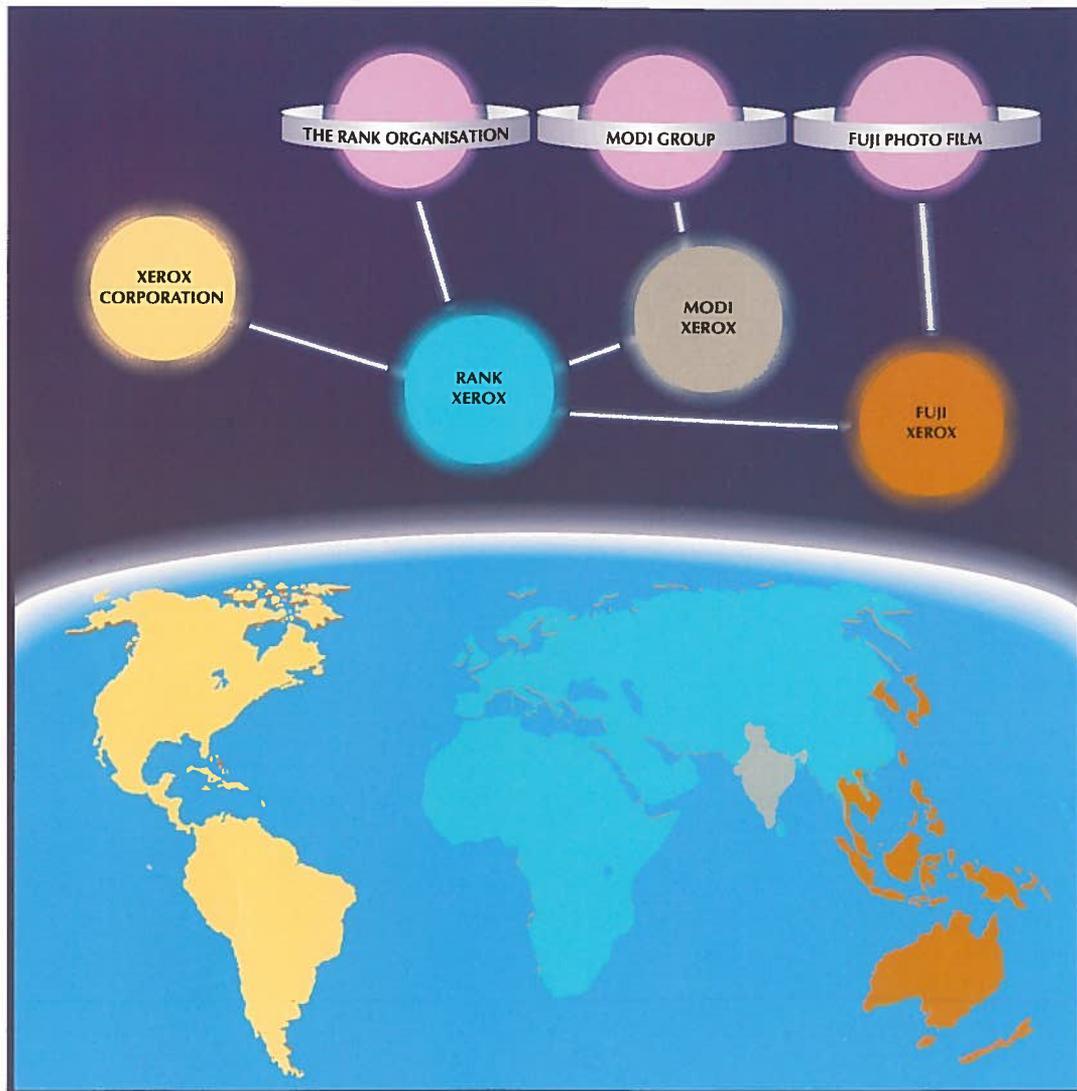


THE FAMILY GROUP



Rank Xerox was formed in 1956 and is composed of four holding companies jointly owned by Xerox Corporation of the USA and The Rank Organisation Plc of the UK. Since 1969 Xerox Corporation has had majority voting rights in all holding companies. The profit participation of Xerox Corporation and The Rank Organisation Plc in the Group's profits is governed by the provisions of an agreement made in 1977 between the two companies. This enables Xerox to consolidate about two thirds of Rank Xerox's profit calculated before research and development costs and certain other charges.

Xerox markets xerographic products in North and South America. Rank Xerox has marketing subsidiaries and distributors in over 80 countries in Europe, Eastern Europe and the Soviet Union, Africa (excluding South Africa), China and Hong Kong. Fuji Xerox, a joint venture formed in 1962 between Rank Xerox and Fuji Photo Film, is responsible for marketing in Japan and other territories in the Pacific Rim. A joint venture between Rank Xerox and the Modi Group - Modi Xerox - markets in the Indian subcontinent.

RANK XEROX
ANNUAL REPORT AND ACCOUNTS

*R*ank Xerox is a member of a family which spans the globe and invests over £500 million annually in research and development. The group has a unique capability in meeting one of the biggest challenges business faces today: how to process information to produce effective document solutions.

As the 'Document Company', Rank Xerox is well placed to provide solutions for our 500,000 customers and to a market in document processing that will be valued at over £20 billion a year by 1993.

Rank Xerox is dedicated first and foremost to satisfying customers and conducts regular surveys to measure customer satisfaction.

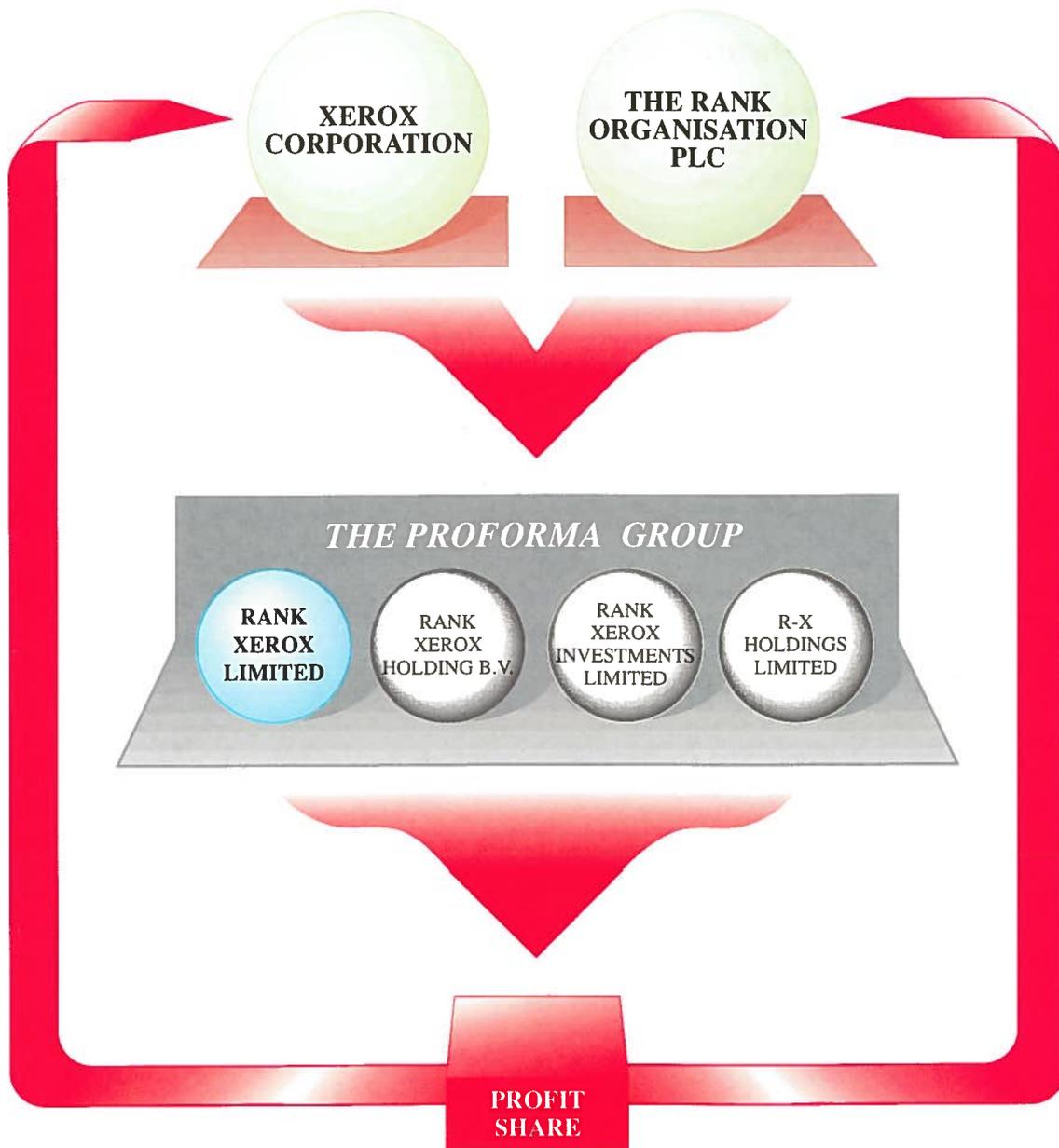
H I G H L I G H T S
O F T H E
P R O F O R M A *G* R O U P

£million	1990	1989	1988	1987	1986
Turnover	2676	2545	2304	2219	1926
Profit before tax	294	265	274	223	138
Tax	130	128	118	104	67
Profit after tax	164	137	156	119	71
Extraordinary profit after tax	60	-	-	-	-
Profit for the financial year	224	137	156	119	71
Profit Participation before tax and Extraordinary item (page 35):					
Due to Xerox Corporation	329	315	297	226	159
Due to The Rank Organisation Plc	167	160	151	115	81
Total Participation Profits	496	475	448	341	240

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T H E
RANK XEROX
S T R U C T U R E



I N T R O D U C T I O N T O T H E R A N K X E R O X S T R U C T U R E

*R*ank Xerox is composed of four holding companies, jointly owned by Xerox Corporation of the USA and The Rank Organisation Plc of the UK. Xerox Corporation has majority voting rights in all holding companies. The profit participation of Xerox Corporation and The Rank Organisation Plc in the Proforma Group's profits is governed by the provisions of an agreement made in 1977 between the two companies. The effect is set out in note 5 of the grey section of this document.

The following four holding companies, when taken together, are known as the Rank Xerox Proforma Group:

Company	Country of Registration	Activities Comprised
Rank Xerox Limited	UK	Marketing and Leasing Companies in Eastern and Western Europe, Africa, Australasia and Asia.
Rank Xerox Holding BV	HOLLAND	Manufacturing Operations in Holland.
Rank Xerox Investments Ltd	BERMUDA	Marketing Operations in North Africa and Middle East.
R-X Holdings Ltd	BERMUDA	Joint Venture Operations in China.

Memorandum combined financial statements of the above Rank Xerox Proforma Group are produced primarily to calculate the profits applicable to Xerox Corporation and The Rank Organisation Plc; these memorandum Proforma Group financial statements are shown in the grey section of this document.

The Directors' Report and Financial Statements of Rank Xerox Limited and its subsidiaries, produced in accordance with the Companies Act 1985, are shown in the blue section of this document.

*D*IRECTORS
OF THE
*H*OLDING *C*OMPANIES

RANK XEROX LIMITED

D.T.Kearns
Chairman

B.D.Fournier
Managing Director

P.A.Allaire
H.C.Debuisser
M.B.Gifford
L.Gonzalez-Camino
L.L.Haddon
W.R.Hicks
W.C.Lowe
J.R.Milligan
A.Z.Senter
Dr.M.Smith
D.A.Thompson
S.L.Tierney
N.V.Turnbull
D.M.Yates

C.J.Payne
Secretary

RANK XEROX INVESTMENTS
LIMITED

P.A.Allaire
President

W.R.Hicks
Vice President

J.D.Campbell
M.B.Gifford
R.S.Pearman
N.Trollope
D.M.Yates

R-X HOLDINGS LIMITED

P.A.Allaire
President

W.R.Hicks
Vice President

M.B.Gifford
R.S.Pearman
N.Trollope

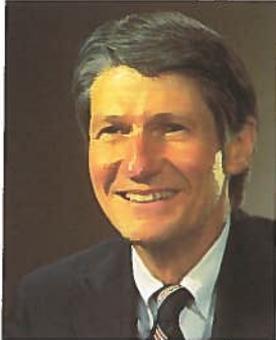
RANK XEROX HOLDING BV

Supervisory Board

D.T.Kearns
Chairman

B.D.Fournier
M.B.Gifford
Dr.F.Hewitt
R.A.Holmes
W.Sonneborn
D.M.Yates

C H A I R M A N ' S S T A T E M E N T



I am pleased to report that Rank Xerox achieved record revenues and profit (before tax and Xerox charges) in 1990, the seventh consecutive year of improvement. This sustained growth is testimony to our total commitment to satisfying the needs of our customers, through the quality of our products and the excellence of our service. I should like to express my personal thanks to all employees for their continued dedication and achievements.

We continue in our firm belief that by satisfying our customers we will achieve our other two corporate priorities of improving return on assets and increasing market share.

We have a proven record as the leading pioneer of innovative research into reprographic technology. That leadership role has recently been further consolidated with the introduction of DocuTech, a revolutionary digital publishing system, which sets new standards of productivity and print quality for the rest of the industry to follow.

The next few years offer both challenges and opportunities for Rank Xerox. In the short term, economic growth in Europe appears less certain than in recent years, and the Gulf War, together with unsettled political conditions in the USSR, add to that uncertainty. However, the prospect of a single internal market within the European Community by 1992, and the longer term economic development of eastern Europe, bring the opportunity of greatly increased trade with many countries. By seizing those opportunities and by continuing to put the customer first, Rank Xerox faces the future with confidence.

A handwritten signature in black ink that reads "David T. Kearns". The signature is fluid and cursive, written in a professional style.

David T Kearns
Chairman
Rank Xerox Limited

R E V I E W O F T H E Y E A R

Another successful year for the Rank Xerox Group saw Revenues rise by 5% to a record £2676 million, due to good performance in the mid and high volume reprographic segments and within electronic printing. Profit before tax and extraordinary items increased 8% in the year to £452 million.

The Rank Xerox managed operations achieved a 10% increase in profits, whilst our Japanese associate suffered a decline in its sterling results, due entirely to the severe weakening of the Yen during 1990.

These record group results represent the seventh consecutive year of improvement. We attribute these achievements to our absolute commitment to satisfying the needs of our customers, coupled with our leadership position in product technology, a continuing emphasis on minimising our cost base and optimising our asset base.

CUSTOMER SATISFACTION

Customer Satisfaction remains our first priority. Rank Xerox is engaged in a crusade to become the industry leader in all aspects of customer satisfaction, and we are making good progress.

Customer surveys, which we run regularly across our markets, are showing significant satisfaction improvements in excess of 95%. The market research organisation, Dataquest, has rated our products as number one in five out of six market segments, and has assessed our Remote Interactive Communication technology (RIC), as the most sophisticated diagnostic system currently available. RIC is available on our 1090 and 5065 machines, and on 5046 in some Operating Companies. RIC automatically transmits information about the operational state of the machine to our service organisation. This enables us to schedule service visits, prior to the customer experiencing any problem with the equipment. This pre-emptive diagnostic facility helps us maintain customer satisfaction, by ensuring that the machine continues to operate in line with customer requirements.

Through the rigorous use of our quality processes we are aiming to achieve 100 percent customer satisfaction in every segment of our market by 1993. To demonstrate the importance we place on achieving this target, in 1991 we shall be providing our customers with a first in our industry - a Customer Satisfaction Guarantee. Simply stated, under this three year guarantee, customers themselves will decide whether equipment installed and maintained by Rank Xerox is performing to their satisfaction. If it is not, we will deliver an identical or comparable replacement, at no cost to the customer - no questions asked.

RETURN ON ASSETS

Our second corporate priority after customer satisfaction remains the improvement of return on assets. In order to sustain the improvement achieved in 1990, we shall continue to pay close attention to our resource commitments and to overhead expenses, ensuring that the ratio of overheads to revenue continues to decline. The "Just in Time" delivery and manufacturing strategy has enabled us to reduce inventory levels substantially, whilst maintaining customer delivery requirements. These and other management actions have been introduced in anticipation of the progressive elimination of cross-border controls in Europe in 1992; these control relaxations will help reduce the time and cost of transport between member countries, thereby improving delivery speeds and eliminating the requirement hitherto of maintaining high inventory levels in multiple locations throughout Europe.

MARKET SHARE

Rank Xerox has made further substantial progress towards its transformation into a market driven, total quality company. We now have core market measurement systems in all our major Operating Companies, which enable us to monitor, on a continuous basis, customer buying patterns for Rank Xerox and competitive equipment. With this tool, the sales organisation is able to monitor progress against our marketing objectives and respond quickly to competition and market opportunities. We have made good progress in all our target markets, with particularly strong growth in decentralised and centralised printing and in high and mid volume copiers.

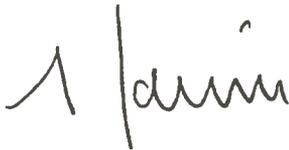
1990 saw the introduction of some notable products and solutions. At the start of the year we launched the 4030, our first compact desktop laser printer; in March we launched 5065, the first Rank Xerox product to incorporate, at launch, our Remote Interactive Communication technology. At the end of the year further new product announcements added momentum to the drive for market share; these included the 3010, the first plain paper facsimile, copier and editor device, and a revolutionary new digital publishing system, to be known as DocuTech, which is scheduled to be marketed across Europe during 1991.

SOUTH PACIFIC OPERATIONS RESTRUCTURED

At the end of October 1990, Fuji Xerox Co Ltd, which is a joint venture of Rank Xerox and Fuji Photo Film, assumed management responsibility for, and beneficial ownership of, certain Rank Xerox operations in the South Pacific region, including Australia, New Zealand and Singapore. This restructuring will ensure better service to our customers, throughout this fast growing region. In addition, operating synergies and an integrated management focus on this geographic area will strengthen our long term competitiveness, expand the market for our products and services, and improve earnings for the Rank Xerox group. This transaction resulted in an extraordinary gain in 1990 of £60 million.

THE FUTURE

Consistent with improving business results over the last seven years, culminating in record 1990 profits, Rank Xerox aims to be recognised as the best and most successful company in the office equipment industry. With our fine track record, our leadership technology and our total commitment to customer satisfaction, I am confident we will achieve this ambition.



Bernard Fournier
Managing Director
Rank Xerox Limited

RANK XEROX

CORPORATE REVIEW

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THE DOCUMENT COMPANY



Early Writing.

In the business world of today, documents are the central nervous system of every organisation. It is the document - whether on screen, on paper or in digital form - that breathes life into the business process.

Hard copy documents represent more than 5 trillion pages of information worldwide - 95 per cent of the information we work with today. The processing of documents takes up more than half of office workers' time and is responsible for up to 25 per cent of many companies' labour costs.

The need for a dramatic leap forward in document processing technology is further illustrated by the enormous volume of documentation required today. In the defence industry a single weapons system can generate some 3,500 manuals.



The advent of Printing.

In the pharmaceutical industry it typically takes 16 tonnes of paper to register a new drug. In the airline industry, if all the paper generated by the major carriers were stacked in one pile it would be three times higher than the flight altitude of a Boeing 747.

The list is endless. Documents - not computers - continue to carry the vast bulk of corporate information, yet the information technology revolution has passed them by.

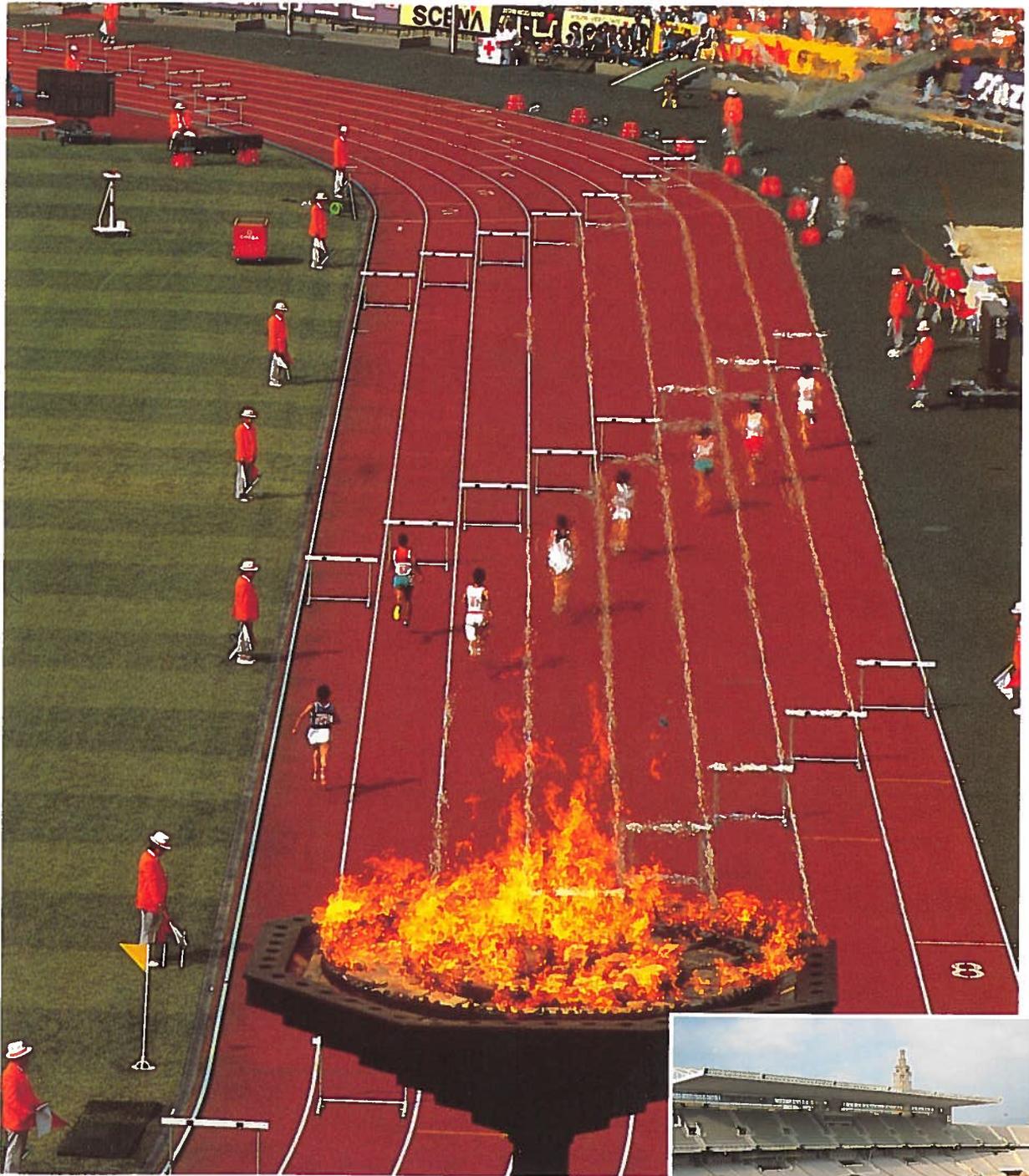
Rank Xerox already knows more about the document, cares more about the document, and can do more with the document than anyone else.



The Xerox 914 - the world's first copier launched in 1959.

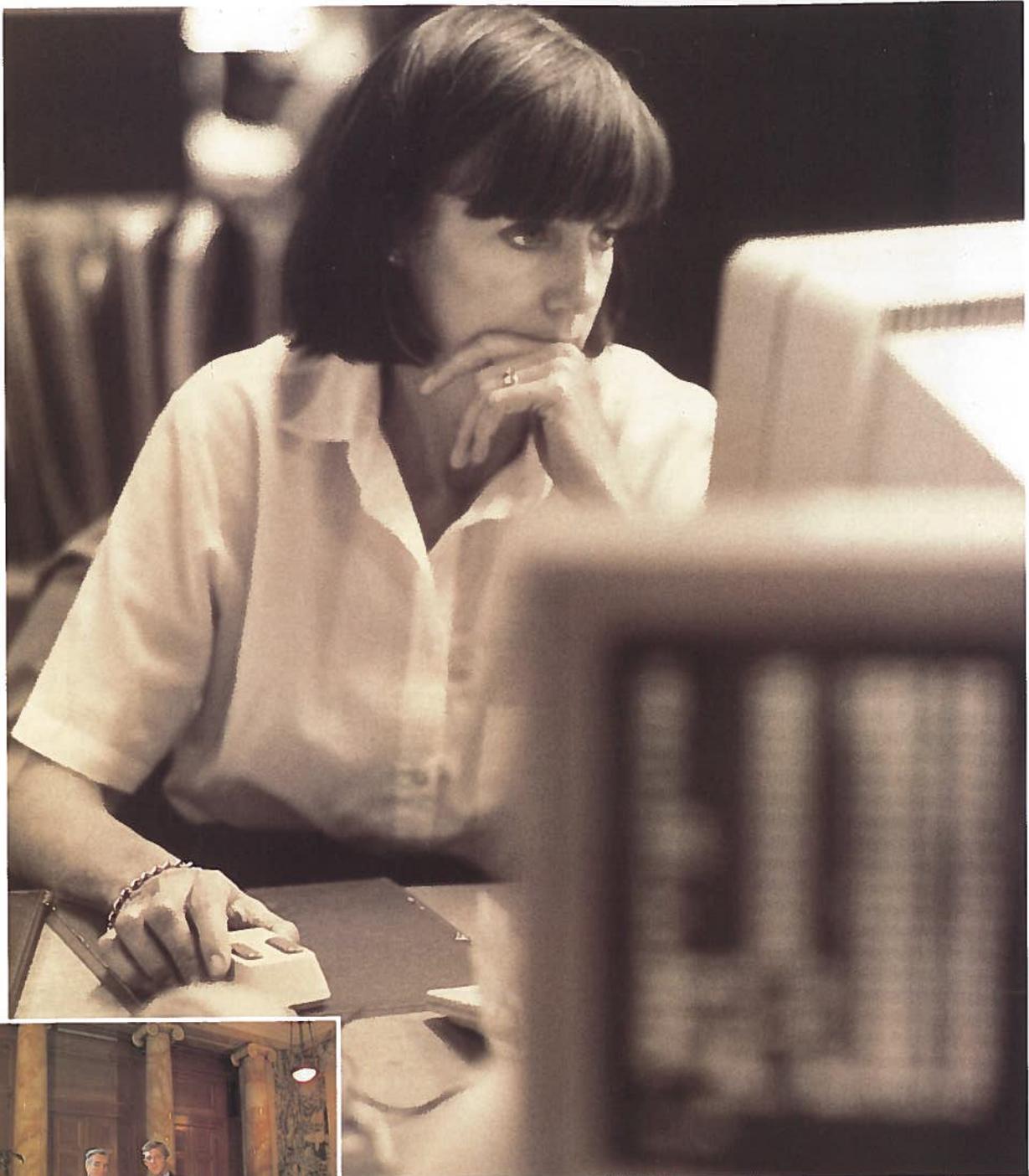


The group's operations in Australia won the Australian Quality Award in 1990. Also in 1990, Xerox won the National Quality Award in Mexico.

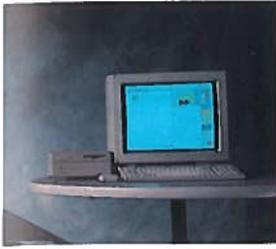


Mr Bernard Fournier (left), managing director of Rank Xerox with Mr Josep Miquel Abad, deputy chairman of the Barcelona Olympic Committee at the Olympic Stadium at Barcelona. Rank Xerox has been appointed as official supplier of document processing equipment to both the 1992 Olympic Games in Barcelona and the 1992 Universal Exposition in Seville. These events are expected to generate over 300 million prints on Xerox equipment.

won
10.
ial



Mr Hendrik Homan (right), general manager Rank Xerox Austria, with Dr Guido Schmidt-Chiari, chief executive Creditanstalt-Bankverein, the largest bank in Austria, at the bank's headquarters in Vienna. As part of its programme to improve the quality of its documents to its customers, the bank has installed over 100 Xerox laser printers at head office and throughout the branch network.



The Xerox GlobalView software environment can operate on a stand alone workstation or as part of a local or global area network, sharing documents and resources such as printing, filing and electronic mail. It has been designed to run on a number of industry standard platforms including UNIX and OS/2. It can publish documents in over 40 languages.

That is why we have decided to marshal our worldwide resources behind the concept of Rank Xerox as *The Document Company*.

Our revolutionary new DocuTech Production Publisher will enable customers to scan, process, manipulate and merge information, whether in words, figures or graphics, and from whatever source, be it paper or computer.

Our DocuTech products are a logical progression from our standard light-lens technology for reprographics to a digital technology that will enable customers to make a quantum leap in productivity, efficiency, cost control and quality.

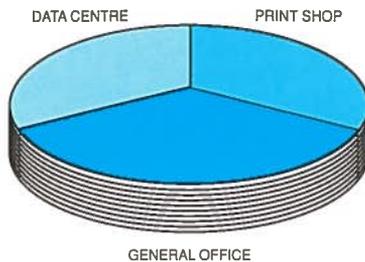
With advanced image enhancement software, prints can come out better than the original. Our technology has, in effect, brought offset printing quality to the desk-top, moving reproduction from the old world of print and distribute - to the new world of distribute and print.

The range of DocuTech products together with our existing and upcoming systems can be connected to a host of other vendors' systems. This connectivity and open architecture allows customers to solve problems utilising their existing investments in office systems.



Shell UK was one of the first users of the DocuTech Production Publisher. Seen here is Mr Alan Easter (right), head of publicity services Shell UK, with Vernon Zelmer, general manager Rank Xerox (UK).

Forty per cent of documents are produced in the general office, 30 per cent in the data centre and 30 per cent in the print shop.



(left to right) Mr David Thompson, director Rank Xerox region B and chairman of Rank Xerox (UK), Mr Lyndon Haddon, director marketing, Mr Luis Camino, director region A and Mr Vernon Zelmer, general manager

Rank Xerox (UK), members of the Rank Xerox senior management committee, with the DocuTech Production Publisher at international headquarters in Marlow.



In 1989 Xerox Canada won the Canada Award for Business Excellence.



SATISFYING CUSTOMERS



A computerised system called RIC - Remote Interactive Communications - automatically collects copier performance data at the customer's site and transmits it in a digital form over a standard telephone line to the Rank Xerox diagnostic centre which alerts a service engineer before a fault occurs.

Make no mistake about it, Rank Xerox people are on a crusade to be the industry leaders in all aspects of customer satisfaction. And we are making good progress. We have increased customer satisfaction to 95 per cent.

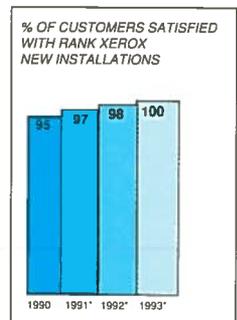
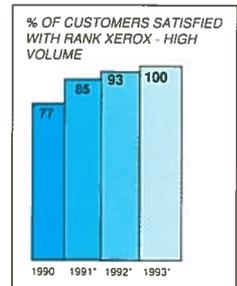
Satisfying the needs of customers is our first corporate priority. We go to extraordinary lengths to meet the needs of our customers. We listen, we survey, we research, we improve our business practices, we strive to be a company that is easy to do business with and solve customers' information problems with the best document solutions available anywhere.

The partnership with our customers carries through to all of our working practices. We want to empower our employees to take action that resolves customer dissatisfaction. We are continuously improving our machine performance, service response

time, machine delivery and installation schedules, billing procedures, operator training,

relationships between our salesforce and customers and, of course, the resolution of customer queries - and then survey customers to find out their level of satisfaction. We do these operating tasks well - sometimes very well, but we want to be the best. We are committed to achieving 100 per cent customer satisfaction by 1993. Nothing less will do.

To demonstrate the importance we place on achieving this target we have linked customer satisfaction to how we pay our employees and have provided our customers with a first in our industry — a *Customer Satisfaction Guarantee*. The Guarantee is simple and straightforward. Under the Guarantee, customers themselves will decide whether equipment installed and maintained by Rank Xerox is performing to their satisfaction during the three years following purchase. If not, we will deliver an identical or comparable replacement, at no cost to the customer. No questions asked.

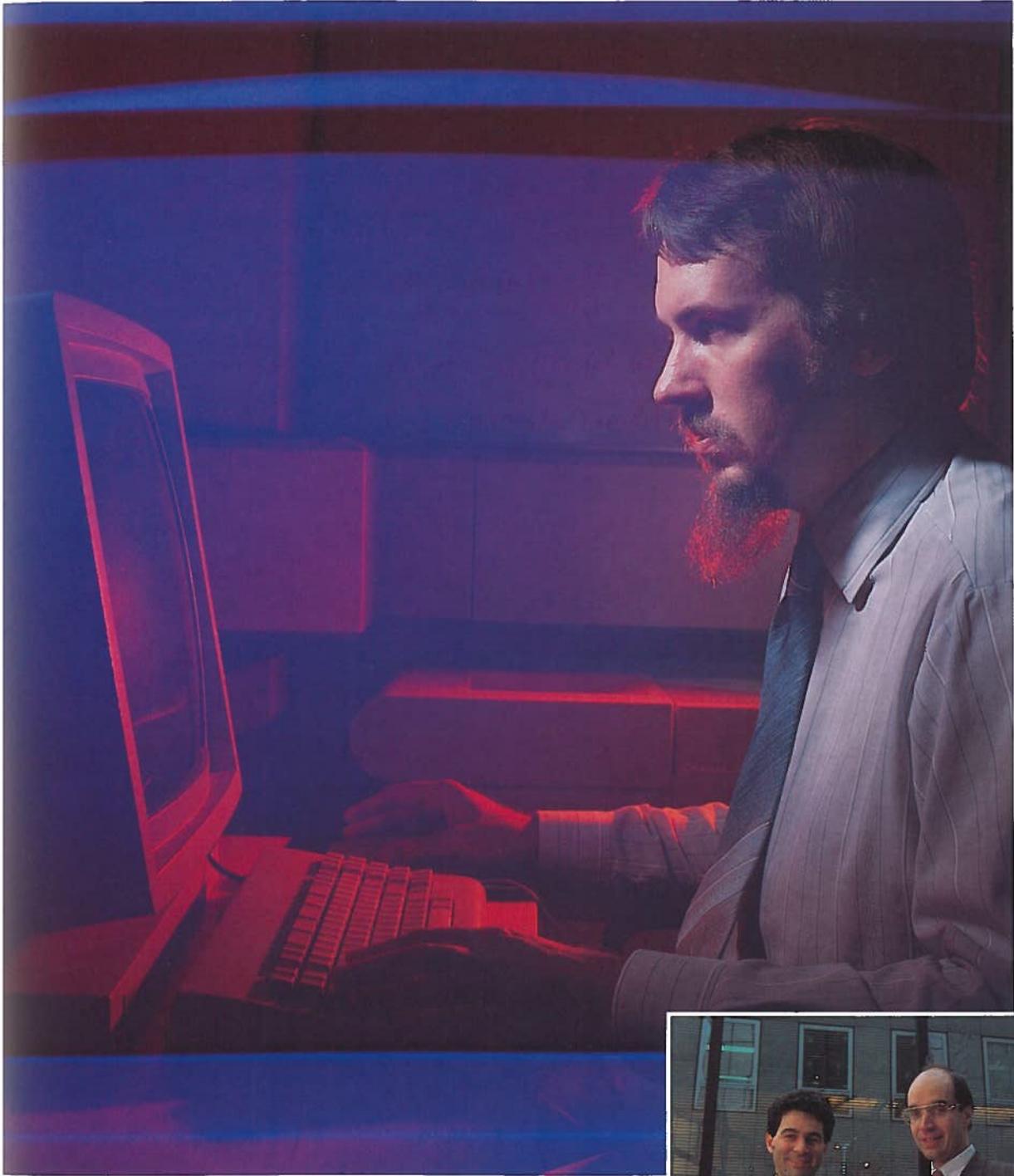


*projections

Dr Franz Scherer (left), general manager Rank Xerox Germany with Mr Olivier Groues, general manager Rank Xerox France, members of the senior management committee.



Xerox won the USA's prestigious Malcolm Baldrige National Quality Award in 1989.



Groupe des Assurances Nationales (GAN) is one of France's top international insurance companies with a turnover of more than 27 billion French Francs. Shown is Mr Jacques Piffret (right), technical manager production division GAN with Mr Michel Zylbermann, Rank Xerox France. GAN uses Xerox equipment to print 135 million documents per year including green cards, premium certificates, direct debit slips and other customer documents distributed through a network of 2,700 agents.



LEADERSHIP THROUGH QUALITY

Leadership Through Quality is arguably the most important initiative our company has undertaken. The quality strategy - introduced in 1984 - sets out to change the way we go about conducting our business.

Every business process at every level of the organisation is subjected to quality improvement. Our employees and our

managers, working together, are engaged in a continuous journey to improve the quality of the products and services we deliver to our customers.

The quality of any product or service is what the customer says it is.



Our investment in quality, which has involved training all of our 28,000 people in the principles and tools of Leadership Through Quality, has made a positive contribution to our business results. For example, manufacturing costs have been halved, product development times have been cut by between a quarter and a half,

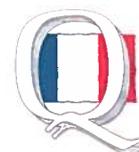
Mr Bernard Fournier (left), managing director of Rank Xerox with his staff group at international headquarters in Marlow. Shown (left to right) Mr Rafael Florez, director quality and customer satisfaction, Mr Jack Milligan, director finance and control, Mr Peter Soyke, director legal services and Mr Henri Debuissier, director personnel and organisation - members of the senior management committee.

inventory turnover is now almost double what it was four years ago and, most important, customer satisfaction has improved by up to 20 per cent.

Our quality strategy is regarded by many outside Rank Xerox as a benchmark. Rank Xerox has received National Quality Awards in Great Britain, France, Holland and Australia; in Japan, Fuji Xerox has won the Deming Award, and Xerox has received National Quality Awards in the United States, Canada and Mexico.

THE RANK XEROX CORPORATE PRIORITIES

- Customer satisfaction
- Improved return on assets
- Increased market share
- Employee motivation



Rank Xerox's factory in Lille won the French Quality Award in 1987.



Above: Rank Xerox international headquarters in Marlow, UK.
Right: Mr Mike Van Bachum (left), general manager Rank Xerox Netherlands with Mr G Brouwer, general manager PTT Telecom Logistics. PTT Telecom generates more than 175 million copies a year on more than 900 Xerox machines.



With one million members, 22,000 employees and a turnover of 30 billion Danish Kroner, the FDB - The Danish Co-operative Wholesale Society - chain of over 1500 retail stores needs to be quite sure that the way it documents its business transactions is reliable, cost effective and improves customer relationships. Seen here is the Rank Xerox account management team with FDB managers. The team provides a detailed plan for document processing for FDB. (Left to right) Mr Stig Clausen, print room manager FDB, Mr Almer Høeg, account manager Rank Xerox

Denmark, Mr Thorkild Johansen, desktop publishing manager FDB, Mr Finn Aabel, integrated systems operations specialist Rank Xerox Denmark, Mr Keld Jensen, electronic printing specialist Rank Xerox Denmark, Mr Torben Jørgensen, in-house printing specialist Rank Xerox Denmark, Mr Torben Irlund, customer service organisation district manager Rank Xerox Denmark, Mr Jens Poul Madsen, district sales manager Rank Xerox Denmark, Mr Jens Grund Sørensen EDP operations manager FDB, Mr Palle Hviid Nielsen, marketing manager Rank Xerox Denmark.

We base our success on the satisfaction of our customers by pursuing Quality in all our actions.

However, the ultimate prize is to fully satisfy our customers; to become a Total Quality company. In striving for this, we are in a race without a finish line. That is because as we improve, so does the competition. And the better we get, the more our customers expect from us.

Therefore we are continually reviewing the progress of our efforts. Based on information gathered through assessment of progress in our operating companies we have initiated a Quality Intensification effort to accelerate the journey to improvement. The objectives of Quality Intensification are, first, to put the customer in the driver's seat by developing a keen understanding of customer requirements and delivering against these requirements each and every time.

Secondly, to simplify and re-engineer our work processes. We are challenging ourselves to deliver even higher quality products and services to

our customers and to do so in the most cost effective way by continuous improvement and innovation. For example, key processes such as the delivery, installation and maintenance of equipment and customer invoicing are targeted for a tenfold reduction in errors or defects.

Thirdly, we are empowering our employees to solve customer problems by fostering an environment in which employees and managers can mobilise all of the organisation's resources to do what's right for customers. Front line employees will have the authority required to respond quickly and effectively to customer requirements.

It is through this sharp focus on the customer coupled with fast implementation of the quality strategy that we will succeed in the 1990s and continue to deliver improved business results to our shareholders.



The Xerox Telecopier 7033 uses plain paper and can send an A4 page in just seven seconds. It can also function as an office copier, scanner or computer printer.



The Xerox 5034 convenience copier produces complete reports including covers and dividers in a single pass. It offers a full range of two-sided copying options.

The Xerox 3010 combines the advance capabilities of a copier and a plain paper fax with the print quality of a laser. It can scan, store, edit and communicate a document.



The Rank Xerox factory at Welwyn Garden City won the British Quality Award in 1986.



T H E G L O B A L R E S P O N S E



Mr Pat Martin, general manager China and South Pacific operations and a member of the senior management committee.

*M*ultinational companies such as Renault, ICI and Shell; and organisations such as the European Commission, the European Court of Justice at The Hague and Euratom must move information quickly, accurately and cost effectively - often across their entire networks - regardless of the many borders, languages, time zones and different standards.

So Rank Xerox is harnessing its global capacity to give any international organisation a consistent, multinational resource. Under this programme Rank Xerox matches each participating customer with a Global Account Manager who is a single point of contact familiar with that customer's business and needs.

Thereby a multinational organisation with a Rank Xerox system or application at any one location - such as headquarters - can install a similar system anywhere else in the world and be sure of a uniform level of service: in Lisbon as in London, Milan or Melbourne.

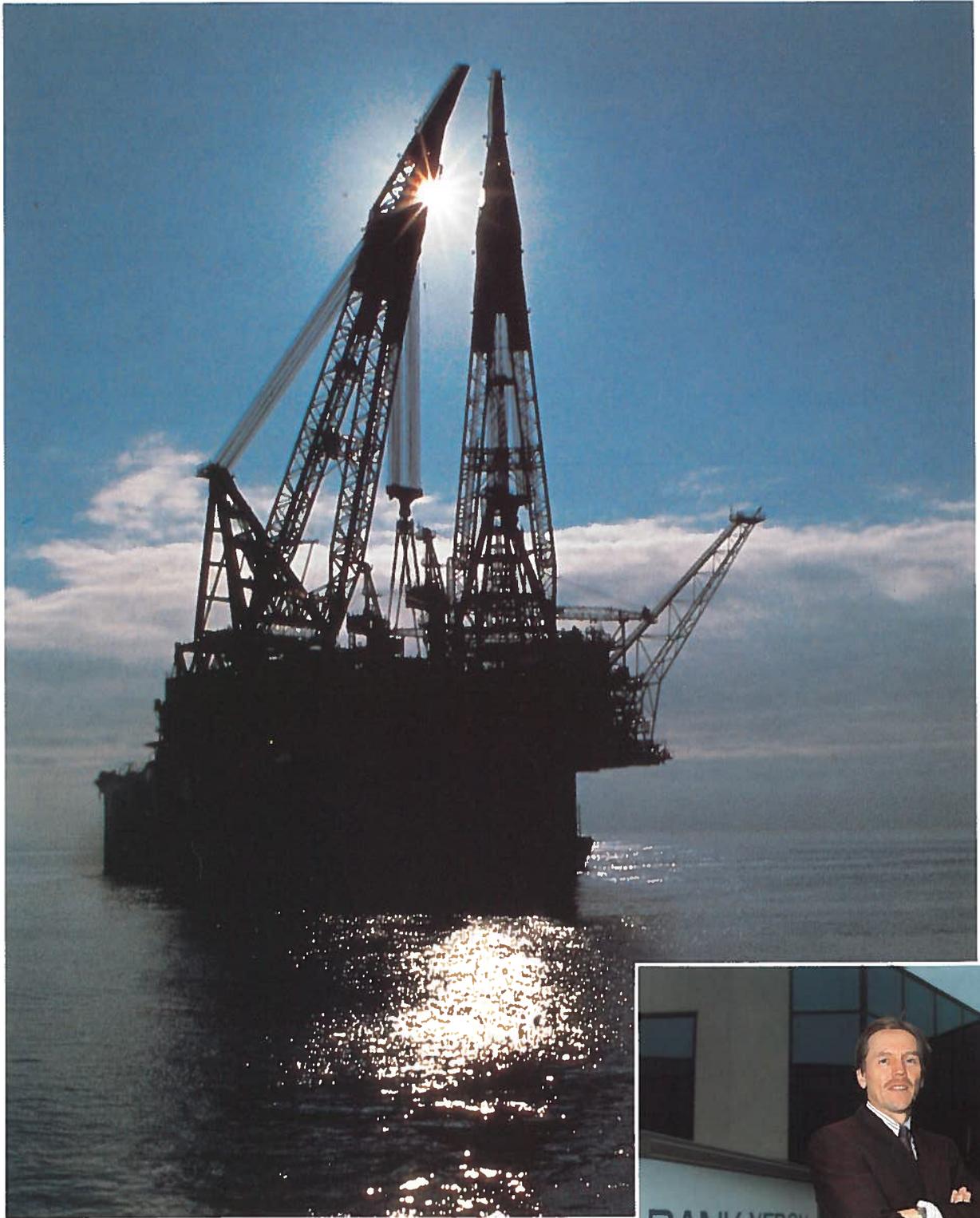
The Global Account Manager has served that customer for several years, is familiar with its corporate goals and knows where Rank Xerox equipment can be integrated with that of other vendors.

Rank Xerox is also developing a worldwide database so that the Global Account Managers can give their customers continuously updated on-screen information. We believe the programme will, in these and other ways, give Rank Xerox a worldwide competitive edge. Participating customers and Rank Xerox both become stronger in the global arena.

Rank Xerox is committed to excellence in environmental protection by incorporating the latest advances in environmental technology into our products and operations worldwide.



The Rank Xerox factory at Mitcheldean won the British Quality Award in 1984.



With 2,000 companies employing 134,000 people in 90 countries, generating annual revenues of over £40 billion, the Royal Dutch Shell Group has mammoth document processing needs. Shown here is Mr Roelof Stuurwold of Rank Xerox Netherlands, global account manager, at the Rank Xerox national sales office in Zeist in The Netherlands.





EUROPE: ONE VAST MARKETPLACE



(left to right) Mr Tony Holden, director integrated systems operations, Mr Stephen Tierney, director European manufacturing operations and Mr Michael Smith, director research, technology and development - members of the senior management committee.

The European Community is becoming a single market; in terms of population, it is 40 per cent larger than the USA and 180 per cent larger than Japan. Rank Xerox is well positioned to help customers grasp the immense opportunities which are opening up.

We are a European company and we are present everywhere in Europe. We can deliver solutions to document processing problems. Our European-based resource includes international headquarters, a software development centre, a research and development unit, five factory sites, a product design centre, and operating companies throughout the Continent.

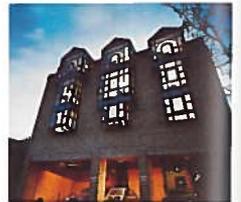
So as barriers physical and invisible throughout the European Community fade, as exciting new products become available and as we realise our

commitment to 100 per cent customer satisfaction, we expect to increase our business in the European Single Market.

Throughout Eastern Europe and the USSR we are changing dramatically how we sell and service. The centralised purchasing systems of command economies - which meant dealing with only one or two customers in each country - are giving way to privatisation, decentralisation and a multiplicity of individual buyers and end-users.

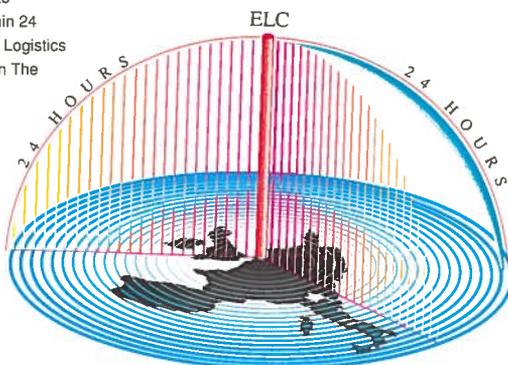
Direct access to customers means setting up widespread distribution networks, monitoring performance and providing support services. Training becomes a priority just as it always has been for us elsewhere in the world.

There is gigantic latent demand. In the USSR and Eastern Europe Rank Xerox expects a fourfold growth in copier sales by 1995 and then a sixteenfold growth by the end of the decade.

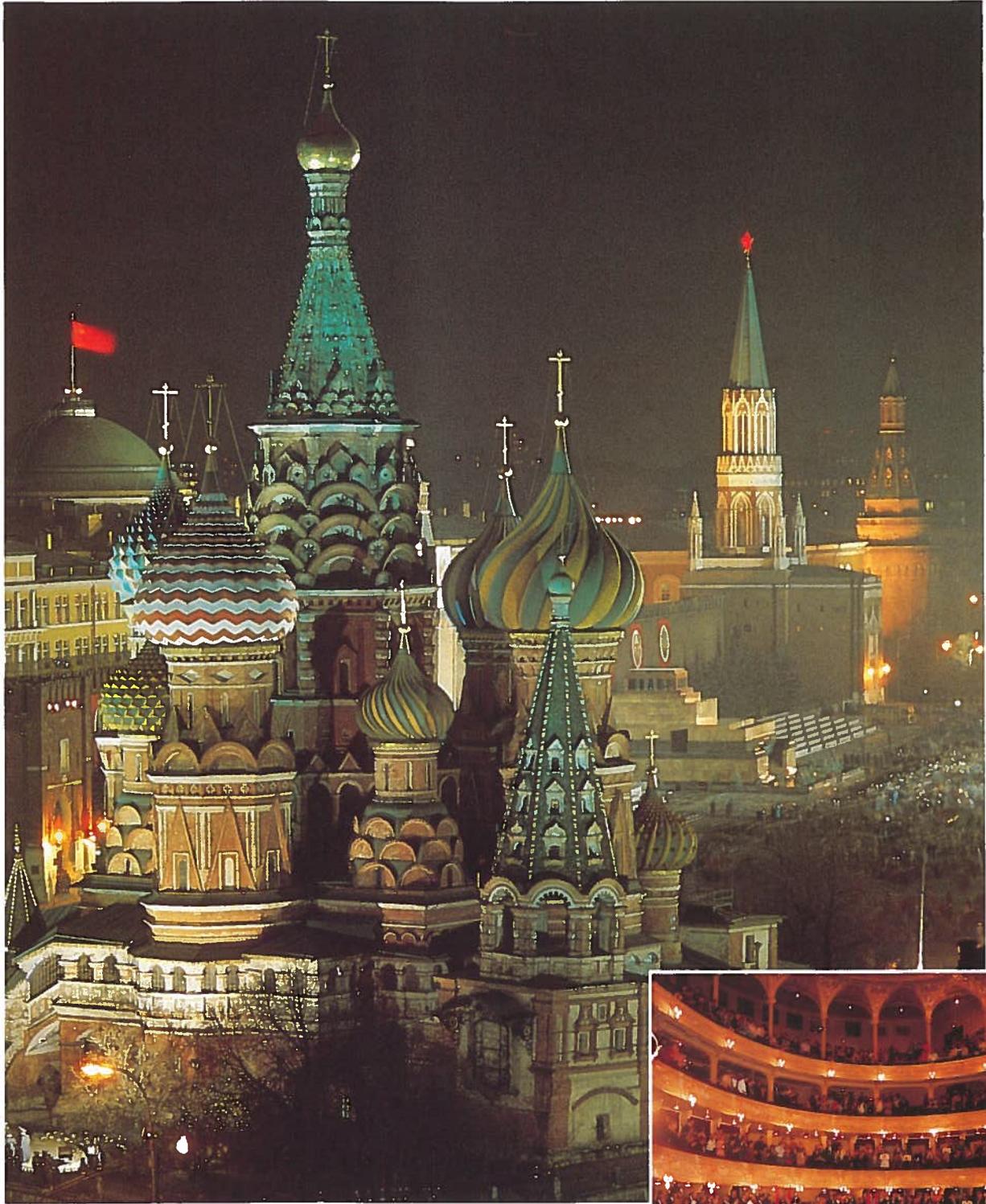


EuroPARC, Rank Xerox's European research centre, based in Cambridge, UK, has a charter to carry out basic research in the area of human-computer interaction.

As borders between the member states of the European Community vanish by the end of 1992 in the single European market, Rank Xerox will be able to deliver equipment direct to customers in Europe within 24 hours from the European Logistics Centre (ELC) at Venray in The Netherlands.



Rank Xerox's factory at Venray in The Netherlands received the CIMEI Quality Award from the Dutch Government in 1983.



Above: St Basil's Cathedral, Moscow.

Right: The Taras Shevchenko Opera House in Kiev in the Ukraine. Rank Xerox sponsored a tour here and in Leningrad and Moscow by the English National Opera as part of our extensive activities in Eastern Europe and the Soviet Union. This sponsorship won Rank Xerox Eastern Export Operations Division the Association for Business Sponsorship of the Arts award in December 1990.

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The District (Tax) Collectorate in Agra in India. A geographical analysis of voltage outputs in different cities revealed extreme variations in voltage from one city to another—sometimes even from one street to the next. To handle the problem, Modi Xerox designed an energy modulator in three configurations to match each customer's specific requirements. The result: improved machine performance and reduced customer complaints.

P R I N C I P A L L O C A T I O N S

INTERNATIONAL HEADQUARTERS

Rank Xerox Limited
Parkway Marlow
Buckinghamshire SL7 1YL

Rank Xerox Leasing Division
Parkway Marlow
Buckinghamshire SL7 1YL

FUJI XEROX CO LTD Associated Company

3-5 Akasaka 3-chome
Minato-ku
Tokyo 107
Japan

Korea Xerox Co. Ltd
120-20 Seosomun-Dong
Choong-ku Seoul
Korea

Philippine Fuji Xerox Corporation
IFC House Corner Alfaro
and Gallardo Streets
Salcedo Village Makati
Metro Manila
Philippines

Taiwan Fuji Xerox Corporation
8th Floor
China Trust Building 122
Tunhua North Road
Taipei, Taiwan

Thai Xerographic Systems Co. Ltd
K & Y Building 16 Surasak Road
Bangkok
Thailand

MODI XEROX LIMITED Associated Company

Hemkunt Tower 98 Nehru Place
New Delhi 110 019
India

MANUFACTURING, ENGINEERING AND RESEARCH

France
Lille
Societe Industrielle
Rank Xerox SA
Zone Industrielle
59960 Neuville en Ferrain
Lille

The Netherlands
Venray
Rank Xerox Manufacturing
(Nederland) BV
PO Box 43
5800 MA Venray

Spain
Coslada
Rank Xerox Espanola SA
Fabricacion
Avenida de Fuentemar 20
Pologono
Industrial de Coslada
Madrid

UK
Cambridge
Rank Xerox EuroPARC
Ravenscroft House
61 Regent Street
Cambridge CB2 1AB

UK
Mitcheldean
Rank Xerox Limited
Mitcheldean
Gloucestershire GL17 0DD

UK
Welwyn Garden City
Rank Xerox Limited
PO Box 17
Bessemer Road
Welwyn Garden City
Hertfordshire AL7 1HE

MARKETING OPERATIONS

***Australia**
Rank Xerox (Australia) Pty Limited
970 Pacific Highway
Pymble
New South Wales 2073

Austria
Rank Xerox Austria GmbH
Nussdorfer Laende 29/33
PO Box 300
A-1191 Wien

Belgium
NV Rank Xerox SA
Leuvensesteenweg 555
B-1930 Zaventem

China
Xerox of Shanghai Limited
210 Wen Jing Road
Minhang
Shanghai
People's Republic of China

Cote d'Ivoire
Rank Xerox
Cote d'Ivoire SA
L'Immeuble le Mans
Abidjan Plateau
Avenue Botreau Roussel
01 BP 402 Abidjan

Denmark
Rank Xerox A/S
Borupvang 5
DK-2750 Ballerup

Eastern Export Operations
Rank Xerox Limited
Eastern Export Operations
Westbourne House
14/16 Westbourne Grove
London W2

Egypt
Xerox Egypt SAE
2 Lebanon Street
Mohandessin, El Giza
Cairo

* On 31 October 1990, Fuji Xerox Co. Ltd assumed responsibility for, and beneficial ownership of, certain Rank Xerox operations in the South Pacific region, including Australia, New Zealand and Singapore (subject to certain local consents) under a planned restructuring of the South Pacific region.

PRINCIPAL LOCATIONS

CONTINUED

MARKETING OPERATIONS

continued

Finland

Rank Xerox Oy
PO Box 55
SF-02631 Espoo 63

France

Rank Xerox SA
Tour Arago
5 Rue Bellini
92806 Puteaux

Germany

Rank Xerox GmbH
Emmanuel-Leutze-Str.20
D-4000 Dusseldorf-Lorick

Greece

Rank Xerox Greece SA
154 Syngrou Avenue
Kaliathea
Athens TT 404

Hong Kong

Rank Xerox (Hong Kong) Limited
5/F Fortress Tower
250 Kings Road
North Point

Republic of Ireland

Rank Xerox (Ireland) Limited
Glasnevin Industrial Estate
Finglas Road
Dublin 11

Italy

Rank Xerox SpA
Via Andrea Costa, 17
20131 Milano

Kenya

Rank Xerox Kenya Limited
Parklands Road
PO Box 20410
Nairobi

Morocco

Xerox Maroc SA
30 Avenue des FAR
Casablanca 01

The Netherlands

Rank Xerox (Nederland) BV
Maassluisstraat 2
1062 GD Amsterdam-West

***New Zealand**

Rank Xerox New Zealand Limited
19 Hargreaves Street
College Hill
Ponsonby
Auckland

Nigeria

Rank Xerox (Nigeria) Limited
Block C, Plot 3
Matori Scheme Oshodi
PMB 21314 Ikeja
Lagos

Norway

Rank Xerox A/S
PO Box 905
N-1301 Sandvika

Portugal

Rank Xerox Portugal
Equipamentos de Escritorio
Limitada
Rua Pedro Nunes 16
1081 Lisbon

***Singapore**

Rank Xerox (Singapore) Pte Ltd
190 Middle Road 18-01
Fortune Centre
Singapore 0718

Spain

Rank Xerox Espanola SA
Calle Josefa Valcarcel 26
Madrid 27

Sweden

Rank Xerox AB
Domnarvsgatan 11
16387 Stockholm

Switzerland

Rank Xerox AG
Postfach 8050
Thurgauerstrasse 40
Zurich 7

Turkey

Xerox Buro Araclari
Ticaret Ve Servis AS
Ulus, Zincirlikuyu Cadesi
Selin Apt. No.15/D 16 80600
Etiler
Istanbul

UK

Rank Xerox (UK) Limited
Bridge House
Oxford Road Uxbridge
Middlesex UB8 1HS

* On 31 October 1990, Fuji Xerox Co. Ltd assumed responsibility for, and beneficial ownership of, certain Rank Xerox operations in the South Pacific region, including Australia, New Zealand and Singapore (subject to certain local consents) under a planned restructuring of the South Pacific region.

RANK XEROX

*P*ROFORMA *G*ROUP *A*CCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1990

PROFORMA GROUP

C O M B I N E D P R O F I T A N D L O S S A C C O U N T

FOR THE YEAR ENDED 31 OCTOBER 1990

	1990 £m	1989 £m
Turnover	2675.7	2544.9
Cost of revenue	1550.5	1462.7
Gross Profit	1125.2	1082.2
Distribution costs	524.4	500.6
Administrative expenses	311.2	311.9
Income from associated companies	(111.7)	(117.8)
Interest receivable and similar income	(167.6)	(118.4)
Interest payable and similar charges	116.9	87.7
	673.2	664.0
Profit on ordinary activities before Xerox Corporation charges and taxation	452.0	418.2
Xerox Corporation charges	157.7	153.7
Profit on ordinary activities before taxation	294.3	264.5
Tax on profit on ordinary activities	130.1	127.6
Profit on ordinary activities after taxation	164.2	136.9
Extraordinary profit after taxation (note 2)	60.3	-
Profit for the financial year	224.5	136.9
Dividends paid and proposed (note 4 i)	212.1	58.1
Outside shareholders' interests	2.5	0.5
Retained profit for the year	9.9	78.3

PROFORMA GROUP

C O M B I N E D B A L A N C E S H E E T

AT 31 OCTOBER 1990

	1990 £m	1989 £m
Fixed assets:		
Tangible assets	334.7	391.6 *
Investments	347.5	399.9
	682.2	791.5
Current assets:		
Stocks	312.4	432.0 *
Debtors (note 3)	1950.1	1661.1
Cash at bank and in hand	77.4	65.8
	2339.9	2158.9
Creditors:		
Amounts falling due within one year (note 4)	1044.7	953.5
Net current assets	1295.2	1205.4
Total assets less current liabilities	1977.4	1996.9
Creditors:		
Amounts falling due after more than one year (note 4)	572.8	556.4
Provisions for liabilities and charges	111.6	103.5
	1293.0	1337.0
Capital and reserves:		
Called up share capital	36.1	36.1
Share premium account	23.4	20.3
Other reserves	426.8	445.9
Profit and loss account (note 5)	801.1	831.0
	1287.4	1333.3
Outside shareholders' interests	5.6	3.7
	1293.0	1337.0

* Equipment available for rental (£45.5m), previously categorised as tangible fixed assets, is now classified as equipment stocks within current assets.

PROFORMA GROUP

**C O M B I N E D S T A T E M E N T O F S O U R C E
A N D A P P L I C A T I O N O F F U N D S**

FOR THE YEAR ENDED 31 OCTOBER 1990

SOURCE OF FUNDS	1990	1989
	£m	£m
Funds from Operations:		
Profit on ordinary activities before taxation	294.3	264.5
Extraordinary profit after taxation	60.3	-
Less: Profit before taxation retained by associated companies	98.7	103.8
	255.9	160.7
Add: Depreciation and other items not involving the movement of funds (net)	148.0	160.0
Total funds from Operations	403.9	320.7
Other sources:		
Disposal of fixed assets at net book value	46.3	58.0
Reclassification of equipment available for rental	-	45.5
Increase in creditors due in more than one year	16.4	186.6
Additional share premium	3.1	6.9
Total source of funds	469.7	617.7
APPLICATION OF FUNDS		
Additions to fixed assets	117.8	195.4
Taxation paid	25.7	49.6
Dividends paid	69.6	80.4
	213.1	325.4
Increase in working capital (analysed below)	256.6	292.3
Total application of funds	469.7	617.7
ANALYSIS OF CHANGE IN WORKING CAPITAL		
(Decrease)/Increase in stocks	(119.6)	97.9
Increase in debtors	301.0	391.6
Increase in creditors	(1.1)	(86.9)
	180.3	402.6
Increase/(Decrease) in net liquid funds:		
Cash at bank and in hand	11.6	(9.7)
Bank overdrafts and acceptances	64.7	(100.6)
	76.3	(110.3)
Increase in working capital	256.6	292.3

PROFORMA GROUP

NOTES TO
COMBINED FINANCIAL STATEMENTS

1 Principles of combination and accounting policies of Rank Xerox

In accordance with the terms of the Master Agreement dated 21 October 1977 between Xerox Corporation of the USA and The Rank Organisation Plc of the UK, combined financial statements have been prepared for the four jointly owned holding companies, Rank Xerox Limited, Rank Xerox Holding BV, Rank Xerox Investments Limited, R-X Holdings Limited and their respective subsidiary companies, referred to as 'the Proforma Group'. The Proforma Group's major accounting policies are the same as those in note one of the financial statements of Rank Xerox Limited and subsidiaries (blue section page 48).

Turnover of the Proforma Group is calculated after elimination of inter group sales.

2 Extraordinary Item

The extraordinary profit in 1990 arises on the transfer of the South Pacific operation to the associated company Fuji Xerox Co.,Ltd. and comprises:

	1990 £m
Profit before taxation	122.1
Taxation	(15.7)
Profit after taxation before intercompany eliminations	106.4
Intercompany eliminations *	(46.1)
<hr/>	
Profit after taxation and intercompany eliminations	60.3

* This represents the elimination of intercompany non-purchased goodwill, arising in the 50% owned associated company Fuji Xerox Co., Ltd., net of the related tax benefit of £16.6m.

The above extraordinary item includes £1.5m profit on sales to the South Pacific units from manufacturing operations in Holland, which is not part of the Rank Xerox Ltd and subsidiaries Group. Consequently, the extraordinary profit within Rank Xerox Limited and subsidiaries Group is £58.8m (note 9 in the blue section).

3 Debtors

	1990 £m	1989 £m
These comprise:		
Due from Xerox Corporation and subsidiaries	19.1	29.7
Trade debtors	340.6	376.0
Finance lease receivables:		
Due within one year	375.0	307.0
Due in more than one year	708.8	635.9
Prepayments, other debtors and accrued income	244.4	228.7
South Pacific transfer proceeds receivable from Fuji Xerox	162.0	-
Pensions prepayment	92.7	64.3
Deferred taxation	7.5	19.5
<hr/>		
	1950.1	1661.1

4 Creditors

(i) Amounts falling due within one year

	1990 £m	1989 £m
Long-term loans repayable within one year	180.0	205.0
Bank overdrafts and acceptances	128.7	193.4
Trade creditors	142.8	138.8
Amounts owed to Xerox Corporation	61.6	48.7
Other creditors, taxation and social security	98.4	63.8
Dividends payable relating to the South Pacific transfer	141.5	-
Accruals and deferred income	291.7	303.8
	<hr/>	<hr/>
	1044.7	953.5

Other creditors, taxation and social security includes current taxation payable of £59.5m (1989-£29.9m)

(ii) Amounts falling due after more than one year

These consist of long term loans analysed as follows:

Debenture loans	94.4	108.1
Bank loans	452.7	400.8
Other loans and capitalised leases	25.7	47.5
	<hr/>	<hr/>
	572.8	556.4

5 Profit participation

Under the terms of an agreement made in 1977 between Xerox Corporation of the USA and The Rank Organisation Plc of the UK, both parties are entitled to shares in the annual combined profits before taxation of the Proforma Group. These shares amount to one half of such profits to each of the two shareholders up to a maximum annual sum of £3,700,627, plus one third to The Rank Organisation Plc and two thirds to Xerox Corporation of the amount by which such profits exceed £7,401,254, from which is deducted the related taxation. For this purpose, the combined profit before taxation (as shown below) is adjusted for charges made by Xerox Corporation for research and development and corporate overheads, and for profit participation adjustments in accordance with the above agreement.

	1990 £m	1989 £m
Profit on ordinary activities before taxation	294.3	264.5
Add: Xerox Corporation Charges	157.7	153.7
Add: Profit Participation adjustments	47.3	58.8
Deduct: Outside shareholders' interests	(3.3)	(1.7)
Profit Participation	496.0	475.3

	Xerox Corporation and Subsidiary	The Rank Organisation Plc and Subsidiaries	1990 Total	1989 Total
Profit participation	328.8	167.2	496.0	475.3
Deduct - Taxation on profit per financial statements	86.9	43.2	130.1	127.6
- Taxation attributable to outside shareholders' interests	(0.5)	(0.3)	(0.8)	(1.2)
- Taxation on Xerox Corporation charges and profit participation adjustments	59.2	29.9	89.1	93.0
- Xerox Corporation charges and profit participation adjustments after taxation	115.9	-	115.9	119.5
Profit after taxation and outside shareholders' interests of the Proforma Group	67.3	94.4	161.7	136.4
Extraordinary profit after taxation	35.6	24.7	60.3	-
Deduct - Dividends	99.7	112.4	212.1	58.1
Retained earnings for the year	3.2	6.7	9.9	78.3
Unappropriated earnings at 1 November	554.1	276.9	831.0	791.6
Transfers to non-distributable reserve:				
Deduct - Proforma Group companies	1.5	0.7	2.2	1.3
- Associated companies	25.0	12.6	37.6	37.6
Unappropriated earnings at 31 October	530.8	270.3	801.1	831.0

PROFORMA GROUP

FIVE YEAR FINANCIAL SUMMARY

COMBINED PROFIT AND LOSS ACCOUNT	1990	1989	1988	1987	1986
	£m	£m	£m	£m	£m
Turnover	2675.7	2544.9	2303.6	2218.6	1925.7
Income from ordinary activities other than associates	340.3	300.4	307.7	240.2	157.0
Income from associated companies	111.7	117.8	107.5	77.7	57.0
Profit on ordinary activities before Xerox charges and taxation	452.0	418.2	415.2	317.9	214.0
Xerox Corporation charges	157.7	153.7	141.0	94.9	75.6
Profit on ordinary activities before taxation	294.3	264.5	274.2	223.0	138.4
Tax on profit on ordinary activities	130.1	127.6	117.8	104.1	67.8
Profit after taxation	164.2	136.9	156.4	118.9	70.6
Extraordinary profit after taxation	60.3	-	-	-	-
Profit for the financial year	224.5	136.9	156.4	118.9	70.6
Dividends paid and proposed	212.1	58.1	19.7	39.1	70.6
Outside shareholders' interests	2.5	0.5	0.9	1.2	0.8
Retained profit for the year	9.9	78.3	135.8	78.6	(0.8)

COMBINED BALANCE SHEET

Fixed assets	682.2	791.5*	770.1	701.9	751.1
Net current assets	1295.2	1205.4*	899.9	799.8	684.3
	1977.4	1996.9	1670.0	1501.7	1435.4
Creditors falling due after more than one year	572.8	556.4	369.8	324.0	298.4
Provisions for liabilities and charges	111.6	103.5	94.8	100.4	91.2
	1293.0	1337.0	1205.4	1077.3	1045.8
Share capital and premium	59.5	56.4	49.5	49.5	41.8
Other reserves	426.8	445.9	359.9	326.2	340.6
Profit and loss account	801.1	831.0	791.6	697.3	656.6
	1287.4	1333.3	1201.0	1073.0	1039.0
Outside shareholders' interests	5.6	3.7	4.4	4.3	6.8
	1293.0	1337.0	1205.4	1077.3	1045.8

* Equipment available for rental, previously categorised as tangible fixed assets, is now classified as equipment stocks within net current assets. No adjustment has been made for years prior to 1989.

RANK XEROX LIMITED
AND SUBSIDIARIES

*D*IRECTORS' *R*EPORT
AND
*F*INANCIAL *S*TATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1990

*D*IRECTORS
OF
RANK XEROX LIMITED

D.T. Kearns
Chairman

B.D. Fournier
Managing Director

P.A. Allaire
H.C. Debuisser
M.B. Gifford
L. Gonzalez-Camino

L.L. Haddon
W.R. Hicks
W.C. Lowe
J.R. Milligan
A.Z. Senter
Dr M. Smith
D.A. Thompson
S.L. Tierney
N.V. Turnbull
D.M. Yates

Secretary
C.J. Payne

Bankers
National Westminster Bank Plc

Registered Office
Parkway Marlow
Buckinghamshire SL7 1YL

Auditors
KPMG Peat Marwick McLintock

DIRECTORS' REPORT

FINANCIAL STATEMENTS

The Directors present the balance sheet of Rank Xerox Limited ('the Company') and the consolidated balance sheet as at 31 October 1990, together with the consolidated profit and loss account and consolidated statement of source and application of funds for the year ended on that date, for the Company and its subsidiaries ('the Group').

The profit of the Group on ordinary activities after taxation and outside shareholders' interest was £120.7m.

Interim dividends of £58.5m were paid during the financial year on the 'A', 'B' and 'D' shares of the Company. A further interim dividend of £79.7m was paid on 27 December 1990 (note 10 to the Financial Statements).

Final dividends of £4.4m are proposed on all classes of shares.

Retained profits for the year were £36.9m. Transfers to non-distributable reserves in the year were £38.2m (note 19 to the Financial Statements).

PRINCIPAL ACTIVITIES

The Group and its associates operate in Eastern and Western Europe, Africa, Australasia and Asia. The business consists primarily of the development, manufacture, marketing and maintenance of document processing equipment. Through its leasing operations, the Group also engages in financing activities to support its marketing strategies.

Other principal activities include information systems, the marketing of paper, as well as the manufacture and marketing of toner and other related supplies. Information systems consists of the development, manufacture, marketing and maintenance of electronic, impact and

electrostatic printers, information processing products and systems, electronic typewriters, facsimile transceivers and related supplies.

BUSINESS REVIEW

A summary of the Group's continued business progress can be found on page 8, within the Review of the Year section of this document.

DIRECTORS

The Directors shown on page 38 are in office at the date of this report. Mr R.A.Holmes and Sir Derek Hornby resigned from the Board on 31 January 1990 and Mr S.B.Ross resigned on 31 December 1990. Dr M.Smith and Mr S.L.Tierney were appointed Directors on 31 March 1990 and Mr A.Z.Senter was appointed a Director on 18 January 1991. The remaining Directors served throughout the year under review.

TANGIBLE FIXED ASSETS

Changes in tangible fixed assets during the year are shown in note 11 on page 54 of this document.

The Directors are of the opinion that at 31 October 1990 the aggregate of the open market values of land and buildings exceeded net book values by approximately £98m for the Group, and by approximately £15m for the Company.

RESEARCH AND DEVELOPMENT

In Cambridge, Rank Xerox EuroPARC continues to study human-computer interaction, with the aim of making office systems more easily understood and usable. Permanently linked to other Rank Xerox, Xerox and external academic centres of excellence throughout Europe, EuroPARC represents a significant contribution to European research and development. The European Systems Centre at Welwyn Garden City continued to devise new systems software applications to meet the special needs of European markets.

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the Group made charitable donations of £0.5m, including £0.1m made within the United Kingdom. No political contributions were made by the Group during the year.

EMPLOYMENT POLICIES

(a) Employee Involvement

During 1990 the Group has continued its policy of keeping employees informed about the state of the business and involving them in issues that affect their working environment. Information is given to all employees through regular communication meetings and in-house magazines and reports. Communication meetings are based on senior management briefings from the Managing Director of the Company and his key executives. Each attendee of these briefings is required to cascade the information through the team meeting process to all his/her staff. During these meetings employees are encouraged to ask questions and provide feedback.

'Leadership through Quality' remains a cornerstone in focussing employees' efforts toward meeting customer requirements, and reducing cost of non-conformance. Problem-solving techniques and benchmarking remain key features of the quality improvement process.

(b) Equality of Opportunity in the United Kingdom

Rank Xerox recognises the critical importance of its human resources and that the Company's success is dependent on the motivation, and quality of the contributions, of all its employees. It is committed to equality of opportunity for all employees and applicants for employment. Within the UK, Rank Xerox has introduced a number of policies and initiatives to strengthen the Company's approach to equal opportunities and to provide a framework that fosters innovative solutions to employment needs. The

introduction of an enhanced Maternity Absence scheme and a Career Break Policy has helped the Company in attracting and retaining women employees. During 1990 initiatives were taken to widen the scope for flexible working and Rank Xerox now operates home-working, job sharing, job splitting and term-time working. In parallel, the Rank Xerox Limited Pension Scheme was updated in 1990 to accommodate all forms of flexible working contracts for permanent staff.

It is specified in Rank Xerox Personnel Policies, and in the procedures followed by all employees involved in the selection of staff, that the ability of a candidate to perform the job is the paramount criterion.

Discrimination by reason of a person's disability is specifically prohibited, except in those instances where the nature of the work cannot be adapted either to meet the specific disability of the candidate, or to be in accordance with health and safety requirements. Wherever necessary the Company will assist people with a disability to attend an interview and to demonstrate their abilities. Every effort is made to assist and provide continuous employment to those employees who become disabled during their employment with the Company.

The Company is a member of the Employers Forum on Disability which seeks new ways of encouraging the employment of people with a disability. The Company, through its Information Technology Centre (ITEC) at Colnbrook, Slough, has continued in 1990 to train people with a disability in the information technology skills relevant to today's business needs.

SOUTH PACIFIC OPERATIONS RESTRUCTURED

A summary of the restructuring of the South Pacific operation can be found on page 10, within the Review of the Year section of this document.

MONOPOLIES AND MERGERS COMMISSION

The Director General of Fair Trading has referred to the Monopolies and Mergers Commission the supply in the United Kingdom by manufacturers and importers of indirect electrostatic photocopiers. The Company has been called upon to give evidence to the Commission and is co-operating with the Commission in connection with the Reference.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, KPMG Peat Marwick McLintock have signified their willingness to continue in office, and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

By order of the Board

C J Payne
Secretary

18 January 1991

RANK XEROX LIMITED AND SUBSIDIARIES

CONSOLIDATED *P*ROFIT AND *L*OSS *A*CCOUNT

FOR THE YEAR ENDED 31 OCTOBER 1990

	1990 £m	1989 £m
Turnover (note 3)	2742.2	2635.6
Cost of revenue (note 4)	1783.0	1703.3
Gross profit	959.2	932.3
Distribution costs (note 5)	517.6	493.5
Administrative expenses (note 5)	261.9	250.4
Income from shares in associated companies (note 12)	(110.2)	(117.9)
Interest receivable and similar income (note 6)	(164.9)	(116.1)
Interest payable and similar charges (note 6)	118.7	83.1
Xerox Corporation charges (note 7)	94.3	100.5
	<u>717.4</u>	<u>693.5</u>
Profit on ordinary activities before taxation	241.8	238.8
Tax on profit on ordinary activities (note 8)	118.7	110.4
Profit on ordinary activities after taxation	123.1	128.4
Extraordinary profit after taxation (note 9)	58.8	-
Profit for the financial year	181.9	128.4
Dividends paid and proposed (note 10)	142.6	58.1
Outside shareholders' interests	2.4	1.0
Retained profit for the year (note 19)	<u>36.9</u>	<u>69.3</u>

The notes on pages 48 to 73 form part of the financial statements

RANK XEROX LIMITED AND SUBSIDIARIES

*B*ALANCE *S*HEETS

AT 31 OCTOBER 1990

	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Fixed assets				
Tangible assets (note 11)	307.6	379.5	76.6	84.2
Investments (note 12)	338.3	392.7	138.4	86.2
	<u>645.9</u>	<u>772.2</u>	<u>215.0</u>	<u>170.4</u>
Current assets				
Stocks (note 13)	298.7	407.4	133.3	181.3
Debtors (note 14)	1953.7	1685.6	385.6	345.0
Cash at bank and in hand	72.4	52.6	24.9	20.4
	<u>2324.8</u>	<u>2145.6</u>	<u>543.8</u>	<u>546.7</u>
Creditors: Amounts falling due within one year (note 15)	<u>1027.0</u>	<u>987.8</u>	<u>464.4</u>	<u>475.8</u>
Net current assets	<u>1297.8</u>	<u>1157.8</u>	<u>79.4</u>	<u>70.9</u>
Total assets less current liabilities	<u>1943.7</u>	<u>1930.0</u>	<u>294.4</u>	<u>241.3</u>
Creditors: Amounts falling due after more than one year (note 16)	572.8	555.7	12.0	10.8
Provisions for liabilities and charges (note 17)	108.3	100.4	2.9	2.1
	<u>1262.6</u>	<u>1273.9</u>	<u>279.5</u>	<u>228.4</u>
Capital and reserves				
Called up share capital (note 18)	29.9	29.9	29.9	29.9
Share premium account (note 18)	3.0	3.0	3.0	3.0
Other reserves (note 19)	422.7	434.7	(1.4)	(1.4)
Profit and loss account (note 19)	797.5	798.8	248.0	196.9
	<u>1253.1</u>	<u>1266.4</u>	<u>279.5</u>	<u>228.4</u>
Outside shareholders' interests	9.5	7.5	-	-
	<u>1262.6</u>	<u>1273.9</u>	<u>279.5</u>	<u>228.4</u>

B D Fournier
Managing Director

J R Milligan
Director, Finance & Control

Approved by the Board of Directors on 18 January 1991

The notes on pages 48 to 73 form part of the financial statements

RANK XEROX LIMITED AND SUBSIDIARIES
CONSOLIDATED **S**TATEMENT OF
SOURCE AND **A**PPPLICATION OF **F**UNDS
 FOR THE YEAR ENDED 31 OCTOBER 1990

SOURCE OF FUNDS	1990	1989
	£m	£m
Funds from operations		
Profit on ordinary activities before taxation	241.8	238.8
Extraordinary profit after taxation (note 9)	58.8	-
less: profit before taxation retained by associated companies	97.2	103.8
	<u>203.4</u>	<u>135.0</u>
add: depreciation and other items not involving the movement of funds	147.9	147.0
Total funds from operations	351.3	282.0
Other sources		
Disposal of fixed assets at net book value	59.4	61.2
Reclassification of equipment available for rental	-	41.9
Increase in creditors falling due in more than one year	17.1	189.4
Total source of funds	427.8	574.5
 APPLICATION OF FUNDS		
Additions to fixed assets	106.7	187.6
Taxation paid	12.8	39.0
Dividends paid	63.4	60.7
	<u>182.9</u>	<u>287.3</u>
Increase in working capital (analysed below)	244.9	287.2
Total application of funds	427.8	574.5

The notes on pages 48 to 73 form part of the financial statements

ANALYSIS OF CHANGE IN WORKING CAPITAL

	1990 £m	1989 £m
(Decrease)/Increase in stocks	(108.7)	95.0*
Increase in debtors	271.1	387.9
Increase in creditors falling due within one year	(3.2)	(89.0)
	<u>159.2</u>	<u>393.9</u>
Increase/(Decrease) in net liquid funds:		
Cash at bank and in hand	19.8	(11.8)
Bank overdrafts and acceptances	65.9	(94.9)
	<u>85.7</u>	<u>(106.7)</u>
Increase in working capital	<u>244.9</u>	<u>287.2</u>

Notes:**a Analysis of the 1990 transfer of the South Pacific operations to Fuji Xerox:**

Proceeds	<u>162.0</u>
Net assets transferred: Fixed assets	(13.1)
Current assets	(124.1)
Creditors	103.1
	<u>(34.1)</u>
Costs of transfer	(8.0)
	<u>(42.1)</u>
Profit on transfer before tax and intercompany eliminations (note 9)	<u>119.9</u>

b The currency impacts arising from the translation to current rates of exchange of the opening balances on fixed assets and current and deferred taxation, and those relating to the Group's associated companies, have been eliminated from the movements shown in the above statement.

* The 1989 comparative figure for increase in stocks (£95.0m) has been restated by £41.9m to reflect the reclassification of equipment available for rental, previously categorised as tangible fixed assets, to equipment stocks within current assets.

The notes on pages 48 to 73 form part of the financial statements

NOTES TO FINANCIAL STATEMENTS

1 Principles of consolidation and accounting policies

The Group's major accounting policies are summarised below.

a Accounting convention

The financial statements are prepared under the historical cost accounting rules.

b Basis of consolidation

The financial statements incorporate the financial statements of Rank Xerox Limited and its subsidiaries, after elimination of intra-group transactions and the profits thereon.

c Translation of foreign currencies

The Group applies Statement of Financial Accounting Standards No 52 issued by the United States Financial Accounting Standards Board relating to the translation of foreign currencies. There is no material difference, so far as the Group's financial statements are concerned, between the requirements of this Statement and those of Statement of Standard Accounting Practice No 20, issued by the United Kingdom Accounting Standards Committee.

Foreign Currency Transactions: Monetary assets and liabilities arising from a Group company's foreign currency transactions are translated into that company's local currency at the rates ruling at 31 October 1990. Profit and loss items are converted at rates approximating to the rates ruling when the transactions occurred. The resulting exchange differences, together with gains and losses which have arisen throughout the year on settlement of foreign currency transactions, are dealt with in the profit and loss account of the company concerned (note 5).

Foreign Currency Financial Statements: On consolidation, balance sheets of individual Group companies that are denominated in foreign currencies are translated into Sterling at the rates ruling at 31 October 1990. Profit and loss items are translated at rates approximating to the rates ruling when the transactions occurred and unrealised profits on intra-group transfers are eliminated at the rates ruling when such profits arose. Translation differences, which principally represent the gain or loss arising on overseas net assets as a result of changes in exchange rates during the year, are dealt with in the currency translation account (note 19).

d Deferred Taxation

Deferred taxation is computed under the liability method on differences arising when items of income and expenditure are included in the financial statements in periods which differ from those in which they are included in taxation computations.

Provision for such differences is made to the extent that it is probable that a liability or asset will crystallise. No provision is made where it is probable that an asset or liability will not crystallise (note 15).

The Group has a large deferred tax asset comprising tax on unrealised intra-group profits (note 1g).

e Tangible fixed assets

These are carried at cost adjusted for depreciation (on a straight line basis) at rates intended to write off the cost over the estimated useful lives of the respective assets, which for this purpose are in the main as follows:

Freehold buildings	40-100 years
Leasehold land and buildings	Term of lease
Plant and machinery	12-13 years
Fixtures and fittings	10-20 years
Vehicles	3-5 years
Rental equipment	2-5 years

Freehold land is not depreciated.

f Pension costs

Contributions to the Group's various schemes are determined on the basis of independent actuarial advice and any relevant local statutory requirements.

The amounts charged to the profit and loss account are designed to reflect the full actuarial cost attributable to the period.

For defined benefit plans the actuarial cost and the pension expense is calculated in accordance with Statement of Financial Accounting Standards No 87 issued by the United States Accounting Standards Board.

There is no material difference, so far as the Group's financial statements are concerned, between the requirements of this Statement and those of Statement of Standard Accounting Practice No 24, issued by the United Kingdom Accounting Standards Committee.

Provisions for pensions and similar obligations in certain overseas subsidiaries, where separately funded schemes do not exist, are reflected in the consolidated balance sheet (note 17).

g Unrealised intra-group profits

Profits arising on the sale of equipment and supplies between Group companies, and on similar sales to the associated companies, are deferred in the consolidated balance sheet along with the related taxation paid or payable on them. The unrealised element of profit is deducted from the carrying value of equipment and supplies, while the related taxation is carried forward as a component of the deferred taxation balance (note 15c). Deferred profits, and the taxation attributable to them, are recognised in the profit and loss account when realised; for equipment and sold supplies, this is at the time of sale, for service parts, this is at the time of usage/expense of the materials, and for rental equipment, this is evenly over its estimated useful life.

h Development expenditure

Expenditure on product development is charged to profit and loss account as incurred.

i Stocks

Stocks (note 13) are stated at the lower of cost and net realisable value. Costs include, where appropriate, a proportion of overheads, and, in the case of stock that has been transported across national boundaries, normally includes import duties, insurance, freight and other distribution costs up to the point of customs clearance. Subsequent local carriage costs are normally expensed as incurred.

Equipment available for rental, previously categorised as tangible fixed assets, is now included in equipment stocks, within current assets.

j Leasing arrangements

The Group applies lease accounting policies in compliance with Statement of Financial Accounting Standards No 13 issued by the United States Financial Accounting Standards Board. There is no material difference, so far as the Group's financial statements are concerned, between the requirements of this Statement and those of Statement of Standard Accounting Practice No 21, issued by the United Kingdom Accounting Standards Committee.

As lessor: sales revenue is recognised when assets are leased either directly to customers under agreements classified as sales-type leases, or under finance leases. The present value of the minimum lease payments is recorded as sales revenue; the cost or carrying value of the leased assets, less any residual value, is charged to cost of revenue.

Lease interest income is allocated to accounting periods so as to provide a constant rate of return on the net investment in the leases (note 21).

The amount of the net investment in leases is included in Debtors (note 14).

All other lease agreements with customers are classified as operating leases. Rentals receivable from customers under operating leases are recognised in the profit and loss account as earned, and associated costs are charged to cost of revenue as incurred (note 4).

As lessee: assets employed under capital leases are recorded as tangible fixed assets at the lower of (a) the present value of the minimum lease payments when the lease begins, and (b) market value at that date. The corresponding obligations are classified as long term loans within Creditors (notes 15 and 16).

Depreciation is charged on a straight line basis over the lease term, or, if title will ultimately pass to the Group as lessee, the estimated useful life of the asset.

2 Consolidated financial statements

These statements include the results of a significant volume of transactions, covering equipment, goods and services, between the Group and the Rank Xerox Holding BV Group. Rank Xerox Holding BV is a Dutch company directly owned by Xerox Corporation and a subsidiary of The Rank Organisation Plc.

As provided for by section 228(7) of the Companies Act 1985, no profit and loss account for the Company is presented in these statements.

3 Turnover

a This consists of revenue earned in the year from the sale and rental of document processing equipment, from the sale of paper and supplies and from the provision of service and maintenance. Turnover includes sales to the Group's associated companies (note 1g).

b Turnover is analysed by geographic markets as follows:

	1990 £m	1989 £m
Europe	2525.7	2429.7
Other	216.5	205.9
Total	2742.2	2635.6

The category 'Other' includes the Group's operations in Africa, Australasia and Asia.

4 Cost of revenue

The prescribed format for the profit and loss account in the Companies Act 1985 uses the term 'Cost of Sales'. The Group's turnover, as described in note 3 above, contains significant income from equipment service contracts, and, in the opinion of the Directors, this cost item is more meaningfully described by the term 'Cost of Revenue'.

5 Distribution costs and Administrative expenses

Distribution costs of £517.6m (1989 - £493.5m) include staff costs and overheads attributable to distribution centres in the Group's manufacturing locations, and salaries, commissions, support costs and other marketing expenses related to the Group's salesforce.

Administrative expenses of £261.9m (1989 - £250.4m) are stated after taking into account foreign exchange impacts on transactions (note 1c) which in 1990 represented a loss of £1.1m (1989 - Profit of £3.1m), and costs of £13.6m (1989 - £9.9m) in respect of redundancy programmes.

Sale of surplus facilities generated an exceptional profit of £34.0m which is included within Administrative expenses.

6 Interest

	1990 £m	1989 £m
a Interest receivable and similar income comprises:		
Sales-type leases and credit sale agreements	(154.8)	(109.0)
Short term deposits and loans to banks	(8.2)	(5.6)
Other sources	(1.9)	(1.5)
	<u>(164.9)</u>	<u>(116.1)</u>
b Interest payable and similar charges comprises:		
Bank loans and other loans repayable within five years	111.2	79.4
Loans, other than from banks, not fully repayable within five years	1.7	1.2
Rank Xerox Holding BV and subsidiaries (net)	4.1	0.6
Capital leases	1.7	1.9
	<u>118.7</u>	<u>83.1</u>

7 Xerox Corporation charges

The Group is charged with a proportion of research and development and corporate overhead expenses incurred by its ultimate holding company, Xerox Corporation. These charges reflect the benefits that the Group receives from these activities, and amounted to £94.3m for the year ended 31 October 1990 (1989 - £100.5m).

8 Taxation

	1990 £m	1989 £m
a Tax on profit on ordinary activities comprises:		
Rank Xerox Limited and subsidiaries (note 8b)	57.5	44.3
Associated companies (predominantly Fuji Xerox Co.,Ltd., note 12d)	61.2	66.1
	<u>118.7</u>	<u>110.4</u>

	1990 £m	1989 £m
b The Group provision for the year is calculated as follows:		
United Kingdom Corporation tax:		
Current tax at 35% (1989 - 35%)	32.2	47.3
Double Tax Relief:	<u>(34.1)</u>	<u>(54.7)</u>
	(1.9)	(7.4)
Deferred	<u>2.8</u>	<u>(6.1)</u>
	0.9	(13.5)
Overseas: Current	53.1	31.0
Deferred	19.2	3.0
Prior year adjustments: Current	(2.2)	3.2
Deferred	<u>(13.5)</u>	<u>20.6</u>
	<u>57.5</u>	<u>44.3</u>

During 1990, unrelieved overseas tax in respect of dividends amounted to £17.6m (1989 - £6.5m).

9 Extraordinary Item

Extraordinary profit arises in 1990 on the transfer of the South Pacific operation to the associated company Fuji Xerox Co., Ltd., as follows:

Profit before taxation	119.9
Taxation	<u>(15.0)</u>
Profit after taxation before intercompany eliminations	104.9
Intercompany eliminations * (note 12b)	<u>(46.1)</u>
Profit after taxation and intercompany eliminations	<u>58.8</u>

* This represents the elimination of intercompany non-purchased goodwill, arising in the 50% owned associated company Fuji Xerox Co., Ltd., net of the related tax benefit of £16.6m.

10 Dividends paid and proposed

Interim* - paid	58.5	32.0
Special - paid	-	21.2
Interim proposed, arising from the transfer of the South Pacific operation	79.7	-
Special - proposed	-	4.8
Final - proposed	<u>4.4</u>	<u>0.1</u>
	<u>142.6</u>	<u>58.1</u>

A final dividend of £94,530 (1989 - £100,298) is proposed on the 'E' shares.

* Includes £0.4m relating to 1989.

11 Fixed assets - tangible assets

	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Assets in course of construction	Rental equipment	Total £m
a Group						
Cost:						
At 1 November 1989	194.8	86.6	297.2	5.0	222.9	806.5
Additions	7.1	6.2	35.8	9.9	47.7	106.7
Disposals	(26.2)	(8.8)	(51.8)	(9.8)	(107.0)	(203.6)
Currency translation	(2.7)	(0.9)	(4.7)	-	(3.9)	(12.2)
At 31 October 1990	<u>173.0</u>	<u>83.1</u>	<u>276.5</u>	<u>5.1</u>	<u>159.7</u>	<u>697.4</u>
Depreciation provision:						
At 1 November 1989	49.5	49.5	179.8	-	148.2	427.0
Charge for period	6.5	6.1	47.5	-	52.9	113.0
Disposals	(5.8)	(2.7)	(46.5)	-	(89.2)	(144.2)
Currency translation	(0.8)	(0.5)	(3.0)	-	(1.7)	(6.0)
At 31 October 1990	<u>49.4</u>	<u>52.4</u>	<u>177.8</u>	<u>-</u>	<u>110.2</u>	<u>389.8</u>
Net book value:						
At 31 October 1990	<u>123.6</u>	<u>30.7</u>	<u>98.7</u>	<u>5.1</u>	<u>49.5</u>	<u>307.6</u>
At 31 October 1989	<u>145.3</u>	<u>37.1</u>	<u>117.4</u>	<u>5.0</u>	<u>74.7</u>	<u>379.5</u>

	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Assets in course of construction	Rental equipment	Total £m
b Company						
Cost:						
At 1 November 1989	45.0	40.8	62.4	-	0.5	148.7
Additions	0.2	2.9	13.1	-	0.4	16.6
Disposals	(0.5)	(4.7)	(9.5)	-	(0.6)	(15.3)
At 31 October 1990	<u>44.7</u>	<u>39.0</u>	<u>66.0</u>	<u>-</u>	<u>0.3</u>	<u>150.0</u>
Depreciation provision:						
At 1 November 1989	5.4	23.7	35.1	-	0.3	64.5
Charge for period	0.9	3.0	10.7	-	0.1	14.7
Disposals	(0.2)	(0.2)	(5.3)	-	(0.1)	(5.8)
At 31 October 1990	<u>6.1</u>	<u>26.5</u>	<u>40.5</u>	<u>-</u>	<u>0.3</u>	<u>73.4</u>
Net book value:						
At 31 October 1990	<u>38.6</u>	<u>12.5</u>	<u>25.5</u>	<u>-</u>	<u>-</u>	<u>76.6</u>
At 31 October 1989	<u>39.6</u>	<u>17.1</u>	<u>27.3</u>	<u>-</u>	<u>0.2</u>	<u>84.2</u>

- c i** Rental equipment consists of document processing equipment on rental to customers under operating leases. Equipment available for rental, previously categorised as tangible fixed assets, is now classified as equipment stocks within current assets. The Group opening cost and depreciation balances have been reduced by £77.0m and £35.1m respectively, to reflect this reclassification.
- ii** The cost of fixed assets includes £5.4m (1989 - £5.5m) in respect of interest capitalised on completed long term construction projects.
- iii** Land and buildings of the Group includes £20.9m (1989 - £26.1m) of assets which are not depreciated.

d Land and buildings comprises, at net book value, the following amounts:

	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Freehold	90.4	107.8	30.2	30.6
Short leasehold	26.9	25.9	8.1	5.7
Long leasehold *	6.3	11.6	0.3	3.3
	<u>123.6</u>	<u>145.3</u>	<u>38.6</u>	<u>39.6</u>

* Long leasehold property is defined as leases having more than 50 years unexpired at the balance sheet date.

12 Fixed assets - investments

a These comprise:

	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Shares in Group companies (note f)	-	-	91.2	54.6
Loans to Group companies	-	-	34.9	18.8
Associated companies (note b)	335.5	389.4	9.5	9.8
Other loans (note c)	2.8	3.0	2.8	3.0
Goodwill	-	0.3	-	-
	<u>338.3</u>	<u>392.7</u>	<u>138.4</u>	<u>86.2</u>

b Investment in Associated companies.

	Group 1990 £m	Group 1989 £m
At 1 November	389.4	352.4
Transfers (note d)	36.0	37.6
Elimination of goodwill (note 9)	(46.1)	-
Effect of currency translation and additions on Group's share of net assets in associated companies	(43.8)	(0.6)
At 31 October	<u>335.5</u>	<u>389.4</u>

c Other loans consist of advances from the Group to the trustees of the Rank Xerox Share Purchase Scheme to enable them to acquire 'E' shares in the Company. The loans do not currently bear interest. The gross amount of loans outstanding at 31 October 1990 was £11.1m for both the Group and the Company (1989 - £11.3m) against which provision of £8.3m (1989 - £8.3m) has been made.

d Income from **associated companies** within Group profit and loss account.

	Group 1990 £m	Group 1989 £m
These comprise:		
Income before tax	110.2	117.9
Taxation (note 8a)	(61.2)	(66.1)
Income after tax	<u>49.0</u>	<u>51.8</u>
Dividends receivable	(13.0)	(14.2)
Transfer to non-distributable reserves (note 19bii)	<u>36.0</u>	<u>37.6</u>

e Associated companies

The Company's balance sheet reflects its investment in associated companies at cost. The Group's share of the net assets of associated companies is reflected in the consolidated balance sheet and is translated from overseas currencies in accordance with the principles stated in note 1c.

There are no related companies, within the terms of the Companies Act, other than those dealt with as associates under Statement of Standard Accounting Practice No 1, issued by the United Kingdom Accounting Standards Committee.

No provision has been made for any additional taxation which would arise if the investments in associated companies were disposed of at their balance sheet values, or if their retained profits, treated as non-distributable reserves in note 19, were subject to distribution.

The principal associated company is Fuji Xerox Co., Ltd., incorporated in Japan, in which the Company owns 50 per cent of the issued ordinary share capital. Fuji Xerox Co., Ltd. manufactures and markets document processing equipment and related supplies in Japan and the Far East and prepares its accounts to 20 October in each financial year. On 31 October 1990, Fuji Xerox Co., Ltd. assumed management responsibility for, and beneficial ownership of, certain Rank Xerox operations in the South Pacific region, including Australia, New Zealand and Singapore. Apart from this, transactions between 20 October and 31 October, the Group's balance sheet date, are not material. The summarised financial information set out below has not been adjusted to reflect these transfers.

The summarised financial information set out below is based on the audited consolidated financial statements of **Fuji Xerox Co., Ltd.** for the years ended 20 October 1990 and 20 October 1989:-

	1990 £m	1989 £m		1990 £m	1989 £m
Turnover	2131.2	2179.2	Rental equipment and other non-current assets	808.7	829.6
Depreciation and amortisation	164.5	170.6	Net current assets	<u>174.6</u>	<u>162.3</u>
Profit on ordinary activities before taxation	211.3	229.9		<u>983.3</u>	<u>991.9</u>
			Capital and reserves	765.4	784.6
			Creditors falling due after more than one year	<u>217.9</u>	<u>207.3</u>
				<u>983.3</u>	<u>991.9</u>

f Group companies

The principal subsidiaries of Rank Xerox Limited at 31 October 1990 are as follows:

	Country of incorporation	Percentage of ordinary share capital owned		
		Direct	Indirect	Total
Rank Xerox (Copy Bureaux) Limited	England	-	100	100
Rank Xerox Exports Limited	England	100	-	100
* Rank Xerox Finance Limited	England	100	-	100
Rank Xerox (Ireland) Limited	England	100	-	100
Rank Xerox Leasing International Limited (in Liquidation)	England	100	-	100
Rank Xerox (Management) Limited (in Liquidation)	England	100	-	100
Rank Xerox (Overseas) Limited (in Liquidation)	England	100	-	100
Rank Xerox (R & S) Limited	England	-	100	100
Rank Xerox (UK) Limited	England	100	-	100
† Rank Xerox (Australia) Pty Limited	Australia	100	-	100
† Rank Xerox (Finance) Limited	Australia	100	-	100
* Rank Xerox Austria GmbH	Austria	100	-	100
Rank Xerox Vertriebs GmbH	Austria	-	100	100
* NV Rank Xerox Credit SA	Belgium	100	-	100
* NV Rank Xerox SA	Belgium	100	-	100
Rank Xerox A/S	Denmark	100	-	100
Rank Xerox Finans A/S	Denmark	-	100	100
* Rank Xerox Oy	Finland	100	-	100
Xerobail SA	France	-	100	100
Burofinance SA	France	-	66	66
Office de Transformation Papetiere SA	France	11.2	88.8	100
Rank Xerox SA	France	100	-	100
Société Industrielle Rank Xerox SA	France	-	73.6	73.6
* Rank Xerox GmbH	Germany	100	-	100
* Rank Xerox Leasing GmbH	Germany	100	-	100
* Rank Xerox Greece SA	Greece	100	-	100
* Rank Xerox (Hong Kong) Limited	Hong Kong	100	-	100
* Rank Xerox SpA	Italy	100	-	100
Rank Xerox Kenya Limited	Kenya	100	-	100
Rank Xerox (Nederland) BV	The Netherlands	100	-	100
Rank Xerox Finance (Nederland) BV	The Netherlands	100	-	100
* Rank Xerox Leasing International Finance BV	The Netherlands	100	-	100
Rank Xerox Rentalease BV	The Netherlands	-	100	100
† Rank Xerox Finance Limited	New Zealand	100	-	100
† Rank Xerox New Zealand Limited	New Zealand	100	-	100
Rank Xerox (Nigeria) Limited	Nigeria	60	-	60
* Rank Xerox AS	Norway	100	-	100
* Rank Xerox Portugal Equipamentos de Escritorio Limitada (note v)	Portugal	74	26	100
† Rank Xerox (Singapore) Pte Ltd	Singapore	100	-	100
Rank Xerox Espanola SA	Spain	100	-	100
Rank Xerox de Financiacion SA	Spain	-	100	100
Rank Xerox AB	Sweden	100	-	100
Finansaktiebolaget Rank Xerox Credit	Sweden	-	100	100
* Rank Xerox AG	Switzerland	100	-	100
* Rank Xerox Finance AG	Switzerland	100	-	100
Xerox Büro Araçları Ticaret ve Servis AS	Turkey	100	-	100
* Rank Xerox Uganda Limited	Uganda	100	-	100

- (i) The Group also has branches operating outside the UK, principally in Angola and Mozambique.
- (ii) Rank Xerox (Ireland) Limited operates in the Republic of Ireland.
- (iii) As part of a restructuring of the Group, subsidiaries of Rank Xerox Leasing International Limited, Rank Xerox (Management) Limited and Rank Xerox (Overseas) Limited (marked *) were transferred to Rank Xerox Limited in September 1990 and the three holding companies were subsequently placed into members' voluntary liquidation.
- (iv) On 31 October 1990, Fuji Xerox Co., Ltd. assumed management responsibility for, and beneficial ownership of, certain Rank Xerox operations in the South Pacific region, including Australia, New Zealand and Singapore (marked †) (subject to certain local consents) under a planned restructuring of the region.
- (v) Indirect 26% is held by Sergeants' Inn Nominees Limited, as nominees of the Company.

13 Stocks

a The Group's principal activities include both sale and financing of document processing equipment.

The Company's principal activity is the manufacture and sale of document processing equipment to subsidiary companies.

b Stocks comprise:

	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Raw materials and consumables	14.5	10.1	6.8	4.2
Work in progress	10.9	18.3	10.6	17.9
Finished goods and goods for resale:				
Consumables, spares and paper	128.9	156.8	45.4	51.6
Equipment	144.4	222.2	70.5	107.6
	298.7	407.4	133.3	181.3

c Equipment available for rental is now included in equipment stocks as explained in note 11*ci*. 1989 comparatives have been reclassified accordingly.

14 Debtors

a These comprise:

	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Due within one year:				
Trade debtors	335.2	370.1	13.8	28.4
Finance lease receivables (note 21b)	373.9	305.6	-	-
Owed by fellow subsidiaries	30.0	52.6	1.9	8.4
Owed by Xerox Corporation & Subsidiaries	17.0	29.5	3.2	6.7
Amounts owed by Group companies:				
Dividends	-	-	40.4	33.2
Other	-	-	73.4	162.3
Amounts owed by associated companies	37.9	21.5	16.9	20.8
South Pacific transfer proceeds receivable from Fuji Xerox	162.0	-	162.0	-
Other debtors	11.6	10.9	6.0	4.4
Prepayments and accrued income	154.6	163.8	20.2	11.4
Deferred taxation (note 15c)	-	3.0	-	-
Pension prepayments (note c)	92.5	64.1	40.4	56.8
	1214.7	1021.1	378.2	332.4
Due in more than one year:				
Finance lease receivables (note 21b)	708.0	635.2	-	-
Other debtors (note b)	31.0	29.3	7.4	12.6
	739.0	664.5	7.4	12.6
	1953.7	1685.6	385.6	345.0

b Other debtors include a loan of £20,000 (1989 - £20,000) to an officer of the Company.

c Pensions and similar obligations comprise:

i The funded status of the Group's pension schemes to which Statement of Financial Accounting Standards No 87 (SFAS 87) has been applied for the year ended 31 October is as follows:

	Group 1990 £m	Group 1989 £m
Funded status at 31 October:		
Projected benefit obligation	(470.3)	(446.7)
Plan assets at fair market value	520.8	641.3
Excess of plan assets over projected benefit obligation	50.5	194.6
Add: Items not in financial statements:		
Unrecognised net transition assets at date of initial application of SFAS 87	(105.6)	(116.7)
Unrecognised net loss/(gain)	81.9	(77.4)
Prepaid pension costs for schemes subject to SFAS 87	26.8	0.5
Accrued pension costs for schemes not subject to SFAS 87	(20.2)	(17.4)
Balance at 31 October	6.6	(16.9)
Comprising:		
Pension accrual (note 17a)	(85.9)	(81.0)
Pension prepayment (note a)	92.5	64.1
Balance at 31 October	6.6	(16.9)

The actuarial present value of the accumulated benefit obligation was £346.7m (1989 - £319.2m).

ii The components of the net pension credit for the Group's pension schemes for the year ended 31 October are as follows:

Pension schemes subject to SFAS 87:		
Benefits earned from current years service	23.7	18.4
Interest on projected benefit obligation	42.1	37.7
Actual return on plan assets	91.0	(61.1)
Net amortisation and deferrals	(177.9)	(8.5)
Net pension credit for the year	(21.1)	(13.5)
Costs of pension schemes not subject to SFAS 87	5.6	3.0
Net credit to the profit and loss account for the year	(15.5)	(10.5)

iii The projected benefit obligation was determined using discount rates varying from 7% to 10% (1989 - 5% to 10%) and long term rates of return on plan assets varying from 4% to 12% (1989 - 4% to 12%).

15 Creditors: amounts falling due within one year

a These comprise:

	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Bank loans and overdrafts:				
Overdrafts and acceptances	125.6	191.5	24.9	18.4
Long term loans due within one year (note 16e)	180.0	201.4	6.0	4.5
Trade creditors	118.2	123.4	39.4	38.2
Amounts owed to Xerox Corporation and subsidiaries	54.3	37.9	31.4	20.6
Amounts owed to fellow subsidiaries	102.4	100.9	6.8	12.3*
Amounts owed to Group companies	-	-	199.7	337.8*
Amounts owed to associated companies	0.4	1.3	0.8	-
Other creditors including current taxation and social security (note b)	89.6	54.0	34.1	10.3
Dividends payable relating to the South Pacific transfer	79.7	-	79.7	-
Accruals and deferred income	269.8	277.4	37.5	33.7
Deferred taxation (notes c,d and e)	7.0	-	4.1	-
	<u>1027.0</u>	<u>987.8</u>	<u>464.4</u>	<u>475.8</u>

* The 1989 comparatives have been restated following the reclassification of certain loans from Creditors falling due after more than one year.

b Other creditors including current taxation and social security includes dividends payable of £4.4m (1989 - £4.9m) for both the Group and the Company, and current taxation payable of £52.8m for the Group (1989 - £19.8m) and £25.8m for the Company (1989 - £6.4m).

c Deferred taxation shown above and in debtors comprises:

Deferred taxation (note d)	23.2	19.4	4.1	-
less taxation on unrealised intra-Group profits on stocks and rental equipment (note 1g)	(16.2)	(22.4)	-	-
	<u>7.0</u>	<u>(3.0)</u>	<u>4.1</u>	<u>-</u>

d The deferred taxation balance at 31 October comprises:

	1990 Potential liability £m	1990 Provision in accounts £m	1989 Potential liability £m	1989 Provision in accounts £m
Group				
Timing differences:				
Fixed assets	(95.4)	-	6.9	0.7
Sales-type leases	148.8	60.1	15.8	10.7
Other	41.4	(36.9)	45.0	8.0
	<u>94.8</u>	<u>23.2</u>	<u>67.7</u>	<u>19.4</u>
Company				
Timing differences:				
Fixed assets	(1.8)	-	0.3	-
Sales-type leases	1.8	-	1.2	-
Other	6.9	4.1	6.1	-
	<u>6.9</u>	<u>4.1</u>	<u>7.6</u>	<u>-</u>

e Movements on the deferred taxation provision were as follows:

	Group £m	Company £m
Balance at 1 November 1989	(3.0)	-
Profit and loss account	8.5	4.9
Currency translation	1.5	(0.8)
Balance at 31 October 1990	<u>7.0</u>	<u>4.1</u>

16 Creditors: amounts falling due after more than one year

a These comprise:

	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Long term loans (note b):				
Debenture loans	94.4	108.1	-	-
Bank loans and overdrafts (note c)	452.7	400.0	-	-
Other loans (note d)	25.7	47.6	12.0	10.8
Note e below	572.8	555.7	12.0	10.8

b Long term loans include £16.3m (1989 - £16.6m) and £11.4m (1989 - £9.9m) for the Group and the Company respectively, of amounts not fully repayable within 5 years, all of which are repayable by instalments. Aggregate instalments due after more than 5 years, total £7.4m (1989 - £9.0m) for the Group and £3.0m (1989 - £4.3m) for the Company.

c Included in bank loans and overdrafts falling due after more than one year are amounts repayable within one year which are supported by committed bank facilities extending between one and five years under which the loans can be refinanced on a continuing basis. £248.2m (1989 - £211.7m) of debt supported by committed facilities have been classified in this way.

d The aggregate amount of secured loans was £4.5m (1989 - £4.2m) for the Group. There were no secured loans to the Company. Such loans to Group companies are generally secured on land and buildings. The category 'Other Loans' includes non-current capital lease obligations (note 21a) which are specifically secured on the leased assets involved.

e Repayments are due in the following years after the balance sheet date:

	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Falling due within one year:				
First year (note 15a)	180.0	201.4	6.0	4.5
Falling due after more than one year:				
Second year	217.9	181.0	2.5	2.6
Third year	194.6	210.9	2.7	1.3
Fourth year	139.2	110.4	1.8	1.3
Fifth year	13.7	44.4	2.0	1.3
Sixth to tenth years	4.2	4.7	0.9	2.1
Thereafter	3.2	4.3	2.1	2.2
Due after more than one year (note a)	572.8	555.7	12.0	10.8
	752.8	757.1	18.0	15.3

f Loans are denominated in the following currencies:

	Group Interest rate (At 31 October 1990)	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Loans and capitalised leases not fully repayable within 5 years:					
All currencies	11.6%	16.3	16.6	11.4	9.9
Loans and capitalised leases fully repayable within 5 years:					
Sterling	11.9%	200.4	225.7	6.6	5.4
German marks	7.7%	130.3	123.9	-	-
Dutch guilders	7.5%	77.8	94.9	-	-
French francs	9.9%	240.5	188.8	-	-
Other currencies	9.3%	87.5	107.2	-	-
		752.8	757.1	18.0	15.3

17 Provisions for liabilities and charges

a These comprise:

	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Pensions and similar obligations (note 14 c)	85.9	81.0	-	-
Other provisions (note b)	22.4	19.4	2.9	2.1
	<u>108.3</u>	<u>100.4</u>	<u>2.9</u>	<u>2.1</u>

b Movements on the other provisions were as follows:

	Group £m	Company £m
Balance at 1 November 1989	19.4	2.1
Additions charged to the profit and loss account	4.9	3.7
Utilised during the period	(2.4)	(2.9)
Currency translation	0.5	-
Balance at 31 October 1990	<u>22.4</u>	<u>2.9</u>

18 Called up share capital and share premium account.

a The Company's share capital consists of shares of £1 each, divided into classes as follows:

	Authorised £m	Issued and fully paid 1990 £m	1989 £m
'A' shares	7.6	7.4	7.4
'B' shares	7.6	7.4	7.4
'C' shares	7.8	7.5	7.5
'D' shares	7.6	7.5	7.5
'E' shares	0.1	0.1	0.1
	<u>30.7</u>	<u>29.9</u>	<u>29.9</u>

b The share premium account of £3.0m (1989 - £3.0m) is wholly attributable to the 'E' shareholders in the event of a winding up of the Company.

19 Other reserves and profit and loss account

a Other reserves in the balance sheet comprise:	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Non-distributable reserves:				
Group companies (note b ii)	64.9	62.7	-	-
Associated companies (note b ii)	290.3	254.3	-	-
Currency translation account (note b i)	67.5	117.7	(1.4)	(1.4)
	<u>422.7</u>	<u>434.7</u>	<u>(1.4)</u>	<u>(1.4)</u>

b Movements in reserves during the year were as follows:

i Currency translation account:

At 1 November	117.7	79.9	(1.4)	(1.2)
Movement in year	(50.2)	37.8	-	(0.2)
At 31 October	<u>67.5</u>	<u>117.7</u>	<u>(1.4)</u>	<u>(1.4)</u>

ii Other reserves and profit and loss account

	Profit and loss account	Non-distributable reserves		Profit and loss account
	Group	Group companies	Associated companies	Company
At 1 November 1989	798.8	62.7	254.3	196.9
Retained profit for the year	36.9	-	-	51.1
Transfers	(38.2)	2.2	36.0	-
At 31 October 1990	<u>797.5</u>	<u>64.9</u>	<u>290.3</u>	<u>248.0</u>

c The profit and loss account and non-distributable reserves have been allocated, in accordance with the Company's Articles of Association, as follows:

	Profit and loss account	Non-distributable reserves		Profit and loss account
	Group	Group companies	Associated companies	Company
'A' shares reserves	21.4	0.5	2.2	6.7
'B' shares reserves	21.4	0.5	2.2	6.7
General reserves	754.7	63.9	285.9	234.6
	<u>797.5</u>	<u>64.9</u>	<u>290.3</u>	<u>248.0</u>

d The Group profit after taxation includes a profit of £193.7m (1989 - profit of £44.5m) attributable to the shareholders of Rank Xerox Limited which has been dealt with in the financial statements of the Company.

In the event of the distribution of the retained profit and loss account balances reflected in the consolidated financial statements, withholding and other taxes would become payable by certain overseas subsidiaries and associated companies. The sums retained have been invested locally in trading assets, and the Company has no intention of taking any action to cause the payment of such additional taxes.

20 Directors and employees

a The average number of persons employed by the Group (including Directors) during the year was:

	1990 Number	1989 Number
Manufacturing operations	2,821	3,371
Marketing operations	24,564	24,866
	<u>27,385</u>	<u>28,237</u>

The aggregate payroll costs of these persons were as follows:

	1990 £m	1989 £m
Wages and salaries	550.1	502.8
Social security costs	57.7	52.6
Other pension costs	28.0	20.8
	<u>635.8</u>	<u>576.2</u>

* Restated to comparative basis

b Remuneration of Directors and senior employees was as follows:

i Remuneration of Directors of Rank Xerox Limited

	1990 £000's	1989 £000's
Emoluments for services as executives	2,701	2,586

Emoluments of individual Directors

	1990 £	1989 £
Chairman: D. T. Kearns	29,921	31,709
Highest paid Director	523,896	529,451

Remuneration of other Directors

	1990 Number	1989 Number
Nil	4	5
£1- £5,000	1	-
£20,001- £25,000	-	1
£25,001- £30,000	3	-
£30,001- £35,000	-	3
£40,001- £45,000	-	1
£45,001- £50,000	-	1
£75,001- £80,000	-	1
£125,001- £130,000	1	1
£135,001- £140,000	1	-
£140,001- £145,000	2	-
£165,001- £170,000	1	-
£210,001- £215,000	-	1
£245,001- £250,000	-	1
£280,001- £285,000	1	-
£310,001- £315,000	-	1
£345,001- £350,000	-	1
£375,001- £380,000	-	1
£440,001- £445,000	1	-
£460,001- £465,000	1	-

ii Remuneration of employees, excluding directors, receiving more than £30,000.

	1990 Number	1989 Number
£30,001- £35,000	162	172
£35,001- £40,000	97	82
£40,001- £45,000	74	52
£45,001- £50,000	56	22
£50,001- £55,000	20	12
£55,001- £60,000	19	8
£60,001- £65,000	7	2
£65,001- £70,000	8	3
£70,001- £75,000	3	1
£75,001- £80,000	1	2
£80,001- £85,000	4	2
£85,001- £90,000	3	1
£90,001- £95,000	2	-
£95,001- £100,000	-	1
£105,001- £110,000	-	1
£115,001- £120,000	1	-
£120,001- £125,000	1	-

C Directors interests

The only interests of the Directors of Rank Xerox Limited (including family interests) in the shares or debentures of Xerox Corporation were as follows:

		Common stock par value \$1.00 holding (units)	Common stock par value \$1.00 options (units)	Class 'B' stock par value \$1.00 (units)	Series 'B' convertible preferred stock (units)
P A Allaire	a	10,239	134,940	-	10.907
	b	8,739	70,440	-	1
H C Debuisser	a	-	6,500	-	-
	b	-	4,300	-	-
B D Fournier	a	-	19,600	-	-
	b	-	13,600	-	-
L Gonzalez-Camino	a	-	7,500	-	-
	b	-	5,000	-	-
L L Haddon	a	900	14,780	-	-
	b	900	12,280	-	-
W R Hicks	a	6,250	54,120	-	10.907
	b	4,750	45,620	-	1
D T Kearns	a	30,322	113,805	9,250	10.907
	b	30,372	98,255	9,250	1
W C Lowe	a	100	37,600	-	9.907
	b	100	27,600	-	-
J R Milligan	a	3,574	14,735	-	10.907
	b	3,574	12,235	-	-
S B Ross	a	1,584	30,535	-	10.907
	b	1,584	23,537	-	1
M Smith	a	-	11,235	600	4.259
	c	-	11,235	600	4.259
D A Thompson	a	-	7,200	-	-
	b	-	5,000	-	-
S L Tierney	a	-	10,580	-	8.972
	c	-	10,580	-	8.972

- a Holding at 31 October 1990
- b Holding at 1 November 1989
- c Holding at date of appointment

D T Kearns had a holding of 34,267 (1989 - 25,400) Return On Equity units in Xerox Financial Services Inc. at 31 October 1990.

Apart from the interests set out above, no Director in office at 31 October 1990 had any interest in the shares or debentures of the Company, Xerox Corporation or other Group Companies during the year under review.

21 Leasing arrangements

a As lessee

The Group leases certain tangible assets under capital and operating leases, which expire over varying periods up to 2062. Rentals under operating leases charged against profits amounted to £63.4m (1989 - £51.4m) for the Group and £7.4m (1989 - £0.6m) for the Company. Hire of plant and machinery amounted to £6.4m (1989 - £0.6m) for the Group, and £5.7m for the Company (1989 - nil). Future minimum lease payments required under capital leases, and operating leases with more than one year to run before expiry, are summarised below:

Year ending 31 October:

	Group capital leases £m	Group operating leases £m	Company capital leases £m	Company operating leases £m
1991	7.9	51.0	3.8	9.2
1992	7.0	36.3	3.6	7.0
1993	6.0	23.8	3.5	4.6
1994	4.4	15.6	2.4	2.4
1995	2.8	12.2	2.4	1.5
Later years	16.2	88.3	14.6	11.2
Total minimum lease payments	<u>44.3</u>	<u>227.2</u>	<u>30.3</u>	<u>35.9</u>
Less:				
Interest element	19.0		15.9	
Present value of net minimum payments	<u>25.3</u>		<u>14.4</u>	

b As lessor

The Group leases equipment to customers under both operating leases and finance leases. Rentals payable under operating leases normally include maintenance, service and parts, and may also include the provision of supplies such as toner and paper. Total operating lease rentals receivable in 1990 amounted to £168.3m (1989 - £197.3m) of which £77.4m (1989 - £83.9m) represented contingent rentals for equipment usage in excess of the contractual minimum.

The net investment in finance leases at 31 October 1990 consisted of minimum lease payments due in the following years after the balance sheet date:

	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
First year	497.9	422.8	-	-
Second year	374.9	321.8	-	-
Third year	267.3	235.3	-	-
Fourth year	155.1	139.2	-	-
Fifth year	56.8	55.0	-	-
Thereafter	14.4	7.2	-	-
Total minimum lease payments receivable	1366.4	1181.3	-	-
Unguaranteed residual values	15.5	18.4	-	-
	1381.9	1199.7	-	-
Less:				
Executory costs included in rentals	-	1.6	-	-
Deferred interest income	282.8	239.4	-	-
Allowance for doubtful debts	17.2	17.9	-	-
	300.0	258.9	-	-
Net investment in sales-type leases (note 14a)	1081.9	940.8	-	-

22 Capital expenditure

No provision has been made in the financial statements for the following capital expenditure:

	Group 1990 £m	Group 1989 £m	Company 1990 £m	Company 1989 £m
Expenditure contracted for	2.4	2.9	0.2	0.3
Expenditure authorised but not committed	4.6	4.1	0.8	0.1
	<u>7.0</u>	<u>7.0</u>	<u>1.0</u>	<u>0.4</u>

23 Contingent liabilities

a The Group

There are contingent liabilities, arising from the ordinary activities of the Group, which amount to approximately £33.2m (1989 - £47.2m) in respect of bills discounted, guarantees and other liabilities.

b The Company

Loans and bank overdrafts of Group companies have been guaranteed by the Company; at 31 October 1990 £145.3m (1989 - £148.3m) was outstanding.

24 Remuneration of auditors

	1990 £000's	1989 £000's
Rank Xerox Limited	283	237
Subsidiaries	1091	1005
	<u>1374</u>	<u>1242</u>

25 Ultimate holding company

The Company's ultimate holding company is Xerox Corporation, which is incorporated in the United States of America.

R E P O R T O F T H E A U D I T O R S

TO THE MEMBERS OF RANK XEROX LIMITED

We have audited the financial statements on pages 44 to 73 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 October 1990 and of the profit and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick McLintock
Chartered Accountants
London

18 January 1991

RANK XEROX LIMITED AND SUBSIDIARIES

FIVE YEAR FINANCIAL SUMMARY

Consolidated profit and loss account	1990	1989	1988	1987	1986
	£m	£m	£m	£m	£m
Turnover	2742.2	2635.6	2363.2	2280.3	1968.7
Income from ordinary activities other than associates	225.9	221.4	225.5	160.6	95.6
Income from associated companies	110.2	117.9	108.8	78.4	57.6
Profit on ordinary activities before Xerox charges and taxation	336.1	339.3	334.3	239.0	153.2
Xerox Corporation charges	94.3	100.5	80.2	55.4	43.5
Profit on ordinary activities before taxation	241.8	238.8	254.1	183.6	109.7
Tax on profit on ordinary activities	118.7	110.4	115.2	83.6	62.1
Profit after taxation	123.1	128.4	138.9	100.0	47.6
Extraordinary profit after taxation	58.8	-	-	-	-
Profit for the financial year	181.9	128.4	138.9	100.0	47.6
Dividends paid and proposed	142.6	58.1	0.1	34.3	70.6
Outside shareholders' interests	2.4	1.0	1.0	0.7	0.5
Retained profit for the year	36.9	69.3	137.8	65.0	(23.5)
Consolidated balance sheet					
Fixed assets	645.9	772.2 *	756.8	686.9	728.0
Net current assets	1297.8	1157.8 *	870.7	759.2	647.0
	1943.7	1930.0	1627.5	1446.1	1375.0
Creditors falling due after more than one year	572.8	555.7	366.3	316.4	283.5
Provisions for liabilities and charges	108.3	100.4	94.8	94.4	86.7
	1262.6	1273.9	1166.4	1035.3	1004.8
Share capital and premium	32.9	32.9	32.9	32.9	32.9
Other reserves	422.7	434.7	358.0	322.4	319.4
Profit and loss account	797.5	798.8	768.4	673.4	646.8
	1253.1	1266.4	1159.3	1028.7	999.1
Outside shareholders' interests	9.5	7.5	7.1	6.6	5.7
	1262.6	1273.9	1166.4	1035.3	1004.8

* Equipment available for rental, previously categorised as tangible fixed assets, is now classified as equipment stocks within net current assets. No adjustment has been made for years prior to 1989.

1910

1911

1912

1913

1914

