Loans and Overdrafts	10,213	3,401
Other Loans not fully repayable within 5 years	8,326	6,240
Other Loans fully repayable within 5 years	228	1,582
	<u>£18,767</u>	<u>£11,223</u>
C Taxation		
The Rank Organisation Limited and Subsidiaries		
United Kingdom		
Corporation Tax (£1,615,000 before double taxation relief—1973 £8,203,000) (see note below)	352	7,129
<i>Less: Benefit arising from the transitional provisions of the Finance Act 1972</i>	—	(518)
Overseas	2,314	1,928
	<u>2,666</u>	<u>8,539</u>
On share of profits of Associated Companies		
Companies owned jointly with Xerox Corporation	25,396	22,881
Others	1,881	1,918
Note: Corporation Tax is provided at 52% (1973—40% for the 5 months to 31st March 1973 and at an assumed rate of 50% thereafter).	<u>£29,943</u>	<u>£33,338</u>
D Extraordinary Items		
Provision for losses less profits on cessation of businesses and disposal of properties (after taxation relief of £213,000)	2,030	595
Losses and provisions for losses on disposal of investments	5,590	—
Losses and provisions for losses less profits on disposal of Subsidiary and Associated Companies	2,972	—
Expenditure on abortive and deferred property developments	1,054	—
Share of extraordinary items of Associated Companies	38	(1,612)
Other items	218	280
	<u>11,902</u>	<u>(737)</u>
Attributable to Outside Shareholders	3	(47)
	<u>£11,899</u>	<u>(£690)</u>
E Dividends on Ordinary and 'A' Ordinary Shares		
Interim of 2.1875p per share, since paid (1973 interim of 2.1875p per share)	3,285	3,285
Final of 3.391796p per share, proposed (1973 final of 2.865625p per share)	5,094	4,303
	<u>£8,379</u>	<u>£7,588</u>

The Rank Organisation Limited and Subsidiaries

Consolidated Balance Sheet

at 31st October 1974

	Note Reference	1974		1973	
		£000s	£000s	£000s	£000s
Issued Share Capital of The Rank Organisation Limited					
6½% Cumulative Preference Shares of £1 each	1	9,996		9,996	
8% Second Cumulative Preference Shares of £1 each	1	2,602		2,602	
Ordinary Shares of 25p each		7,576		7,576	
'A' Ordinary Shares of 25p each		29,966	50,140	29,966	50,140
Reserves					
Share Premium Account		64,151		64,151	
Other Reserves	1	124,439	188,590	120,448	184,599
Issued Share Capital and Reserves Attributable to the Shareholders in The Rank Organisation Limited			238,730		234,739
Outside Shareholders' Interest in Net Assets of Subsidiaries			6,550		5,375
Deferred Taxation			13,743		8,799
Loan Capital and Borrowed Money		2			
Secured—United Kingdom		45,878		43,019	
Overseas		12,819		23,585	
		58,697		66,604	
Unsecured—United Kingdom		80,371		65,856	
Overseas		110,790		91,780	
		191,161	249,858	157,636	224,240
			£508,881		£473,153

	Note Reference	1974		1973	
		£000s	£000s	£000s	£000s
Fixed Assets	3				
Investment Properties		137,531		125,593	
Other Fixed Assets		175,075	312,606	153,261	278,854
		<u> </u>		<u> </u>	
Interests in Associated Companies	5				
Companies owned jointly with Xerox Corporation		83,232		57,784	
Others		13,920	97,152	18,103	75,887
		<u> </u>		<u> </u>	
Investments	6		2,435		7,854
Goodwill			43,605		41,567
Deferred Revenue Expenditure			644		884
			<u> </u>		<u> </u>
			456,442		405,046
Current Assets					
Stocks and Work in Progress		52,639		37,463	
Film Productions		1,732		2,197	
Debtors and Prepayments	8	69,348		61,128	
Dividends Receivable		47		480	
Short Term Deposits		9,868		39,044	
Cash at Bank and in Hand		4,069		5,625	
		<u> </u>		<u> </u>	
		137,703		145,937	
		<u> </u>		<u> </u>	
Deduct: Liabilities and Provisions (Other than borrowed money)					
Creditors, Expenses Accrued and Provisions	9	70,474		58,463	
United Kingdom Corporation Tax due within one year		110		4,610	
due between one and two years		53		1,163	
Other Taxation		1,531		2,181	
Dividends					
Shareholders in the Company		8,573		7,783	
Outside Shareholders of Subsidiaries		219		210	
Advance Corporation Tax		4,304		3,420	
		<u> </u>		<u> </u>	
		85,264	52,439	77,830	68,107
		<u> </u>		<u> </u>	
			£508,881		£473,153
			<u> </u>		<u> </u>

Notes relating to this Balance Sheet appear on pages 42 to 48.

The Rank Organisation Limited

Balance Sheet

at 31st October 1974

	Note Reference	1974		1973	
		£000s <i>Authorised</i>	£000s <i>Issued and Fully Paid</i>	£000s <i>Authorised</i>	£000s <i>Issued and Fully Paid</i>
Share Capital					
6¼% Cumulative Preference Shares of £1 each	1	10,000	9,996	10,000	9,996
8% Second Cumulative Preference Shares of £1 each	1	3,000	2,602	3,000	2,602
Ordinary Shares of 25p each		8,000	7,576	8,000	7,576
'A' Ordinary Shares of 25p each		37,000	29,966	37,000	29,966
		<u>£58,000</u>	<u>50,140</u>	<u>£58,000</u>	<u>50,140</u>
Reserves					
Share Premium Account		64,151		64,151	
Other Reserves	1	8,023	72,174	31,519	95,670
			<u>122,314</u>		<u>145,810</u>
Deferred Taxation			598		1,470
Loan Capital and Borrowed Money					
Secured—United Kingdom	2	34		38	
Unsecured—United Kingdom		80,276		65,743	
Overseas		64,240		57,014	
		<u>144,516</u>	<u>144,550</u>	<u>122,757</u>	<u>122,795</u>
Liabilities and Provisions (Other than borrowed money)					
Creditors, Expenses Accrued and Provisions	9	16,912		10,991	
United Kingdom Corporation Tax		—		472	
Dividends					
Accrued on Preference Shares		194		194	
Payable and Proposed on					
Ordinary and 'A' Ordinary Shares		8,379		7,588	
Advance Corporation Tax		4,222	29,707	1,621	20,866
			<u>£297,169</u>		<u>£290,941</u>

	Note Reference	1974		1973	
		£000s	£000s	£000s	£000s
Fixed Assets	3		37,793		38,609
Interests in Associated Companies (Unquoted)	5				
Rank Xerox Limited					
Shares at par		5,571		5,571	
Subordinated Unsecured Loan Notes at cost		600		600	
Others at cost		477	6,648	797	6,968
Investments	6		297		7,152
Subsidiaries	7				
Shares in Operating Subsidiaries at or under cost		109,508		128,958	
Amounts owing by Operating Subsidiaries including dividends receivable		164,949		106,379	
		274,457		235,337	
<i>Less:</i> Amounts owing to Operating Subsidiaries		39,065	235,392	35,168	200,169
Shares in Dormant Subsidiaries		34		13,242	
<i>Less:</i> Amounts owing to Dormant Subsidiaries		34	—	13,242	—
Goodwill at or under cost			4,281		4,314
Deferred Revenue Expenditure			119		139
			284,530		257,351
Current Assets					
Stocks		1,305		1,074	
Film Productions		1,278		1,807	
Debtors and Prepayments	8	8,367		5,951	
Corporation Tax Recoverable		183		—	
Dividends Receivable		—		451	
Short Term Deposits		874		23,677	
Cash at Bank and in Hand		632	12,639	630	33,590
JOHN DAVIS GRAHAM R. DOWSON	} Directors				
			£297,169		£290,941

Notes relating to this Balance Sheet appear on pages 42 to 48.

Notes forming part of the Accounts for the year ended 31st October 1974

1 Capital and Reserves

By virtue of paragraph 18 Schedule 23 Finance Act 1972 dividends payable on or after 6th April 1973 on the 6½% Cumulative Preference Shares and 8% Second Cumulative Preference Shares are calculated at the rates of 4.375% and 5.6% per annum respectively, without deduction of income tax.

Movements in Other Reserves	The Group			The Company
	The Company and its Subsidiaries	Associated Companies	Total	
	£000s	£000s	£000s	£000s
Balances at 31st October 1973	62,208	58,240	120,448	31,519
Exchange adjustments	(3,063)	(720)	(3,783)	(3,744)
Amounts provided against loans to the Trustees of the Executive Incentive scheme	(1,235)	—	(1,235)	(1,235)
Adjustments to Deferred Taxation due to change in rate	(685)	—	(685)	(131)
Additional costs on properties revalued in 1973	(547)	—	(547)	—
Sundry adjustments	(51)	—	(51)	—
Profit (loss) retained	(14,071)	24,363	10,292	(18,386)
Balances at 31st October 1974	<u>£42,556</u>	<u>£81,883</u>	<u>£124,439</u>	<u>£8,023</u>
Not regarded as available for distribution	<u>£11,648</u>	<u>£79,892</u>	<u>£91,540</u>	<u>£2,354</u>
Companies owned jointly with Xerox Corporation		£71,617		
Others		10,266		
		<u>£81,883</u>		

2 Loan Capital and Borrowed Money (partly secured)

	The Group		The Company	
	1974	1973	1974	1973
	£000s	£000s	£000s	£000s
Not fully repayable within 5 years				
U.S. \$75,000,000 4½% Convertible Loan 1993	32,102	30,769	32,102	30,769
Debenture Stocks, Mortgages and other loans repayable by annual sinking fund or by instalments				
Final Redemption dates from 1979 to 1989	21,942	18,952	10,888	10,456
Final Redemption dates after 1989	67,056	69,221	26,039	26,039
	<u>£121,100</u>	<u>£118,942</u>	<u>£69,029</u>	<u>£67,264</u>
Fully repayable within 5 years				
Bank Overdrafts	34,804	15,326	23,084	8,490
Bank Loans	89,117	84,761	52,437	46,989
Other Short Term Loans	4,837	5,211	—	52
	<u>£128,758</u>	<u>£105,298</u>	<u>£75,521</u>	<u>£55,531</u>
Total	<u>£249,858</u>	<u>£224,240</u>	<u>£144,550</u>	<u>£122,795</u>

All the above loans are repayable at par.

The average rate of interest payable on Debenture Stocks, Mortgages and other loans not fully repayable within 5 years was, for the Group 8.4% (1973 8.0%) and for the Company 9.3% (1973 9.3%).

Holders of the U.S. \$75,000,000 4½% Convertible Loan 1993 have the right to convert into fully paid 'A' Ordinary Shares of the Company exercisable from 16th February 1974 until 12th February 1992 inclusive on the basis of \$14.10 of the loan for one 'A' Ordinary Share of 25p. No conversion rights had been exercised by 31st October 1974.

By an agreement dated 23rd October 1972 the Company undertook to create in a subsidiary £15,000,000 10% First Mortgage Debenture Stock 1996 for subscription by Eagle Star Insurance Company Limited at par by instalments over a period terminating on 31st December 1975. £10,000,000 of this Stock had been issued at 31st October 1974.

3 Fixed Assets

Investment Properties	Completed Properties		Properties held for and in course of development		Total £000s
	Freehold	Leasehold	Freehold	Leasehold	
	£000s	£000s	£000s	£000s	
Cost or valuation at 31st October 1973	52,663	27,036	26,886	19,522	126,107
Exchange adjustments	—	131	120	700	951
Additions	88	161	17,393	8,619	26,261
Disposals	—	—	(274)	(108)	(382)
Disposal of Subsidiaries	(13,273)	—	(610)	—	(13,883)
Cost or valuation at 31st October 1974	£39,478	£27,328	£43,515	£28,733	£139,054
Depreciation at 31st October 1973	249	199	649	19	1,116
Charge for period	—	29	—	6	35
Provision for losses	—	—	494	51	545
Disposal of Subsidiaries	(173)	—	—	—	(173)
Depreciation at 31st October 1974	£76	£228	£1,143	£76	£1,523
Net book amount at 31st October 1974	£39,402	£27,100	£42,372	£28,657	£137,531

The net book amount of completed properties at 31st October 1974 includes properties at Directors' valuation (a) made 31st October 1971: Freehold £18,716,000, Leasehold £7,769,000 and (b) made 31st October 1973: Freehold £17,150,000.

Other Fixed Assets	Freehold	Leasehold	Plant,	Total
	Land and Buildings	Land and Buildings	Vehicles and Equipment	
The Group	£000s	£000s	£000s	£000s
Cost at 31st October 1973*	77,168	47,392	81,978	206,538
New Subsidiaries	6,613	349	1,973	8,935
Exchange adjustments	378	(124)	214	468
Additions	6,077	4,272	16,953	27,302
Disposals	(1,029)	(826)	(3,724)	(5,579)
Disposal of Subsidiaries	(1,015)	(1,188)	(718)	(2,921)
Cost at 31st October 1974	£88,192	£49,875	£96,676	£234,743
Depreciation at 31st October 1973*	7,293	5,352	40,030	52,675
New Subsidiaries	805	—	1,126	1,931
Exchange adjustments	130	(1)	163	292
Charge for period	419	758	7,020	8,197
Provision for losses on disposal of properties	152	36	(73)	115
Disposals	(68)	(146)	(2,691)	(2,905)
Disposal of Subsidiaries	(17)	(96)	(524)	(637)
Depreciation at 31st October 1974	£8,714	£5,903	£45,051	£59,668
Net Book Amount at 31st October 1974	£79,478	£43,972	£51,625	£175,075

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

3 Fixed Assets *continued*

The Company	<i>Freehold Land and Buildings</i>	<i>Leasehold Land and Buildings</i>	<i>Plant, Vehicles and Equipment</i>	<i>Total</i>
	£000s	£000s	£000s	£000s
Cost at 31st October 1973*	19,992	14,781	22,482	57,255
Inter-group transfers	(984)	(1,169)	(286)	(2,439)
Additions	361	412	2,387	3,160
Disposals	(196)	(45)	(648)	(889)
	<hr/>	<hr/>	<hr/>	<hr/>
Cost at 31st October 1974	£19,173	£13,979	£23,935	£57,087
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation at 31st October 1973*	3,545	3,150	11,951	18,646
Inter-group transfers	(407)	(84)	(154)	(645)
Charge for period	41	226	1,652	1,919
Provision for losses on disposal of properties	58	(111)	(31)	(84)
Disposals	(61)	(10)	(471)	(542)
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation at 31st October 1974	£3,176	£3,171	£12,947	£19,294
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Amount at 31st October 1974	£15,997	£10,808	£10,988	£37,793

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

The Net Book Amount of Investment Properties and other Leasehold Land and Buildings at 31st October 1974 includes for the Group £21,788,000 (1973 £20,834,000) and for the Company £2,784,000 (1973 £3,269,000) in respect of leases with less than 50 years to run.

The aggregate book amount at 31st October 1974 of Investment and Other Properties not depreciated was, in respect of the Group £196,882,000 (1973 £163,289,000) and in respect of the Company £14,648,000 (1973 £14,751,000).

Interest payable, rents payable and other outgoings amounting to £2,782,000 (1973 £1,530,000) incurred in the year, have been charged to Investment Properties in course of development or construction.

The disposal of properties included above at net book amounts in excess of their base cost for taxation purposes, at an amount equal to those net book amounts, would give rise to taxation on capital gains for which no provision has been made.

4 Future Capital Expenditure

	<i>The Group</i>		<i>The Company</i>	
	1974	1973	1974	1973
	£000s	£000s	£000s	£000s
Commitments for Capital Expenditure	43,500	30,500	248	910
Capital Expenditure authorised by the Directors but not contracted for	8,800	27,000	691	1,350
	<hr/>	<hr/>	<hr/>	<hr/>
	£52,300	£57,500	£939	£2,260

5 Interests in Associated Companies

	1974	1973
	£000s	£000s
Companies owned jointly with Xerox Corporation		
Rank Xerox Limited		
Unquoted 'B' and 'D' Shares at par (cost £7,096,000)	11,142	11,142
Rank Xerox Holding B.V.		
Unquoted 'B' and 'C' Shares at cost	55	—
Société Industrielle Rank Xerox S.A.		
Unquoted Shares at cost	298	—
Rank Xerox Fabrikations GmbH		
Unquoted Shares at cost	1	—
	<hr/>	<hr/>
	11,496	11,142
Share of retained profits and reserves (excluding £4,046,000 capitalised)	70,536	45,442
	<hr/>	<hr/>
	82,032	56,584
Rank Xerox Limited		
Subordinated Unsecured Loan Notes at cost	1,200	1,200
	<hr/>	<hr/>
	£83,232	£57,784

5 Interests in Associated Companies *continued*

The interests in Companies owned jointly with Xerox Corporation are carried at par in the Accounts of the Company and certain subsidiaries (the Company £5,571,000; Subsidiaries £5,925,000) and exclude the share of retained profits and reserves of £70,536,000 which are included in arriving at the value at which these interests are shown in the Group Accounts. The Group's share of the Profit before Taxation for the year ended 31st October 1974 of Companies owned jointly with Xerox Corporation amounted to £55,319,000 (1973 £47,384,000).

Rank Xerox Limited is incorporated in Great Britain. Its business consists mainly in the manufacture and marketing in the United Kingdom of xerographic equipment for high speed document copying and duplicating and the marketing of such equipment abroad through subsidiaries operating in Europe, Asia, Africa and Australasia and also in Japan through Fuji Xerox Co. Ltd. which is 50% owned. The subsidiaries are wholly owned apart from those operating in Australasia which are 75% owned, and Nigeria, which is 60% owned.

Particulars of the issued share capital of Rank Xerox Limited at 31st October 1974 were as follows:

	<i>Class of Share of £1 each</i>				
	'A'	'B'	'C'	'D'	'E'
The Company and Subsidiary		7,401,254		3,740,694	
Xerox Corporation and Subsidiary	7,401,254		7,481,388		
Trustees of Employee share purchase schemes					49,350

The 'A', 'B' and 'E' Shares carry no votes. The 'C' Shares are entitled to 21 votes for each 20 of such shares. The 'D' Shares are entitled to two 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 Rank Xerox Limited and Subsidiaries 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 1974 to £7,401,254 before charging taxation. Subject to the participation of 'E' Shares issued under the share purchase schemes, 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.

Rank Xerox Holding B.V., a company incorporated in Holland, owns the entire share capital of Rank Xerox Manufacturing (Nederland) B.V. whose manufacturing facilities (acquired from the Dutch subsidiary of Rank Xerox Limited with effect from 1st November 1973) are employed mainly in the manufacture of xerographic equipment and ancillary supplies. Société Industrielle Rank Xerox S.A. and Rank Xerox Fabrikations GmbH, companies incorporated in France and West Germany respectively, are also subsidiaries of Rank Xerox Holding B.V. Under arrangements currently in force, the xerographic equipment and ancillary supplies manufactured by Rank Xerox Manufacturing (Nederland) B.V. and the equipment proposed to be manufactured by Société Industrielle Rank Xerox S.A. and Rank Xerox Fabrikations GmbH will be sold to Rank Xerox Limited and its subsidiaries. Xerox Corporation is entitled to two-thirds and the Rank Organisation Group (through a United Kingdom subsidiary Rank RX Holdings Limited) is entitled to one-third of the combined profits of Rank Xerox Holding B.V. and its subsidiaries. Voting rights in Rank Xerox Holding B.V. are held as to 51.2% by Xerox Corporation and 48.8% by Rank RX Holdings Limited.

Other Associated Companies	1974 £000s	1973 £000s
Quoted Companies		
Shares at cost (Market Value £54,000, 1973 £52,000)	£102	£102
Unquoted Companies		
Shares at Directors' Valuation	221	221
Others		
Shares at cost less amounts written off	2,877	6,530
Share of post-acquisition retained profits and reserves	10,266	10,721
Advances	454	529
	£13,818	£18,001
Total	£13,920	£18,103

5 Interests in Associated Companies *continued*

Brief details of principal other Associated Companies are as follows:

	<i>Country of Incorporation and Operation</i>	<i>Class of Capital Owned</i>	<i>Holding of Share Capital Percentage</i>	
			<i>Group</i>	<i>Company</i>
Film Exhibition				
Cathay Organisation (Malaya) Sdn. Berhad	Malaysia	Ordinary	24.2	—
Ceylon Theatres Limited	Sri Lanka	Ordinary	27.3	—
The Greater Union Organisation Pty. Limited	Australia	Ordinary	50.0	—
Kerridge Odeon Corporation Limited	New Zealand	Ordinary	50.0	—
Film Laboratories				
Technospes S.p.A.	Italy	Ordinary	33.3	—
Manufacture				
Bush India Limited	India	Ordinary	49.0	—
Murphy India Limited	India	Ordinary	49.0	—
Property				
Rank Estates Limited	Great Britain	Ordinary	47.5	47.5
Television				
Southern Television Limited	Great Britain	Ordinary	37.6	37.6

Dividends receivable from Associated Companies, including companies owned jointly with Xerox Corporation, whose results have been dealt with in the Profit and Loss Account on the basis of including the proportion of their results attributable to the shareholdings of the Group, are as follows:

	1974 £000s	1973 £000s
Quoted	24	47
Unquoted	5,894	9,267
	<u>£5,918</u>	<u>£9,314</u>

6 Investments

	1974 £000s	1973 £000s
The Group		
Quoted Companies at cost less amounts written off (Market value £1,976,000, 1973 £5,755,000)	1,818	7,212
Unquoted Companies at cost	617	642
	<u>£2,435</u>	<u>£7,854</u>
The Company		
Quoted Companies at cost (Market value £54,000, 1973 £5,642,000)	82	7,152
Unquoted Companies at cost	215	—
	<u>£297</u>	<u>£7,152</u>

The investments for the Group include an investment in George Kent, Limited, a company incorporated in Great Britain, which represented 17.8% of the total Ordinary Shares of that company at 31st October 1974. Under a Scheme of Arrangement approved by the Court and effective on 13th December 1974, this investment was exchanged for 3,158,500 Ordinary Shares in Brown Boveri Kent Limited (8.9% of the total) and 3,158,500 Ordinary Shares in Scientific & Medical Instruments Limited (17.8% of the total).

7 Subsidiary Companies

Details of the principal Subsidiary companies are as follows:	Nature of Principal Operations	Class of Capital Owned	Percentage of Capital Owned		
			Direct	Indirect	Total
Butlin's Limited	Holiday Centres	6% Cumulative Preference	100	—	100
		Ordinary	100	—	100
City Wall Properties Limited	Property	Ordinary	—	100	100
English Numbering Machines Limited	Manufacture of Counting and Numbering Devices	Ordinary	40	40	80
A. Kershaw & Sons, Limited	Investment Holding Company (see note (a))	8% 'A' Cumulative Preference	78	—	78
		12½% 'B' Non-Cumulative Preference	85	—	85
		Ordinary	80	—	80
Odeon (Ireland) Limited	Film Exhibition, Property, Television Rental and Retail	Ordinary	—	100	100
The Odeon Theatres (Canada) Limited	Film Exhibition	Ordinary	—	100	100
Rank Advertising Films Limited	Advertising Films	Ordinary	100	—	100
Rank Audio Visual Limited	Manufacturers and factors of Audio Visual, Theatre Lighting, Professional Film, Electronic and Educational Equipment	Ordinary	100	—	100
Rank City Wall Limited	Property	Ordinary	100	—	100
Rank City Wall Overseas Limited	Property Holding Company	Ordinary	—	100	100
Rank Credit Facilities Limited	Leasing and Rental Finance	Ordinary	100	—	100
Rank Film Distributors Limited	Film Distribution	Ordinary	100	—	100
Rank Film Laboratories Limited	Film Processing	Ordinary	100	—	100
Rank Hotels Limited	Hotels	Ordinary	100	—	100
Rank Industries Australia Pty. Limited	Manufacturers and factors of Television, Audio, Optical and Electronic Equipment	Ordinary	—	100	100
Rank Leisure Services Limited	Manages Theatres, Bingo Clubs, Ballrooms, Suites and Motorports	Company Limited by Guarantee			
Rank Marine International Limited	Marinas	Ordinary	100	—	100
Rank Overseas Holdings Limited	Holding Company	Ordinary	100	—	100
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 Preference	56	35	91
		Ordinary	60	32	92
Rank Radio International Limited	Manufacture of Television and Radio Receivers and Hi-Fi Audio Equipment	Ordinary	100	—	100
Rank RX Holdings Limited	Investment Holding Company	Ordinary	50	47	97
Rank Tuschinski Beheer B.V.	Film Exhibition	Ordinary	—	100	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) All companies listed above are incorporated and operate in Great Britain other than:
 Odeon (Ireland) Limited—Republic of Ireland
 Rank Industries Australia Pty. Limited—Australia
 The Odeon Theatres (Canada) Limited—Canada
 Rank Tuschinski Beheer B.V.—Holland

8 Debtors and Prepayments

Include £603,000 for the Group and £339,000 for the Company in respect of loans made to the Trustees of the Executive Incentive Scheme after providing £1,235,000 and £676,000 respectively. Also included are £4,304,000 for the Group and £4,222,000 for the Company in respect of Advance Corporation Tax arising on dividends provided in the accounts which is considered recoverable.

9 Creditors, Expenses Accrued and Provisions

Include provisions for widows' non-contributory pensions amounting in the case of the Group to £893,000 and in the case of the Company to £780,000.

10 Contingent Liabilities

The Group There are Contingent Liabilities in respect of (a) guarantees amounting in aggregate to approximately £11,600,000 (1973 £12,800,000) including £6,900,000 (1973 £7,700,000) relating to advances at 31st October 1974 to Associated Companies 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 mainly in respect of guarantees of advances at 31st October 1974 to (a) Subsidiaries amounting in aggregate to approximately £41,500,000 (1973 £19,700,000) of which £40,500,000 (1973 £19,000,000) is included as liabilities in the Consolidated Balance Sheet and (b) Associated Companies of approximately £6,900,000 (1973 £7,700,000).

11 Emoluments of Directors of The Rank Organisation Limited

			<i>In respect of Services as Directors</i>		<i>Other Emoluments</i>	
			1974	1973	1974	1973
			£000s	£000s	£000s	£000s
Chairman			1	3	64	62
Other Directors	<i>Number of Directors</i>					
	1974	1973				
Nil—£2,500	—	2				
£2,501—£5,000	12	10				
£7,501—£10,000	1	1				
£10,001—£12,500	—	1	47	44	62	85
£12,501—£15,000	—	1				
£15,001—£17,500	—	1				
£17,501—£20,000	1	—				
£35,001—£37,500	1	1				
			48	47	126	147
Contributions to the Pension and Life Assurance Schemes			—	—	11	12
Compensation for loss of Executive Office			—	—	30	44
Total Emoluments			£48	£47	£167	£203

12 Employees receiving remuneration of more than £10,000

	<i>Number of Employees</i>	
	1974	1973
£10,001—£12,500	30	26
£12,501—£15,000	7	5
£15,001—£17,500	4	1

13 Remuneration of Auditors

	1974	1973
	£000s	£000s
The Rank Organisation Limited	46	35
Subsidiary Companies (including £204,000 overseas)	393	316
	£439	£351

14 Ultimate Holding Company

The ultimate holding company of The Rank Organisation Limited is The Rank Foundation Limited, a company incorporated in England.

The Rank Organisation Limited and Subsidiaries
Source and Application of Funds
for the year ended 31st October 1974

	1974 £ millions	1973 £ millions
Source of Funds		
Within the Group		
Profit after Taxation	31.2	34.1
Profit retained by Associated Companies	(24.4)	(18.1)
Items charged against Profits not requiring funds		
Depreciation	8.2	6.8
Deferred Taxation and Other Provisions	3.2	3.3
	<hr/> 18.2	<hr/> 26.1
Net proceeds from the sale of		
Net Assets and Goodwill of Subsidiaries	2.7	—
Investments	2.4	—
Properties and Plant	3.0	5.2
	<hr/> £26.3	<hr/> £31.3
Outside the Group		
Issues of 'A' Ordinary Shares	—	38.3
Increase in Bank Loans and Overdrafts less Cash and Short Term Deposits	53.3	0.6
Mortgages and Other Loans		
Fully repayable within five years	3.0	17.9
Not fully repayable within five years	8.3	57.2
	<hr/> £64.6	<hr/> £114.0
Total	<hr/> £90.9	<hr/> £145.3
Application of Funds		
Acquisition of Net Assets and Goodwill of Subsidiaries	7.6	74.5
Acquisition of other Investments	0.4	3.9
Additions to Fixed Assets		
Investment Properties	26.3	26.3
Other Fixed Assets	27.3	19.3
Increase in Net Working Capital other than Cash and Short Term Deposits	16.1	2.2
Repayment of Debenture Stocks, Mortgages and Other Loans	1.3	6.1
Dividends of The Rank Organisation Limited	9.0	8.2
Advance Corporation Tax	2.9	4.8
	<hr/> £90.9	<hr/> £145.3

Unutilised Financial Resources Available to The Group
at 31st October 1974

	1974 £ millions	1973 £ millions
Short Term Deposits	9.9	39.0
Unused Bank and Other Borrowing Facilities	56.5	37.0
	<hr/> £66.4	<hr/> £76.0

The Rank Organisation Limited and Subsidiaries

Summary of Results and Financial Position adjusted for the Effects of Inflation (Note 1)

	Note Reference	1974 Historic Basis	1974 Current Purchasing Power Basis	1973 Current Purchasing Power Basis (in 1974 £)	1973 Historic Basis
		£ millions	£ millions	£ millions	£ millions
Results for the Year					
Turnover		£287.7	£308.7	£317.8	£260.3
Trading Profit		18.9	8.3	19.3	24.7
Share of Profits before Taxation of Associated Companies	2				
Companies owned jointly with Xerox Corporation		55.3	58.8	55.1	47.4
Others		3.9	4.2	4.6	3.9
Dividends and Interest Receivable		2.9	3.2	4.4	3.6
		<u>81.0</u>	<u>74.5</u>	<u>83.4</u>	<u>79.6</u>
Monetary gain on Preference Shares, Loan Capital and Borrowed Money		—	42.6	18.7	—
Interest Payable		(18.7)	(20.3)	(13.7)	(11.2)
Profit before Taxation		<u>62.3</u>	<u>96.8</u>	<u>88.4</u>	<u>68.4</u>
Taxation		(29.9)	(29.9)	(39.0)	(33.3)
Profit after Taxation		<u>32.4</u>	<u>66.9</u>	<u>49.4</u>	<u>35.1</u>
Outside Shareholders		(1.2)	(1.2)	(1.1)	(1.0)
		<u>31.2</u>	<u>65.7</u>	<u>48.3</u>	<u>34.1</u>
Extraordinary Items		(11.9)	(17.0)	(0.5)	0.7
Profit after Extraordinary Items	3	19.3	48.7	47.8	34.8
Dividends		(9.0)	(9.0)	(9.6)	(8.2)
Profit Retained		£10.3	£39.7	£38.2	£26.6
Financial position at End of Year					
Fixed Assets					
Investment Properties		137.5	172.3	156.2	125.6
Other Fixed Assets		175.1	290.1	276.1	153.3
		<u>312.6</u>	<u>462.4</u>	<u>432.3</u>	<u>278.9</u>
Interests in Associated Companies	2				
Companies owned jointly with Xerox Corporation		83.2	111.3	83.3	57.8
Others		13.9	24.7	28.3	18.1
Investments		2.4	2.7	10.4	7.8
		<u>412.1</u>	<u>601.1</u>	<u>554.3</u>	<u>362.6</u>
Net Current Assets		52.4	54.2	81.0	68.1
		<u>464.5</u>	<u>655.3</u>	<u>635.3</u>	<u>430.7</u>
Preference Shares		12.6	12.6	14.8	12.6
Loan Capital and Borrowed Money		249.9	249.9	260.6	224.2
Deferred Taxation		13.7	13.7	11.8	8.8
Outside Shareholders		6.5	7.5	7.1	5.4
		<u>282.7</u>	<u>283.7</u>	<u>294.3</u>	<u>251.0</u>
Ordinary Shareholders' Interest in Net Tangible Assets		£181.8	£371.6	£341.0	£179.7

Notes

1 Basis of Conversion

The Summary of Results and Financial Position has been prepared in accordance with the principles set out in the Provisional Statement of Standard Accounting Practice No. 7 of the Accounting Standards Steering Committee. The adjustments in respect of assets and liabilities in the United Kingdom are based on the indices specified in the provisional standard; the UK Retail Price Index at October 1974 was 113.2 and at October 1973 was 96.7. Both figures are based on January 1974 = 100 and give a rate of inflation for the year of 17.1%. Material assets and liabilities situated overseas have been adjusted by reference to appropriate local indices.

2 Associated Companies

Statements adjusted for inflation were prepared in respect of companies owned jointly with Xerox Corporation and other material associated companies; the basis of including proportions of results and net assets attributable to The Rank Organisation Limited and its Subsidiaries follows that of the historic accounts.

3 Profit

The difference between the profit on an historic basis after extraordinary items and on a Current Purchasing Power (CPP) basis is made up as follows:

	1974	1973
	£ millions	£ millions
Profit after extraordinary items on historic basis.	19.3	34.8
Adjustments to convert to CPP basis:		
Depreciation		
Additional depreciation based on cost	(4.9)	(3.2)
Stocks		
Additional charge based on restating the cost of stock at the beginning and end of year	(4.1)	(2.7)
Sales, Purchases and All Other Costs		
These are increased by the change in the index between the average date at which they occurred and the end of the year	(4.0)	(1.1)
Associated Companies		
Increased Group interest in Associated Companies arising on the restatement of the results for the year	3.8	(0.3)
Monetary Items		
(i) Gain in purchasing power resulting from the effects of inflation on Preference Shares, Loan Capital and Borrowed Money	42.6	16.0
(ii) Net Loss in purchasing power resulting from the effects of inflation on monetary assets less other monetary liabilities	(4.0)	(2.6)
Profit after extraordinary items on CPP basis at end of year under review	48.7	40.9
Adjustment required to update last year's profit from 1973 Pounds to 1974 Pounds		6.9
Profit after extraordinary items (CPP basis at 31st October 1974)	£48.7	£47.8

The Rank Organisation Limited and Subsidiaries

Analysis of Turnover

£ figures in thousands	1974	1973	1972	1971	1970
	£	£	£	£	£
Leisure					
Film Exhibition					
British Isles	24,835	24,482	26,261	26,617	27,709
Overseas (mainly Canada)	22,951	13,581	12,582	10,391	11,466
Dancing, Bingo and Tenpin Bowling	16,137	15,503	14,048	12,713	12,380
Motorports and Restaurants	11,916	10,362	8,903	7,169	5,361
Film Studios	1,798	1,626	1,075	1,288	1,018
Film Laboratories	7,851	7,733	6,643	6,079	4,739
Film Production and Distribution	5,046	4,687	5,561	5,011	6,374
Hotels	14,812	10,622	6,094	5,846	6,131
Holiday Centres	30,662	24,951	—	—	—
Audio Visual	32,878	26,548	18,694	15,384	14,239
Radio, Television and Hi-Fi	77,031	87,348	66,049	41,693	30,644
Scientific Instruments, Optics and Electronics	26,057	20,972	21,022	18,390	19,133
Property	6,637	5,710	3,226	2,675	—
Other Activities	9,075	6,168	5,061	3,771	2,675
	£287,686	£260,293	£195,219	£157,027	£141,869

Information per Ordinary and 'A' Ordinary Share

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

	1974	1973	1972	1971	1970
	pence	pence	pence	pence	pence
Sterling					
Earnings	20.4	22.3	17.7	12.8	11.8
Dividends	5.5793	5.0531	6.875	5.625	4.4105
Net Assets	150.6	147.9	108.9	96.1	79.0
	cents	cents	cents	cents	cents
U.S. Dollars					
(exchange rate)	(\$2.34= £1)	(\$2.44= £1)	(\$2.34= £1)	(\$2.55= 1£)	(\$2.40= £1)
Earnings	47.7	54.4	41.4	32.6	28.2
Dividends	13.0555	12.3296	16.0875	14.344	10.5855
Net Assets	352.4	360.9	254.9	245.1	189.5

Notes: The figures for 1970 to 1972 inclusive have been adjusted to take account of the one for one capitalisation issue approved by the shareholders on 30th March 1973.

The dividends for 1973 and 1974 are paid under the new imputation system of United Kingdom Corporation Tax which came into force on 1st April 1973 and are shown net of the related tax credit. Dividends for 1970 to 1972 are shown gross.

The Rank Organisation Limited and Subsidiaries

Analysis of Trading Profit

£ figures in thousands	1974	1973	1972	1971	1970
	£	£	£	£	£
Leisure					
Film Exhibition					
British Isles	1,734	2,243	3,225	3,424	3,834
Overseas (mainly Canada)	2,788	1,482	1,363	1,166	1,366
Dancing, Bingo and Tenpin Bowling	2,084	2,416	2,072	1,505	1,632
Motorports and Restaurants	206	277	375	62	(132)
Film Studios	15	(17)	(183)	186	(13)
Film Laboratories	963	1,149	893	886	769
Film Production and Distribution	527	(299)	255	466	800
Hotels	(2,864)	(744)	298	29	218
Holiday Centres	5,464	5,024	—	—	—
Audio Visual	2,724	2,167	701	(505)	(305)
Radio, Television and Hi-Fi	(920)	8,233	5,857	2,127	2,107
Scientific Instruments, Optics and Electronics	1,055	(164)	(654)	(1,118)	310
Property	4,550	3,363	1,862	1,385	—
Other Activities	1,422	477	714	625	441
	19,748	25,607	16,778	10,238	11,027
Deduct:					
Unallocated Central Costs	886	940	671	646	514
Trading Profit	£18,862	£24,667	£16,107	£9,592	£10,513

Geographical Analysis of Turnover and Trading Profit

A geographical analysis of Turnover and Trading Profits of trading operations carried on by the Company and its Subsidiaries for the year ended 31st October 1974 is as follows:

	Turnover £000s	Trading Profit £000s
United Kingdom	216,947	15,829
Germany	14,646	833
Holland	5,321	368
Eire	4,655	469
Denmark	4,152	39
Sweden	3,162	(84)
Rest of Europe	4,883	(672)
Canada	18,487	2,475
U.S.A.	4,236	125
Australia	10,383	264
Rest of World	814	102
<i>Deduct: Unallocated Central Costs</i>		(886)
	£287,686	£18,862

The Rank Organisation Limited and Subsidiaries

Ten Year Financial Review

£ figures in thousands

	1974 October (year)	1973 October (year)	1972 October (year)	1971 October (year)
Turnover	£287,686	£260,293	£195,219	£157,027
Profits				
Trading Profit before depreciation	£27,119	£31,453	£21,353	£14,350
Depreciation	8,257	6,786	5,246	4,758
Trading Profit	18,862	24,667	16,107	9,592
Share of Profits before Taxation of Associated Companies				
Companies owned jointly with Xerox Corporation	55,319	47,384	36,320	29,187
Others	3,930	3,963	2,838	2,071
Dividends and Interest Receivable	2,943	3,619	1,154	1,055
Interest Payable	81,054 18,767	79,633 11,223	56,419 6,043	41,905 5,286
Profit before Taxation	62,287	68,410	50,376	36,619
Taxation				
The Rank Organisation Limited and Subsidiaries Associated Companies	2,666	8,539	5,298	2,904
Companies owned jointly with Xerox Corporation	25,396	22,881	17,204	13,351
Others	1,881	1,918	1,437	1,043
	29,943	33,338	23,939	17,298
Profit after Taxation	32,344	35,072	26,437	19,321
Outside Shareholders of Subsidiaries	1,191	956	709	533
Extraordinary Items	31,153 (11,899)	34,116 690	25,728 58	18,788 2,752
	£19,254	£34,806	£25,786	£21,540
Appropriation				
Dividends of Parent Company:				
Preference	£583	£622	£833	£833
Ordinary	8,379	7,588	8,193	7,810
Additions to Reserves etc.				
The Rank Organisation Limited and Subsidiaries Associated Companies	(14,071)	8,434	17,344	4,616
Companies owned jointly with Xerox Corporation	24,097	15,733	(1,185)	7,808
Others	266	2,429	601	473
	£19,254	£34,806	£25,786	£21,540
Capital Employed				
Ordinary Share Capital and Reserves	£226,132	£222,141	£153,264	£134,878
Preference Share Capital	12,598	12,598	12,598	12,598
Outside Shareholders of Subsidiaries	6,550	5,375	4,024	3,782
Deferred Taxation	13,743	8,799	6,890	5,332
Loan Capital	121,100	118,942	43,376	37,892
Short Term Advances, Bank Loans and Overdrafts	128,758	105,298	48,074	43,575
	£508,881	£473,153	£268,226	£238,057
Represented by:				
Fixed Assets	£312,606	£278,854	£133,261	£121,698
Investments—				
Companies owned jointly with Xerox Corporation	83,232	57,784	41,399	42,632
Other	16,355	25,957	20,427	16,015
Goodwill and Deferred Revenue Expenditure	44,249	42,451	21,488	21,650
Net Current Assets	52,439	68,107	51,651	36,062
Taxation on Unrealised Profits within the Rank Xerox Group	—	—	—	—
	£508,881	£473,153	£268,226	£238,057

Figures for periods ended October 1970 to 1974 include the full share of profits of Associated Companies. The figures for periods ended June 1965 to 1969 include Rank Xerox Limited as a Subsidiary and only dividends from Associated Companies.

1970 October 2 weeks)	1970 October (70 weeks)	1969 June (52 weeks)	1968 June (52 weeks)	1967 June (53 weeks)	1966 June (52 weeks)	1965 June (52 weeks)
£141,869	£187,133	£237,094	£204,355	£171,611	£152,181	£127,147
£14,471 3,958	£19,185 5,297	£77,490 21,286	£58,202 18,518	£42,411 15,211	£33,570 11,326	£21,950 8,157
10,513	13,888	56,204	39,684	27,200	22,244	13,793
24,456 1,549 935	30,934 2,060 1,215	— — 2,811	— — 2,118	— — 1,810	— — 1,254	— — 1,557
37,453 3,803	48,097 5,028	59,015 6,708	41,802 5,969	29,010 6,293	23,498 4,519	15,350 3,806
33,650	43,069	52,307	35,833	22,717	18,979	11,544
4,062	5,310	24,614	16,286	10,549	8,058	4,256
11,245 807	14,123 1,048	— —	— —	— —	— —	— —
16,114	20,481	24,614	16,286	10,549	8,058	4,256
17,536 656	22,588 844	27,693 16,435	19,547 10,905	12,168 6,844	10,921 5,453	7,288 2,506
£16,880	21,744 340	11,258 39	8,642 (82)	5,324 28	5,468 (166)	4,782 (75)
	£22,084	£11,297	£8,560	£5,352	£5,302	£4,707
	£1,114 8,115	£833 3,996	£833 3,713	£833 3,082	£661 2,768	£500 1,673
	4,325	6,468	4,014	1,437	1,873	2,534
	8,291 239	— —	— —	— —	— —	— —
	£22,084	£11,297	£8,560	£5,352	£5,302	£4,707
£107,798 12,598 6,996 4,416 16,437 38,872	£79,755 12,598 43,731 9,036 32,496 56,417	£64,549 12,598 35,424 6,066 31,607 51,956	£44,225 12,598 27,519 5,043 46,675 51,191	£42,374 12,598 22,116 3,256 47,611 36,773	£39,429 12,598 16,225 1,212 41,469 28,791	
£187,117	£234,033	£202,200	£187,251	£164,728	£139,724	
£85,132	£168,586	£146,030	£134,564	£117,161	£97,889	
34,501 24,212 21,166 22,106	— 6,019 18,826 33,945	— 7,443 10,116 31,729	— 6,929 11,803 26,705	— 6,638 11,069 23,768	— 6,473 11,429 19,814	
—	6,657	6,882	7,250	6,092	4,119	
£187,117	£234,033	£202,200	£187,251	£164,728	£139,724	

Companies owned jointly with Xerox Corporation

Ten Year Financial Review

£ figures in thousands	1974 October (year)	1973 October (year)	1972 October (year)	1971 October (year)
Turnover	£477,522	£370,341	£268,131	£207,132
Profits				
Trading Profit before depreciation	£234,870	£192,608	£143,651	£112,521
Depreciation	59,835	48,650	37,924	29,275
Trading Profit	175,035	143,958	105,727	83,246
Share of Profit before Taxation of Fuji Xerox	9,377	7,245	4,565	5,159
Dividends and Interest Receivable	1,567	1,464	1,430	940
Interest Payable	185,979	152,667	111,722	89,345
	22,358	13,346	6,133	5,179
Profit before Taxation	163,621	139,321	105,589	84,166
Taxation based thereon	74,938	67,099	49,970	38,400
Profit after Taxation	88,683	72,222	55,619	45,766
Profit attributable to Minority Interests	885	563	165	223
Extraordinary Items	87,798	71,659	55,454	45,543
	—	—	—	—
Deduct: Amount attributable to Xerox Corporation and 'E' Shareholders	87,798	71,659	55,454	45,543
	57,875	47,156	36,338	29,707
Profit after Taxation attributable to The Rank Organisation Group	£29,923	£24,503	£19,116	£15,836
Capital Employed				
Share Capital and Reserves				
The Rank Organisation Group	£82,011	£56,585	£40,199	£41,432
Xerox Corporation	150,137	100,772	69,210	70,523
'E' Shareholders	2,416	1,665	1,088	—
Minority Interests	3,801	2,813	1,285	1,120
Loan Capital and Borrowed Money				
Repayable after one year	115,731	86,569	68,623	45,431
Deferred Taxation	71,325	48,338	25,260	14,166
Non-Current Taxation	97	3,526	4,900	8,900
	£425,518	£300,268	£210,565	£181,572
Represented by:				
Fixed Assets	£363,196	£253,304	£194,462	£154,213
Goodwill and Patent Rights	—	—	—	—
Investment in Fuji Xerox	25,675	17,313	14,038	11,848
Loans for the purchase of 'E' Shares	2,425	1,756	1,112	—
Net Current Assets/(Liabilities)	(18,633)	(6,015)	(22,737)	974
Deferred Expenditure:				
Taxation on Unrealised Intra-Group Profits	35,468	25,246	18,235	12,040
Development Expenditure	17,387	8,664	5,455	2,497
	£425,518	£300,268	£210,565	£181,572

The figures stated above for 1974 relate to Rank Xerox Limited and its subsidiaries and also Rank Xerox Holding B.V. and its Subsidiaries. Figures for prior periods relate only to Rank Xerox Limited and its Subsidiaries.

1970 October 52 weeks) £163,444	1970 October (70 weeks) £206,372	1969 June (52 weeks) £115,275	1968 June (52 weeks) £84,361	1967 June (53 weeks) £61,812	1966 June (52 weeks) £44,353	1965 June (52 weeks) £26,933
£92,081 22,952	£117,056 29,503	£66,618 17,697	£46,386 13,693	£31,753 10,568	£23,311 7,014	£12,431 4,213
69,129 4,111 976	87,553 4,979 1,261	48,921 — 797	32,693 — 702	21,185 — 702	16,297 — 311	8,218 — 29
74,216 4,216	93,793 5,526	49,718 3,671	33,395 3,458	21,887 2,974	16,608 1,822	8,247 1,282
70,000 32,130	88,267 40,226	46,047 21,324	29,937 13,506	18,913 8,525	14,786 6,449	6,965 2,861
37,870 160	48,041 226	24,723 171	16,431 114	10,388 71	8,337 44	4,104 20
37,710 —	47,815 —	24,552 (397)	16,317 514	10,317 (33)	8,293 (273)	4,084 (49)
37,710	47,815	24,155	16,831	10,284	8,020	4,035
24,499	31,004	15,496	10,593	6,287	4,858	2,240
£13,211	£16,811	£8,659	£6,238	£3,997	£3,162	£1,795

£33,301 54,822 — 897	£24,012 37,044 — 556	£19,787 29,115 — 386	£15,455 21,615 — 226	£12,256 16,530 — 130	£8,541 10,877 — 87
20,405 8,932 14,589	20,708 6,121 7,800	20,580 3,760 5,286	20,584 3,071 5,137	17,157 1,714 4,800	9,037 778 3,893
£132,946	£96,241	£78,914	£66,088	£52,587	£33,213

£118,356 — 5,915 — (1,918)	£88,073 90 444 — 180	£72,197 90 427 — (1,381)	£60,406 90 397 — (3,016)	£45,527 187 397 — (789)	£30,990 248 397 — (3,161)
9,512 1,081	6,985 469	6,882 699	7,250 961	6,092 1,173	4,119 620
£132,946	£96,241	£78,914	£66,088	£52,587	£33,213



