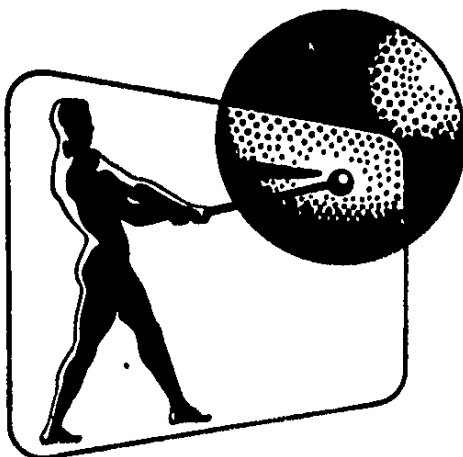


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THE RANK ORGANISATION LIMITED

Annual Report and Accounts
1976





**THE RANK ORGANISATION LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31st OCTOBER 1976**

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Key Features of the Group Accounts

1976	1975		1976	1975
£m	£m		U.S. \$m	U.S. \$m
426.3	352.7	Consolidated Profit and Loss Account	677.8	733.6
		Turnover		
32.6	16.2	Trading Profit	51.8	33.7
64.3	53.3	Share of Profits of Associated Companies	102.2	110.9
75.6	50.7	Profit before Taxation	120.2	105.5
34.8	22.2	Earned for Equity Share Capital	55.3	46.2
12.3	11.0	Equity Dividends	19.6	22.9
22.5	11.2	Retained Profit	35.7	23.3
		Consolidated Balance Sheet		
394.8	355.3	Fixed Assets	627.7	739.0
173.9	156.1	Investments and Goodwill	276.5	324.7
54.0	49.3	Net Current Assets	85.9	102.5
622.7	560.7		990.1	1,166.2
279.4	257.1	Equity Share Capital and Reserves	444.3	534.8
21.4	20.2	Preference Capital and Minority Interests	34.0	42.0
321.9	283.4	Borrowings and Deferred Liabilities	511.8	589.4
622.7	560.7		990.1	1,166.2
		Capital Expenditure		
46.5	52.6	Fixed Assets	73.9	109.4
2.7	2.1	Investments	4.3	4.4
49.2	54.7		78.2	113.8
		Profitability Ratios		
13.0%	9.2%	Equity Earnings: Equity Net Assets	13.0%	9.2%
8.2%	6.3%	Profit after Tax: Capital Employed	8.2%	6.3%
20.2 pence	13.9 pence	Earnings per Equity Share	32.1 cents	28.9 cents
7.13 pence	6.48 pence	Dividends per Equity Share	11.3316 cents	13.4762 cents

All profits, earnings and ratios are before extraordinary items
(1976 £6,302,000 profit—1975 £2,699,000 loss)

£1 = U.S. \$2.08
£1 = U.S. \$1.59

Eléments principaux des comptes du groupe

1976 FF millions	1975 FF millions		1976 FB millions	1975 FB millions
3.368	3.181	Compte de profits et pertes consolidé		
		Chiffre d'affaires	25.365	28.957
258	146	Bénéfice d'exploitation	1.940	1.330
508	481	Quote-part des bénéfices des sociétés associées	3.826	4.376
597	457	Bénéfice avant impôt	4.498	4.162
275	200	Bénéfice revenant aux actions ordinaires	2.071	1.823
97	99	Dividende ordinaire	732	903
178	101	Bénéfices mis en réserve	1.339	920
		Bilan consolidé		
3.119	3.205	Immobilisations	23.491	29.170
1.374	1.408	Participations et goodwill	10.347	12.816
426	445	Fonds de roulement	3.213	4.048
4.919	5.058		37.051	46.034
2.207	2.319	Capital-actions ordinaires et réserves	16.625	21.108
169	182	Capital-actions privilégiées et intérêts minoritaires	1.273	1.658
2.543	2.557	Emprunts à long terme et autres	19.153	23.268
4.919	5.058		37.051	46.034
		Dépenses d'investissement		
368	474	Immobilisations	2.767	4.318
21	19	Participations	160	172
389	493		2.927	4.490
		Ratios de rentabilité		
13,0%	9,2%	Rentabilité des fonds propres	13,0%	9,2%
8,2%	6,3%	Rentabilité des capitaux permanents	8,2%	6,3%
FF 1,60	FF 1,25	Bénéfice par action ordinaire	FB 12,0	FB 11,4
FF 0,56	FF 0,58	Dividende par action ordinaire	FB 4,24	FB 5,32
£1 = FF 9,02		Tous les bénéfices, revenus et ratios sont	£1 = FB 82,10	
£1 = FF 7,90		calculés sans qu'il soit tenu compte des postes	£1 = FB 59,50	
		exceptionnels (1976 FF 49.786.000		
		FB 374.969.000 profit—1975 FF 24.345.000		
		FB 221.588.000 perte)		

Voornaamste Cijfers uit de Geconsolideerde Jaarrekening

1976 FB miljoen	1975 FB miljoen		1976 × f 1mln	1975 × f 1mln
25.365	28.957	Geconsolideerde winst- en verliesrekening		
		Omzet	1.692	1.922
1.940	1.330	Bedrijfsresultaat	129	88
3.826	4.376	Aandeel in de winst van gelieerde maatschappijen	255	290
4.498	4.162	Winst voor belasting	300	276
2.071	1.823	Winst beschikbaar voor gewoon aandelenkapitaal	138	121
732	903	Uit te keren dividend op gewone aandelen	49	60
1.339	920	Ingehouden winst	89	61
		Geconsolideerde Balans		
23.491	29.170	Duurzame productiemiddelen	1.567	1.936
10.347	12.816	Deelnemingen en goodwill	690	851
3.213	4.048	Netto vlottende middelen	215	269
37.051	46.034		2.472	3.056
16.625	21.108	Gewoon aandelenkapitaal en reserves	1.109	1.401
1.273	1.658	Preferent aandelenkapitaal en minderheidsbelangen vanderden	85	110
19.153	23.268	Leningen en andere langlopende verplichtingen	1.278	1.545
37.051	46.034		2.472	3.056
		Investerings		
2.767	4.318	Duurzame productiemiddelen	184	287
160	172	Deelnemingen	11	11
2.927	4.490		195	298
		Kengetallen met betrekking tot de rentabiliteit		
13,0%	9,2%	Winst op gewoon aandelen kapitaal: Eigen vermogen	13,0%	9,2%
8,2%	6,3%	Winst na belasting: Totaal vermogen	8,2%	6,3%
FB 12,0	FB 11,4	Winst per gewoon aandeel	f0,80	f 0,76
FB 4,24	FB 5,32	Dividend per gewoon aandeel	f0,28	f 0,35
£1 = FB 82,10		Alle winsten, inkomsten en kengetallen werden berekend exclusief de buitengewone posten (1976 FB 374.969.000 f 25.019.000 winst —1975 FB 221.588.000 f 14.710.000 verlies)	£1 = f 5,45	£1 = f 3,97
£1 = FB 59,50				

Wichtigste Zahlen der Konzernbilanz

	1976	1975
	Mio.DM	Mio.DM
Konsolidierte Gewinn- und Verlustrechnung		
Umsatzerlöse	<u>1.620</u>	<u>1.873</u>
Betriebsgewinn	124	86
Anteil am Gewinn der Beteiligungsgesellschaften	244	283
Gewinn vor Steuern	287	269
Auf das Stammaktienkapital entfallender Gewinn	132	118
Dividenden auf Stammaktien	47	58
Einbehaltener Gewinn	<u>85</u>	<u>60</u>
Konsolidierte Bilanz		
Sachanlagevermögen	1.500	1.887
Beteiligungen und Goodwill	661	829
Netto-Umlaufvermögen	205	262
	<u>2.366</u>	<u>2.978</u>
Stammaktienkapital, Rücklagen und nicht ausgeschüttete Gewinne	1.062	1.366
Vorzugsaktienkapital und Anteile der Minderheitsaktionäre	81	107
Darlehen und Bankkredite sowie Rückstellungen	<u>1.223</u>	<u>1.505</u>
	<u>2.366</u>	<u>2.978</u>
Investitionen		
In Sachanlagen	177	279
In Beteiligungen	10	11
	<u>187</u>	<u>290</u>
Rentabilitätskennziffern		
Auf Stammaktienkapital entfallender Gewinn: Dem Stammaktienkapital zurechenbares Reinvermögen	13,0%	9,2%
Gewinn nach Steuern: Eingesetztes Kapital	<u>8,2%</u>	<u>6,3%</u>
Gewinn pro Stammaktie	DM 0,77	DM 0,74
Dividende pro Stammaktie	DM 0,27	DM 0,34

Sämtliche Gewinn- und Verhältniszahlen verstehen sich vor
ausserordentlichen Posten (1976 DM 23.948.000 Gewinn,
1975 DM 14.332.000 Verlust)

£1 = DM 5,31
£1 = DM 3,80

The Financial Calendar

Half-Year Interim Report
Annual Results
Annual General Meeting

Published mid July.
Preliminary Statement published mid January. Annual Report posted to shareholders in February.
Held in March.

Date of Payment of Dividends and Interest

Ordinary Shares—Interim announced mid July, paid November; Final Dividend announced mid January, paid April.
6½% Preference Shares—30th June; 31st December
8% Second Preference Shares—30th June;
31st December
4½% Convertible Loan 1993—15th February
6% Unsecured Loan Stock 1983/88—30th June;
31st December
5½% Unsecured Loan Stock 1990/95—30th June;
31st December
8% Unsecured Loan Stock 1988/93—30th June;
31st December
8½% Bonds 1986—1st November
10½% Unsecured Loan Stock 1997/2002—30th April;
31st October

L'année Financière

Rapport intérimaire de fin de
premier semestre
Résultats annuels

Publié à la mi-juillet.
Abrégé de rapport publié à la mi-janvier. Rapport annuel envoyé par la poste aux actionnaires en février.
A lieu en mars.

Assemblée générale annuelle

Date de paiement des dividendes et des intérêts

Actions ordinaires—Acompte annoncé mi-juillet, payé en novembre; Solde de dividende annoncé mi-janvier, payé en avril.
Actions de priorité de 6½%, 30 juin; 31 décembre
Actions de priorité de deuxième rang à 8%, 30 juin;
31 décembre
Emprunt convertible à 4½%, 1993—15 février
Titres d'emprunt sans garantie à 6%, 1983/88—
30 juin; 31 décembre
Titres d'emprunt sans garantie à 5½%, 1990/95—30 juin;
31 décembre
Titres d'emprunt sans garantie à 8%, 1988/93—30 juin;
31 décembre
Obligations à 8½%, 1986—1 novembre
Titres d'emprunt sans garantie à 10½%, 1997/2002—
30 avril; 31 octobre

De Financiële Kalender

Halfjaarlijks Interimverslag
Jaarresultaten

Publikatie midden juli.
Voorlopige Opgave publikatie midden januari. Verzending Jaarverslag aan aandeelhouders in februari.
Gehouden in maart.

Algemene Jaarvergadering

Betaaldatum van Dividenden en Rente

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

6½% Preferente Aandelen—30 juni; 31 december
8% Preferente Aandelen van de Tweede Orde—
30 juni; 31 december
4½% Converteerbare Lening 1993—15 februari
6% Lening Zonder Waarborg 1983/88—30 juni; 31 december
5½% Lening Zonder Waarborg 1990/95—30 juni; 31 december
8% Lening Zonder Waarborg 1988/93—30 juni; 31 december
8½% Obligaties 1986—1 november
10½% Lening Zonder Waarborg 1997/2002—30 april; 31 oktober

Wichtige Termine für das Rechnungsjahr

Halbjahresbericht
Jahresergebnisse

Veröffentlichung Mitte Juli
Veröffentlichung der vorläufigen Ergebnisse Mitte Januar. Veröffentlichung des Geschäftsberichts im Februar.
Findet im März statt.

Jahreshauptversammlung

Zahlung von Dividenden und Zinsen

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

6½% ige Vorzugsaktien—30. Juni; 31. Dezember
8% ige Vorzugsaktien 2. Klasse—30. Juni;
31. Dezember
4½% ige Euro-Wandelanleihe 1973-1993—15. Februar
6% ige nicht gesicherte Anleihe 1983/88—30. Juni;
31. Dezember
5½% ige nicht gesicherte Anleihe 1990/95—30. Juni;
31. Dezember
8% ige nicht gesicherte Anleihe 1988/93—30. Juni;
31. Dezember
8½% ige Euro-Anleihe 1971/1986—1. November
10½% ige nicht gesicherte Anleihe 1997/2002—30. April;
31. Oktober

Directors

Sir John Davis, D.Tech. *Chairman*
Harry Smith, *Deputy Chairman*
Russell W. Evans, M.C., LL.B. *Group Managing Director*
P. H. Courtney, *Finance Director*
T. E. Chilton, *Executive Director—Leisure Services and Hotels*
J. B. Smith, *Executive Director—Industrial and Consumer Products*
Sir Robert Bellinger, G.B.E., D.Sc.
R. F. H. Cowen, M.B.E.
Sir Arnold France, G.C.B.
Sir Reay Geddes, K.B.E.
C. R. P. Hamilton, C.M.G.
The Lord Helsby, G.C.B., K.B.E.
Denis M. Mountain
The Rt. Hon. The Lord O'Brien of Lothbury, G.B.E., P.C.
The Hon. Angus Ogilvy
Sir Robert Shone, C.B.E.
Sir Richard Trehane, D.Sc.

Secretary and Registered Office	B. C. Owers 11 Hill Street, London W1X 8AE
Bankers	National Westminster Bank Limited
Merchant Bankers	N. M. Rothschild & Sons Limited
Brokers	Cazenove & Co. Joseph Sebag & Co.
Auditors and Consultant Accountants	Peat, Marwick, Mitchell & Co.
Solicitors	Richards, Butler & Co.
Registrars and Transfer Office	Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PL

Notice of Meeting

Notice is hereby given that the fortieth Annual General Meeting of the Company will be held at the Royal Lancaster Hotel, Lancaster Terrace, Hyde Park, London W2, on Tuesday, 15th day of March 1977, at 12 noon for the following purposes:

- 1 To receive and adopt the Accounts for the year ended 31st October 1976 and the Reports of the Directors and Auditors.
- 2 To declare a Final Dividend on the Ordinary Shares.
- 3 To elect the following Directors:
 - (i) The Lord Halsby, The Rt. Hon. The Lord O'Brien of Lothbury, Mr. Harry Smith and Mr. P. H. Courtney who retire in accordance with the Articles of Association.
 - (ii) Sir Robert Shone who became 70 years of age on 27th May 1976.
- 4 To fix the Auditors' Fee.
- 5 As special business to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

THAT the proposed alterations to The Rank Organisation Executive Incentive Scheme to give effect to the proposals described in the Directors' Report dated 19th January 1977 be approved.

By Order of the Board
B. C. Owers
Secretary

17th February 1977

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

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

If the proposed Final Dividend on the Ordinary Shares is approved at the meeting, warrants in payment will be posted on 7th April 1977 (payable on 12th April 1977) to those shareholders on the Register at 18th February 1977.

Copies of (i) the Trust Deed dated 19th October 1970 constituting The Rank Organisation Executive Incentive Scheme and a Deed supplemental thereto dated 5th May 1975 and (ii) the draft (subject to modification) of a Deed to effect the proposed alterations to the Executive Incentive Scheme referred to in Resolution 5 above will be available for inspection at the offices of Richards, Butler & Co., 5 Clifton Street, London EC2A 4DQ during usual business hours on weekdays (except Saturdays) until the conclusion of the Annual General Meeting. Copies will also be available for inspection at the meeting.

There will be available for inspection at the Registered Office of the Company, 11 Hill Street, London W1X 8AE during the usual business hours from 17th February 1977, until 15th March 1977, statements of the terms of each service contract, not expiring or determinable by the Company without payment of compensation within one year, of any Director of the Company with the Company or any of its subsidiary companies. Such statements will also be available at the place of the Annual General Meeting at least fifteen minutes prior to and throughout the meeting.

Directors' Report

1 Accounts

The Directors present the Balance Sheet of the Company and Consolidated Balance Sheet of the Company and its subsidiaries at 31st October 1976 and Consolidated Profit and Loss Account for the year ended on that date.

The Consolidated Profit and Loss Account appears on page 38.

2 Ordinary Dividend

An Interim Dividend of 2.1875p per share was paid on the Ordinary share capital on 1st November 1976.

The Directors recommend payment of a Final Dividend of 4.939341p per share payable on 12th April 1977.

3 Principal Activities

Leisure: Film exhibition at home and overseas, Top Rank Suites, Top Rank bingo and social clubs, dancing, film production and distribution, film studios, motor-ports, restaurants, marinas, hotels and holiday centres.

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

Property: Development of property for investment.

Investment in Associated Companies

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

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

4 Analysis of Turnover and Profit

The analysis of Turnover and Profit of the various classes of business carried on by the Company and its subsidiaries for the five years ended 31st October 1976 and a geographical analysis for the year ended 31st October 1976 are set out on pages 54 and 55.

Directors' Report *continued*

5 Directors

The following were Directors of the Company throughout the year ended 31st October 1976. The age of each Director is shown in brackets after his name.

Sir Robert Bellinger (66), Mr. R. F. H. Cowen (57), Sir John Davis (70), Mr. Russell W. Evans (54), Sir Arnold France (65), Sir Reay Geddes (64), Mr. C. R. P. Hamilton (73), The Lord Helsby (68), Mr. Denis M. Mountain (47), The Rt. Hon. The Lord O'Brien of Lothbury (68), The Hon. Angus Ogilvy (48), Sir Robert Shone (70), Mr. Harry Smith (59), Sir Richard Trehane (63).

Mr. F. Keighley retired from the board on 16th March 1976.

Mr. T. E. Chilton (47) and Mr. J. B. Smith (48) were appointed Directors on 22nd January 1976 and were re-elected at the Annual General Meeting on 16th March 1976.

Mr. P. H. Courtney (44) was appointed a Director on 19th July 1976. He retires in accordance with the Articles of Association and, being eligible, offers himself for re-election.

The Lord Helsby, the Rt. Hon. The Lord O'Brien of Lothbury and Mr. Harry Smith retire by rotation in accordance with the Articles of Association and, being eligible, offer themselves for re-election. Sir John Davis and Mr. C. R. P. Hamilton also retire by rotation but do not seek re-election. Sir Robert Shone, who attained the age of 70 on 27th May 1976, retires in accordance with the provisions of the Companies Act 1948. His proposed re-election will be the subject of a resolution of which special notice has been given.

6 Directors' Interests

The beneficial interests of the Directors in shares and debentures of the Company and its subsidiaries, which are set out in the following table, include such family interests in shares and debentures as are required to be shown by the Companies Act, 1967. Their interests do not in the aggregate in respect of either share capital or voting control exceed 5% in the case of the Company or any one of its subsidiaries.

The Rank Organisation Limited

	at 31st October 1976		at 1st November 1975, or later date of appointment as a Director		
	Ordinary	6½% Preference	Ordinary	'A' Ordinary	6½% Preference
T. E. Chilton	12,540	—	3,000	9,300	—
R. F. H. Cowen	70,200	—	65,000	—	—
Sir John Davis	121,764	—	34,000	83,444	—
Russell W. Evans	8,320	—	—	8,320	—
Sir Reay Geddes	128	—	—	128	—
C. R. P. Hamilton	6,432	—	5,400	400	—

Directors' Report *continued*

6 Directors' Interests *continued*

The Rank Organisation Limited *continued*

	at 31st October 1976		at 1st November 1975, or later date of appointment as a Director		
	Ordinary	6½% Preference	Ordinary	'A' Ordinary	6½% Preference
The Lord Helsby	2,600	329	—	2,600	329
Denis M. Mountain	270	1,000	250	—	1,000
The Hon. Angus Ogilvy	2,297	—	142	2,144	—
Sir Robert Shone	2,160	1,000	2,000	—	1,000
Harry Smith	5,280	—	260	3,000	1,563
J. B. Smith	206	—	—	206	—
Sir Richard Trehane	1,080	1,000	1,000	—	1,000
A. Kershaw & Sons, Limited	Ordinary			Ordinary	
C. R. P. Hamilton	1,100			1,100	

Approximately 10.2% of the Ordinary Shares of the Company (including 250,000 Ordinary Shares converted from 'A' Ordinary Shares on 16th March 1976 and 1,284,166 Ordinary Shares issued on 18th March 1976) and 1,025 6½% Cumulative Preference Shares are owned by Rank Group Holdings Limited whose shares are ultimately owned by The Rank Foundation Limited, the Trustees of the J. Arthur Rank Group Charity and the Trustees of the 1961 Rank Group Charity.

Sir John Davis and Mr. R. F. H. Cowen are Directors and members of The Rank Foundation Limited and Trustees of both Charities, but neither of them at any relevant time throughout the financial year has had any beneficial interest in those shareholdings.

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

Eagle Star Staff Pension Fund—£35,000 8% Unsecured Loan Stock 1988/93.
Eagle Star Widows' Benefit Fund—£10,000 8% Unsecured Loan Stock 1988/93
and 10,800 Ordinary Shares.

Except as stated herein none of the Directors was interested in shares in or debentures of the Company or any of its subsidiaries at 1st November 1975 (or later date of appointment as a Director) or at 31st October 1976.

None of the Directors or their families has acquired or sold any interests in shares in or debentures of the Company or its subsidiaries since 31st October 1976.

7 Fixed Assets

The total expenditure on additions to Fixed Assets of the Company and its subsidiaries during the year ended 31st October 1976, amounted to £46,538,000.

Directors' Report *continued*

7 Fixed Assets *continued*

The principal categories of expenditure were:

	£
Factories and Plant	5,350,000
New Theatres and improvements to existing Theatres	3,387,000
Suites, Clubs and Motorports	1,908,000
Holiday Centres and Marinas	1,656,000
Hotels	636,000
Development of properties for investment—U.K.	1,785,000
—Overseas	31,816,000

Disposals of Fixed Assets by the Company and its subsidiaries during the year ended 31st October 1976 realised £35,230,000 as against a book value of £29,574,000.

8 Enfranchisement of 'A' Ordinary Shares and Capitalisation Issue

At the Extraordinary General Meeting held on 16th March 1976 all the 'A' Ordinary Shares were converted into Ordinary Shares, a 2 for 25 capitalisation issue was approved for the Ordinary Shareholders on the Register at 20th February 1976 to compensate them for the dilution of their voting rights and the authorised share capital was increased to £63,000,000 by the creation of an additional 20,000,000 Ordinary Shares.

2,424,299 Ordinary Shares were issued as a result of the capitalisation issue, bringing the total issued Ordinary share capital to £43,148,072.

9 Shareholdings Exceeding 10 per cent

Additional information is given, so far as is known, regarding persons holding or beneficially interested at 18th January 1977 in more than 10% of the Ordinary share capital of the Company.

	Ordinary Shares of 25p each
Rank Group Holdings Limited	17,586,246 (10.2%)
Guaranty Nominees Limited	35,148,072* (20.4%)

*Substantially represented by American Depository Receipts.

10 Ordinary Shares

At 31st October 1976 the issued Ordinary Shares of the Company were held by 53,552 holders (excluding holders of American Depository Receipts) as follows:

Shares held	Number of Shareholders	Shares held	Number of Shareholders
1—100	26,038	1,001—5,000	5,243
101—250	8,376	5,001—10,000	429
251—500	6,409	10,001—50,000	433
501—1,000	6,322	Over 50,000	302

The total number of Ordinary shareholdings, including American Depository Receipts, was 76,244 (1975—83,838).

Directors' Report *continued*

11 Exports and Overseas Earnings

	£
Value of goods exported by the Company and its subsidiaries in the year ended 31st October 1976	39,716,000
Profit of overseas subsidiaries, film revenues and royalties earned overseas and share of profits of overseas Associated Companies	13,916,000
Exports and overseas earnings of Associated Companies owned jointly with Xerox Corporation	204,331,000
	<u>£257,963,000</u>

12 Close Companies—Income and Corporation Taxes Act 1970

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

13 Capital Gains Tax—Finance Act 1965

For the information of shareholders and stockholders who acquired their holdings on or before 6th April 1965, the market values of the Company's shares (adjusted where appropriate for the capitalisation issues in 1973 and 1976) and loan stocks at that date were as follows:

Ordinary Shares of 25p (5s.) each	
(i) Ordinary Shares on 6th April 1965	57.0023p (11s. 4½d.)
(ii) 'A' Ordinary Shares on 6th April 1965, converted to Ordinary Shares on 16th March 1976	57.5p (11s. 6d.)
6½% Cumulative Preference Shares of £1 each	83.75p (16s. 9d.)
8% Second Cumulative Preference Shares of £1 each	110p (22s. 0d.)
6% Unsecured Loan Stock 1983/88	£90 per cent

14 Employees

The average number of persons in the employment of the Company and its subsidiaries in each of the 52 weeks to 31st October 1976 and the aggregate gross remuneration for the year was:

	Number	Aggregate Gross Remuneration £
Employees within the United Kingdom including 7,350 part-time employees	32,547	66,077,000
Employees outside the United Kingdom including 1,270 part-time employees	5,654	28,135,000
	<u>38,201</u>	<u>£95,012,000</u>

15 Charitable and Political Contributions

During the year ended 31st October 1976, the Company and its subsidiaries made contributions for charitable purposes totalling £104,000. The Company contributed £20,000 to the Conservative and Unionist Party and £1,000 to the Centre for Policy Studies Limited.

16 Executive Incentive Scheme

The Executive Incentive Scheme was constituted on 19th October 1970 and provides for the Company and certain subsidiary companies to lend money through Trustees to nominated executives to enable them to acquire shares of the Company at market values. Loans made under the Scheme are currently interest free and are repayable within 10 years. On 5th May 1975 the Rules of the Scheme were amended so as to extend the time after which participants might repay the loans (and the Trustees might in certain circumstances require repayment of the loans) from five to eight years from the date of issue of the shares.

It is not intended to issue any further shares under the Scheme, a total of 258,050 'A' Ordinary Shares having been issued at the then market prices in November 1970, May 1971 and April 1972. The shares became 516,100 Ordinary Shares as a result of the capitalisation issue in 1973 and the enfranchisement of the 'A' Ordinary Shares in 1976. 254,500 Ordinary Shares are held by 81 participants in the Scheme, principally executives and senior executives but also including some retired employees and the successors of deceased employees. The amount owing by participants to the Trustees in respect of the shares is some £907,000. 17,560 of the shares are held by Mr. T. E. Chilton and Mr. R. W. Evans who were Directors of the Company during all or part of the year ended 31st October 1976.

Additionally, the Trustees hold 261,600 Ordinary Shares transferred from former participants (such shares having, in accordance with the Rules, been transferred to the Trustees at the same price as the issue price) which originally involved a cost of £870,000.

Since the shares were issued under the Scheme in 1970-72, there has been a significant fall in market values generally. Consequently, participants face serious potential financial losses which could only be avoided by termination of their employment. This is clearly not in the interests of the participants, the Company or the shareholders.

Accordingly, it is proposed that a stop-loss provision be introduced into the Rules of the Scheme whereby a participant may, if he so wishes, withdraw from the Scheme either by opting to do so at 31st March 1977 or, except in the case of participants who retired before 5th May 1975 (when, as explained above, the first date for repayment of the loans was extended) at the eighth anniversary of the issue of the shares.

Once the right has been exercised, a participant's shares would be transferred automatically to the Trustees in full satisfaction of his loan, thus terminating all liabilities he may have towards the Trustees. The shares concerned, as in the case of the shares already held by the Trustees, would then be available for sale through the market, the net proceeds of sale being payable to the Company.

The Inland Revenue has confirmed that the introduction or exercise of such a provision would not, under current legislation, give rise to any tax liability on participants.

A Resolution will be proposed at the Annual General Meeting to approve the necessary alteration of the Rules of the Scheme. This is set out as Resolution 5 in the Notice of Meeting on page 8.

Directors' Report *continued*

17 Executive Share Option Scheme

An Executive Share Option Scheme was adopted in 1973 and, in 1974, shareholders approved the extension of the Scheme to overseas executives. At the Extraordinary General Meeting on 16th March 1976, authority was given for references to 'A' Ordinary Shares in the Scheme to be changed to references to Ordinary Shares but no shares have yet been issued under the Scheme.

18 Contracts with Directors

There were no contracts or arrangements subsisting during the year ended 31st October 1976, or at that date, in which a Director of the Company is or was materially interested and which was significant in relation to the Company's business.

19 Auditors

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

19th January 1977

By Order of the Board
B. C. Owers
Secretary

The Chairman's Statement

Sir John Davis

Dear Fellow Shareholder,

This is the thirty-ninth Annual Report of The Rank Organisation (originally known as Odeon Theatres Limited) for which I have been responsible or have written.

It is thirty-five years since I joined the Board of Directors, serving for seven years as Joint Managing Director, fourteen years as Managing Director and for the last fourteen as Chairman. During this time the Organisation has greatly expanded and its major activities have changed radically following the initial investment and development of the Rank Xerox Group from 1956 onwards.

This being the last Chairman's Statement to shareholders from me, I am particularly pleased to report that the profits from the Divisions, and the Rank Xerox Group, are an all time record, as is our share of profits of the Rank Xerox Group. I hope it will be agreed that this is a highly satisfactory result, bearing in mind the difficult conditions throughout the world and particularly in the United Kingdom.

The past year has been more one of consolidation than of growth for the Organisation, although it will be seen that in a few instances an additional investment has been made. On the other hand a number of disposals have been made of properties and businesses which were surplus to our requirements or failing to contribute to Group profits.

It is the Board's intention to continue its policy of reducing borrowings by the realisation of property when we can do so at realistic prices.

Enfranchisement of 'A' Ordinary Non-Voting Shares

In the periods of development of the Organisation the 'A' Ordinary Shares were of material assistance in providing funds without upsetting the structure of control established by Lord Rank. It was gratifying to me that before I retired as Chairman we enfranchised the 'A' Ordinary Shares which were an anachronism in the modern world and had outlived their usefulness as the Company grew in size and its range of activities expanded.

The necessary Resolutions giving effect to the enfranchisement of the 'A' Ordinary Shares were passed on 16th March 1976 involving the application of £606,074.75 of the Share Premium Account in paying up in full at par 2,424,299 unissued Ordinary Shares allocated to the existing ordinary shareholders as compensation for the dilution of their voting rights.

Following the enfranchisement the issued equity capital of the Company became 172,592,287 voting Ordinary Shares of 25p each.

Borrowings

The year 1976 has unfortunately been another in which a marked fall in the value of sterling in terms of the US dollar and other currencies has taken place. The normal United Kingdom accounting practice requires assets and liabilities which are expressed in overseas currencies to be stated in the Balance Sheet at rates of exchange ruling at the date on which that Balance Sheet is made up.

The Group has outstanding a considerable volume of borrowings repayable in foreign currency which, as a result of the fall in the value of sterling, has been responsible for an increase in our borrowings at 31st October 1976 of £52 million.

Since the close of the financial year this figure has been reduced by £17 million.

Chairman's Statement *continued*

Provision has been made for this substantial unrealised exchange loss which has been mitigated by an exchange gain arising from the corresponding increase in the sterling value of overseas assets.

In the consolidated Balance Sheet on page 40, our total borrowings are shown at £320,700,000 as against £276,418,000 last year, including £52 million to which I have just referred.

Our foreign currency borrowings including those made by overseas subsidiaries are to a substantial extent covered by foreign currency assets.

Had it not been for the fall in the value of sterling our borrowings would have shown a small reduction.

Companies Owned Jointly with Xerox Corporation

The accounting practices adopted in the accounts of the companies owned jointly with Xerox Corporation have corresponded with those followed in the United States. They differed from those generally adopted in this country and by the Rank Group Companies in that fixed assets and stocks held by overseas companies and medium and long term overseas borrowings have, where appropriate, been converted into sterling at rates of exchange ruling when the borrowings originated or the asset was acquired.

In order to comply with FASB 8 issued by the United States Financial Accounting Standards Board in October 1975, it was decided to alter the basis and include overseas currency borrowings at the rate of exchange ruling at the Balance Sheet date.

This change of basis has resulted in a provision for exchange losses totalling £46,911,000, the Rank Group share being £15,637,000. This provision has been dealt with in the Group accounts as follows:—

Prior to 31st October 1974 (Charged to reserves as prior year items)	£ 2,960,000
Year ended 31st October 1975 (Charged to reserves as prior year items—the 1975 comparative figures have been restated)	1,701,000
Year ended 31st October 1976 (Charged to Profit and Loss Account)	10,354,000
Outside shareholders' interest	622,000
	<hr/> £15,637,000 <hr/>

Despite taking account of this exchange loss the Rank Group share of profits before taxation of companies owned jointly with Xerox Corporation has increased from £49,200,000 in 1975 to £59,163,000.

A detailed review of the joint operations commences on page 27.

North Sea Oil Exploration

We participate in three Groups engaged in North Sea Oil exploration where our outstanding commitments are now minimal as a result of the Deminex "farm-out" agreement to which I refer below, concluded since the year end.

Chairman's Statement *continued*

In the first group, the operator has changed from Forest Oil, who have closed their London office, to the U.K. subsidiary of Zapata International Corporation. By drilling the two wells which I reported last year this Group has fulfilled its Licence commitments and has not engaged in any subsequent activity. Evaluation of the Group's Block 3/13 awaits further work by Total on the adjacent Alwyn Field.

The second group, for which North Sea Oil Inc. (a subsidiary of Fluor Corporation) acts as Operator, and in which we have a 25% interest, has concluded a "farm-out" agreement with Deminex A.G., a consortium of West German companies with a number of interests in the British North Sea.

Under the agreement Deminex will, free of cost to the Group, drill one well on the Group's Block 16/13 in exchange for a 25% interest in the Licence. Deminex has the option to drill a second well, at its own expense, in exchange for a further 25% interest. Drilling of the first well is planned to commence shortly.

If both wells are drilled, our interest will thus be reduced from 25% to 12½%.

In the third group, in which we have a small indirect interest and for which Total acts as Operator, the evaluation of the well on Block 16/22 which I reported last year, shows that oil was found but not in commercial quantities. The possibility of drilling a second well on this Block is being considered.

During 1976 this Group drilled a joint well with Conoco on Block 3/2 to evaluate the potential of a structure which extends into the Group's Block 3/1. The results are being evaluated.

We decided that, while some of our 1972 Licence commitments remain unfulfilled, we would not participate in the Fifth Round of North Sea Licence applications in 1976.

Acquisitions, Disposals and Closures

Certain relatively small, but not unimportant, acquisitions have been made during the year.

Irish Cinemas, Limited owns property and cinema investments in Eire and had a minority interest of 16% held outside. It was suggested to me at the last Annual General Meeting of that company that the minority shareholders should be bought out. As a result offers were made in July of 120p per Ordinary Share and 60p per Preference Share, which offers were accepted by the requisite number of shareholders to enable the company to become a wholly owned subsidiary.

H. A. O'Connor and Company (Pte.) Limited, a company in which we have held a 38% interest for many years, operates in Singapore, Malaysia and other south east Asian markets. It became clear that we would either have to increase our interest or dispose of it owing to the actions of other interested parties. We decided to make an offer for the issued share capital just before the end of the financial year which has subsequently become unconditional.

We believe this increased interest will be of material assistance in extending our activities and in creating markets for our products in the territories covered by the operation.

Ryder Manufacturing Company Limited—80% of the issued share capital has been acquired at a cost of £720,000. The company specialises in the manufacture of high quality golf clubs.

Jackson-Withers Circuit—The purchase of the Jackson-Withers Circuit was completed on 1st November last adding 14 bingo clubs to our operation at a cost of £1,600,000. It is anticipated that significant profits will result.

Sales of **Investment Properties** have been made totalling £32,500,000. Since the year end the Alexandra National Hotel has been sold to the local authority for £675,000 to be used as a hostel. Factories at Bradford and Downham Market, and Laboratory premises at Acton and Bristol, have been sold realising £1,060,000.

We have also terminated the manufacture of hi-fi electronics at Bradford. The Rankolor Film Processing operation in the United Kingdom was closed as it was unprofitable. Prior to the year end it was decided to close the Belgian and Swedish subsidiaries of Rank Audio Visual (formerly subsidiaries of RRI) which had been engaged in the marketing of electronic consumer products. Full provision for the losses arising on these closures has been made in the accounts.

Rank Credit Facilities is to be run down. No further business will be written as it is felt that its services are no longer needed to assist the marketing policies of Rank Radio International.

During the financial year, a house owned by the Company was sold to a Director of Rank Marine International Limited for £23,000. Since the year end, we acquired from a Director of a subsidiary a 20% interest in Cosham Super Cinemas Limited for £3,750. This increases our interest in that company to 80%.

The auditors have confirmed in both cases that the consideration is fair and reasonable.

Ad Hoc Committee of Directors

I referred a year ago to the formation of a committee of Directors under the chairmanship of Mr. Harry Smith for the purpose of reviewing the management structure of the Company and all aspects of the relationship between executive functions and the Board.

This committee has more than conscientiously carried out its terms of reference.

In the Interim Statement I referred to their recommendation, which has been adopted, of retaining the present decentralised operating structure but augmenting it by the creation of three new Executive Directors: Mr. T. E. Chilton to be in charge of the Leisure Services and Hotel companies, Mr. J. B. Smith of the Industrial and Consumer Product companies and Mr. P. H. Courtney as Finance Director.

These appointments were well received by the executive in July last. I am happy to say that the Organisation, as envisaged, is settling down and working well.

Other aspects of the committee's work, which is continuing, are directed towards strengthening the management and control of the Company for the future and the relationship between management and the Board.

On behalf of my colleagues and myself I would like to thank Mr. Harry Smith and his committee, Mr. Russell Evans, Sir Reay Geddes, K.B.E., Mr. C. R. P. Hamilton, C.M.G., and The Lord Helsby, G.C.B., K.B.E., for the time and effort they have given to further the interests of the Company.

Directors

Consideration has been given to the setting of a retirement age for Directors and it has been decided that Directors who are re-elected to the Board after attaining the age of 70,

Chairman's Statement *continued*

will retire at the conclusion of the Annual General Meeting immediately following their seventy-third birthday.

Mr. C. R. P. Hamilton is not seeking re-election, having reached the age of seventy-three. On behalf of my colleagues and myself, I would like to thank him for the very material contribution he has made to our activities over the past fourteen years and wish him well in the future.

Sir Robert Shone—In the Notice calling the meeting his name is put forward for re-election, having reached the age of seventy.

Dividends

Preference—A year ago I reported that your Board had decided to continue the payment on the normal basis, despite the judgment in the Sime Darby case, as the Government had indicated that it would introduce retrospective legislation in the 1976 Finance Bill to restore the status quo. Your Board was fully justified in its decision as the Finance Act of 1976 restored the status quo.

Ordinary—An interim dividend of 2·1875p per share was paid on 1st November 1976. A final dividend is proposed of 4·939341p per share payable on 12th April 1977 which will bring the total dividend for the year to 31st October 1976 up to the maximum amount now permitted under the current Treasury controls.

Annual Accounts

With an organisation as complex as ours and covering a varied field of activities, coupled with statutory requirements, it is inevitable that the Annual Report is of some size and cost.

As far as possible, we have curtailed the size, using a lighter weight paper to reduce the cost of the report and the postage involved.

Inflation Accounting—Shareholders will recall that we gave a supplementary statement on the lines of SSAP 7 with both the 1973 and 1974 statements, being among the first listed companies to acknowledge the usefulness to shareholders and others of the voluntary disclosure of this additional information.

We promised last year to consider the situation again, but since Exposure Draft 18 was published on 30th November 1976 and since a period of six months is specified for receiving comments or criticisms, we have concluded that the provision of hybrid information before firm decisions have been taken as to the form of a future Standard would not serve any useful purpose and could indeed be misleading. We therefore propose to wait for firmer directions before taking further action.

The audited **Financial Accounts** are set out on pages 38 to 53 and other financial information is given on pages 54 to 60.

It is encouraging that the turnover of the Organisation's own activities (excluding the companies owned jointly with Xerox Corporation) has increased from £352,663,000 to £426,317,000 with an increase in the trading profit of £16,449,000.

Our share of profits of companies owned jointly with Xerox Corporation is £59,163,000. After deduction of outside shareholders' interests, preference dividends, etc., the net profit before extraordinary items is £34,824,000 as compared with £22,154,000 last year resulting in an increase of the earnings per share from 13·9p to 20·2p.

Chairman's Statement *continued*

Personnel

I would like to congratulate Dr. David Whitehouse, Chief Research Engineer with Rank Taylor Hobson, on his being elected President of the Technical Committee on Surface Metrology of the International Institution for Production Engineering Research (CIRP).

This will be my last opportunity to thank those who are working in this Organisation together with those who have done so and are now in retirement, for their loyal support of management at all levels, and in turn to thank the management for the support which they have given to myself and the Board.

During my years of office the emphasis has changed in a number of directions from the early days of essentially film activities. All concerned in these changes have responded wholeheartedly and enthusiastically. It is my particular pleasure to thank everyone for what they have contributed to our overall success.

I will now deal with the highlights of our operation.

Leisure Services and Hotels

Mr. T. E. Chilton is Chairman of this Group of companies supported by four subsidiary company Managing Directors and a General Manager.

Film Activities—The problems of the Film Industry have not diminished during the year. We cannot ignore the fact that worldwide attendances at the cinema continue to decline, partially through the lack of product of Box Office appeal and partially through the competition of many other ways of occupying leisure time, not the least of which is television viewing, and in particular colour.

Whilst Sir Harold Wilson, K.G., O.B.E., F.R.S., M.P., was Prime Minister he set up a committee to examine the problems of the British Film Industry and to make recommendations for their possible solution. These recommendations are being considered and it is to be hoped that at least some of them will be put into effect in the not too distant future.

Cinema Theatres—Attendances declined by 12.2% as compared with the previous year, largely due to the factors to which I have already referred and, in 1976, to the abnormally hot summer.

We have continued, in an effort to mitigate the effect of competition, the policy of twinning/tripling, resulting in greater booking flexibility. We continue to face rising costs in this Service Industry. An unknown factor is the manner in which the population will cut back its discretionary spending to counteract the fall in the net value of their income. It is an undisputed fact that cinema entertainment is the best value for money particularly as in the coming year a number of important films will be available from which we should benefit.

We have now 273 screens operating on 147 sites.

Canada—The problems in Canada were not dissimilar to many other territories—a dearth of good product following a year in which we had benefited from two outstanding films "Jaws" and "Earthquake". In the result there was a fall in attendances of 17% and in Box Office receipts of 12%, the effect of which is camouflaged in our figures by the conversion of the Dollar results into sterling against the devalued Pound.

Holland had a disappointing year, particularly after the good results in 1975 as, apart from poor summer trading, there was no Dutch product available which, in 1975, made an important contribution to both exhibition and distribution profits.

Portugal—In view of the difficult conditions under which they have been operating the results must be considered encouraging.

Southern Ireland—Following the material rationalisation programme in 1975 the year has been one of consolidation and further overhead adjustment resulting in a profit before interest of £55,000 as compared with a loss of £120,000 in 1975. We operate six screens on three sites.

Film Studios—Bearing in mind the problems of film production it is not surprising that the Studios have been faced with a year of considerable fluctuation. In the first half of the year there was little activity, resulting in a loss whilst the second half was a busy period resulting in a profit for the year.

The current year has, however, started much better than a year ago.

Seven feature films and two television series were produced during the financial year in the Studios.

Film Production and Distribution are inter-related activities. We participated in "Carry on England", "Tarka the Otter", "The Uncanny", "Ragtime Summer" and "To see such Fun", and gave distribution guarantees for "The Human Factor", "The Devil's Rain" and "The Little Girl Who Lives Down the Lane".

In the Autumn we agreed to step up our production programme if suitable opportunities arose. The results from this increase in production will not be reflected in the current year's results.

Screen Advertising has had an uneven and disappointing year although in the second half sales improved, particularly to national advertisers, and there are some indications that the improvement will continue in the current year.

Top Rank Clubs had a successful year with attendances less than 1% down on 1975. The improvement in the first half was eroded in the second half due to the exceptionally hot summer. Increasing operating costs and overheads have been partially offset by the introduction of new or modified ancillary games.

New clubs were opened at Gloucester, Ashford and Cosham whilst closures were effected at Barnsley, Bournemouth and Southend.

The acquisition of the Jackson-Withers circuit of some fourteen clubs should make an important contribution to profit, so that we face the current year with a degree of optimism.

Entertainment and Catering—The results show an improvement. At the year end 27 sites were in operation, having closed Manchester Hard Rock and opened discotheques at Derby, Redhill and Scarborough.

The Southampton Ice Rink re-opened in September following a major redevelopment resulting in a higher level of attendances.

Chairman's Statement *continued*

Motorports—This business must still be regarded as static as there has been no growth in the traffic on motorways whilst one of our motorports, at Knutsford, has been seriously affected by the opening of the new in-fill motorport at Sandbach.

Through improved marketing efforts in the retail shops we were able to offset ever increasing costs so as to hold the profit level, but this cannot be considered satisfactory bearing in mind the uncertainties to be faced in the current year such as the petrol increases and the cost of food.

Rank Marine International—The operation has been improved. The Boat Yard with its excellent facilities has obtained building contracts for which it is fully equipped.

A new chandlery and members' club have been opened at Port Hamble.

All of which should help to improve profits.

Hotels—The year started poorly but in the second half there was a substantial upsurge in business, particularly in London.

The high occupancy and more realistic room rates are now producing a substantial improvement in revenue from this major investment.

The company today controls some sixteen hotels with capital employed of £34 million, involving 3,600 rooms which are modern and relatively economical to operate.

Five new hotels were opened in 1973/74 and over 70% of the company's investment is now represented by the five London hotels, the Athenaeum, The Gloucester, the Royal Garden, the Royal Lancaster and The White House with 2,200 bedrooms representing capital employed of £25 million.

Our problems in Brussels continue but we are doing our utmost to minimise their effect.

The Romazzino, Medano and Valle d'Aosta hotels have suffered from the economic situations in the countries in which they operate, together with high inflation and wage escalation, but occupancies have significantly increased, leading to reduced losses.

A steady improvement has been shown as the year progressed which should be continued in the current year.

Industrial and Consumer Products

Mr. J. B. Smith is Chairman of this Group of companies supported by four subsidiary company Managing Directors and seven General Managers.

Rank Audio Visual—The results appear disappointing as compared with those of a year ago. The reduced profit was largely caused by the losses incurred in the hi-fi and audio businesses taken over from Rank Radio International a year ago.

The most serious problems were in electronic hi-fi manufacture and the Belgian and Swedish sales companies which have now been closed.

In the United Kingdom the amateur film processing laboratories have been closed.

The benefits to be derived from these drastic actions should show in the current year. 60% of the Division's sales are effected overseas where the company's current products are competitive in the market place.

At home, sales of consumer products suffered from the economic situation and, in the case of imported products, from the fall in the value of sterling. On the other hand, the Leak and Wharfedale loudspeaker factories turned in modest profits as against substantial losses in the previous year resulting in total profits being only slightly down on the previous year.

Chairman's Statement *continued*

Film Equipment and Strand continue to show satisfactory growth. It was particularly encouraging that amongst the many large overseas orders was a contract to supply the Iranian Television Service with four outside broadcasting vehicles fully equipped with lighting and electronic memory controls.

The acquisition of the balance of the share capital of H. A. O'Connor and Company (Pte.) Limited of Singapore, not owned by the Group, and the 80% interest in the Ryder Manufacturing Co. Limited, to which I have previously referred, should contribute to profits in the current year.

Rank Film Laboratories show a material increase in trading profit, benefiting from the cessation of Italian losses.

Both Denham and Acton Laboratories processed a record footage of film.

Overseas sales show an increase with some 20% of the turnover being earned in over sixty countries. Severe price competition is increasing which may make it difficult to maintain profits at their present level.

Rank Precision Industries—It has been suggested from time to time that we should dispose of this important activity. It is encouraging to me, in this my last report, to be able to report record profits.

This satisfactory position has been achieved by intensive rationalisation of product lines and production facilities, the benefits of which are now apparent.

Rank Cintel's new Mark III Telecine has been well received with orders secured on a worldwide basis.

Taylor Hobson had another year of steady growth with some 70% of the sales effected overseas.

Problems still exist in Rank Optics at Leicester where production has not reached a profitable level, whilst at Leeds there has been a steadily improving trend.

The order book outstanding at the year end was slightly lower than a year ago, ensuring that in the current year production should be at profitable levels and, with the addition of further orders, another successful year should result.

Rank Radio International remains the greatest problem within the Group. Whilst material efforts have been made to reduce losses, rationalise production and improve margins, the result has not been as beneficial in the short term as had been hoped.

However, with the creation of an almost completely new senior management team, which is making a substantial impact, the introduction of new TV and audio products in the current year and with approximately one third of sales overseas, further reduction in losses should result. But, under current conditions, it will take time before the Division is again profitable.

Butlin's

Mr. R. F. Butlin is the Managing Director. The trading results show a marginal improvement over 1975. Higher occupancy levels were achieved in the earlier weeks of the season which offset a small decline in the latter part.

Advance bookings for next season are better and the Christmas programme was heavily booked.

Butlin's is the market leader, catering for larger numbers of holiday-makers in the United Kingdom than any of its competitors and serving a market which has proved consistently stable over the years, despite changes in economic conditions.

This stability has been assisted by our continuously improving the facilities provided. There is an on-going programme for the conversion of accommodation to suit customers who prefer self catering holidays whilst operational changes are being made to contain the inevitable increases in operating costs.

These steps should ensure that the company is well placed to take advantage of the expected growth in the holiday market as it occurs with, we hope, an improvement in general economic conditions.

Investment Properties

This important part of our activities needs careful handling in these uncertain times.

These properties are inherently held long term. As I told you at the last Annual General Meeting, an internal valuation of these properties in 1975 showed a surplus over book values. Since then a substantial part of that surplus has been realised and is included in the Profit and Loss Account under extraordinary items. At 31st October 1976 an internal valuation showed a modest diminution in estimated value compared with book value but the Directors are satisfied that there is no need to make provision for this amount since the properties are held for long term investment.

Some three years ago we decided not to place further building contracts until economic conditions improved. The then building programme in this country and overseas is now complete except for the last phase of the development of Sheppard Place, Toronto, which will not be completed until late 1977.

Slightly less than 50% of the portfolio is held in this country and the remainder spread through France and Belgium with a material proportion in Canada. In total the properties consist of:—

- 3,766,000 sq. ft office space
- 2,648,000 sq. ft retail and showroom accommodation
- 1,298,000 sq. ft residential
- 173,000 sq. ft industrial
- 815,000 sq. ft hotels and leisure

with a potential rent roll, after expenses but before interest, of £16,129,000.

Rank Industries Australia and Rank-NEC

These companies have made material progress in a generally depressed economy.

Colour television receivers manufactured by Rank-NEC (the joint venture with Nippon Electric Company of Japan) have been well received and have achieved the number one brand position in a highly competitive market.

The association with NEC has been further strengthened by the successful introduction of a worthwhile range of audio products and video cassette recorders, manu-

Chairman's Statement *continued*

factured by NEC and marketed by Rank Industries Australia under the Rank Arena brand name.

It was a great encouragement to our personnel that the Nippon Electric Company awarded Rank-NEC the Presidential Testimony for the best performance of any company within the NEC family during the year 1975. This award is regarded as a great honour. It is significant that the relationship between RIA and NEC is so close that Rank-NEC is regarded as a member of the NEC family.

To develop further the range of electrical products under the now well accepted and respected Rank Arena name a joint venture has been established between Rank-NEC and James N. Kirby Limited, an old established Australian manufacturer of refrigeration products.

In addition to our interest in these manufacturing activities, Rank Industries Australia will market the range of refrigerators and freezers manufactured by the new company Rank-NEC Appliances Pty. Limited and the gas and electric cooking ranges presently manufactured by Kirby.

RIA has benefited from increased sales in the fast growing hi-fi market and has established a solid national base for further development.

Rank Strand memory systems have been installed in studios of the Australian Broadcasting Commission, Independent Television and commercial theatres and have been well received.

The range of technical services for lighting and audio engineering have been used extensively by Government and commercial organisations.

The well-established telecine products of Rank Cintel were augmented by the availability of the Mark III Telecine which has been most enthusiastically received by the telecasters.

Other activities, including photographic equipment, broadcasting, electronic and scientific instruments have made substantial contributions to the overall improved performance.

Great credit is due to the Managing Director, Mr. K. S. Russett, who has enthusiastically led his team in achieving the highly satisfactory results of the past year. We are most appreciative of his efforts.

I am sure that he, in turn, would be the first to express appreciation for the support and advice which he has received from his fellow Directors, Sir John Austin, Mr. R. L. Montgomery and Mr. R. J. Nettleton. We would like to thank them most warmly for the great help which they have given to our Australian operation.

Associated Companies

Rank Xerox—Our investment in Rank Xerox Limited and other companies owned jointly with Xerox Corporation continues to be our most important asset.

It appears in our consolidated Balance Sheet at £101,229,000 which obviously does not reflect its real worth, particularly as our share of net taxed profit last year was £30,165,000.

Chairman's Statement *continued*

Rank Xerox *continued*

A summary of the combined financial statements of Rank Xerox Limited and its subsidiaries and Rank Xerox Holding B.V. and its subsidiaries (after eliminating inter-company transactions) is given below.

Profit and Loss Account	Year ended 31st October	
	1976	1975
	£000s	£000s
Turnover	753,558	612,417
Trading Profit before charging Depreciation	284,728	241,321
Depreciation	83,566	72,940
	201,162	168,381
Interest Receivable	5,209	2,463
	206,371	170,844
Interest Payable	31,883	30,731
	174,488	140,113
Share of Profit before Taxation of Associated Company (Fuji Xerox)	1,325	4,895
	175,813	145,008
Profit before Taxation	86,193	71,385
Taxation		
	89,620	73,623
Profit after Taxation	—	4,996
Extraordinary Item		
	89,620	68,627
Profit attributable to Minority Interests	1,116	767
	88,504	67,860
Dividends	46,653	44,596
	£41,851	£23,264
Increase in Retained Profits		
Balance Sheet	1976	1975
	£000s	£000s
Capital Employed:		
Share Capital	27,181	27,180
Share Premium Account	3,069	2,975
Retained Profits	256,472	214,621
	286,722	244,776
Total Shareholders' Equity	6,047	4,554
Minority Interests	213,373	216,866
Loan Capital and Borrowed Money repayable after one year	77,169	73,656
Deferred Taxation		
	£583,311	£539,852
Represented by:		
Fixed Assets	414,377	410,139
Associated Company (Fuji Xerox)	17,612	25,092
Loans for the Purchase of 'E' Shares	3,212	3,144
Net Current Assets	60,733	34,619
Deferred Expenditure:		
Taxation on Unrealised Intra-Group Profits	77,038	56,813
Development Expenditure	10,339	10,045
	£583,311	£539,852

Chairman's Statement *continued*

Rank Xerox *continued*

Fifty per cent of the aggregate profits earned by the companies owned jointly with Xerox Corporation is distributable and the dividends paid or to be paid appearing in the accounts to 31st October 1976 are in line with this policy.

Mr. David T. Kearns and Mr. J. Maldwyn Thomas, respectively the Chairmen of Rank Xerox Holding B.V. and Rank Xerox Limited, have fully covered the trading operations and results of the companies owned by Xerox Corporation and The Rank Organisation in the statement which I now reproduce. Additional comment on my part is unnecessary.

Quote:

To provide a more comprehensive review of the year's trading and to meet the new, internationally accepted guidelines on the disclosure of information, a reporting format has been evolved which presents the combined results of all the companies jointly owned by Xerox Corporation and The Rank Organisation Limited. We trust that this development, which complements the statutory reports and accounts, will be helpful to everyone with an interest in Rank Xerox' performance, particularly our employees around the world and the financial community.

Turnover for the year ending 31st October 1976 from the combined interests of Rank Xerox Limited and Rank Xerox Holding B.V. was £754 million, a growth of 23% over the 1975 figure of £612 million. Pretax profits rose by 21% to £176 million from the previous year's figure of £145 million.

In the light of the unsettled conditions that prevailed throughout the year, these results are most encouraging. They not only reflect Rank Xerox' inherent strength in product quality, marketing and customer service but the new measures introduced to combat the combined effects of an adverse economic climate and intensified competition.

Our adoption of the currency translation procedures now required of American companies under the US Statement of Financial Accounting Standards, Number 8, has entailed, among other things, a change in the way in which medium and long term borrowings are expressed. Under the new principles these borrowings are expressed at the rates prevailing at the financial year end date whereas under former principles they have been expressed at the rates ruling on the days the liabilities were incurred. For purposes of comparison the 1975 figures have been restated.

For the year under review the effect of this change has been to reduce the combined after tax profit by £29.6 million (1975—£3.9 million) and to reduce retained profits from prior years by £12.9 million (1975—£9 million). These changes to profit are not allowable for tax purposes. In addition, the after tax profit of the associated company, Fuji Xerox Company Limited, has been reduced by £2.7 million (1975—£1.4 million) and the retained profits from prior years by £1.7 million (1975—£0.3 million).

Apart from this change, the movement of sterling against other currencies has benefited earnings. If all exchange rates effects are excluded, growth of profits before taxation would approximate to 21%.

The Market—The market has been characterised by slow economic recovery and increasing competition. However, our installed machine population continued to increase at a satisfactory rate and there was a significant rise in the average number of copies produced on both installed and newly placed equipment.

Chairman's Statement *continued*

Quote continued

as a major centre for refurbishing all types of machines and at Coslada in Spain, the factory capacity for the production of toner and brushes is being extended.

Management—During the year, the following appointments were made to the Boards of Rank Xerox Holding B.V. and Rank Xerox Limited: Mr. David Kearns, Xerox Executive Vice President, responsible for Rank Xerox Operations, was appointed to the Supervisory Board of Rank Xerox Holding B.V. as was Mr. Harry Smith, Deputy Chairman of The Rank Organisation.

In Rank Xerox Limited, Mr. Michel Cledes was appointed Director with responsibility for one of the European regions.

Mr. David Thompson was appointed Director with responsibility for operations primarily outside Europe.

Mr. Tomislav Maksimovic was appointed Director, Operational Support, with responsibility for marketing, technical support, supplies and special business interests.

Mr. Henri Debuissier, responsible for Personnel and Organisation, was appointed Director and Dr. Michael Smith was appointed Director, Engineering, following the resignation of Dr. D. T. N. Williamson, FRS.

Mr. John Buckingham-Burr retired from the Board during the year after a distinguished career with the Company spanning some thirteen years.

Manpower and Cost Control—During the year a study was conducted to establish priorities throughout the organisation and to ensure that our people and our physical resources were deployed as effectively as possible.

This exercise proved to be extremely worthwhile, enabling us to make significant improvements in our operational efficiency and effect a cost saving of several million pounds.

Great emphasis has been placed on the continuous improvement of efficiency at all levels, and on the need to remain watchful of costs. A range of disciplines has been introduced to improve asset management and determined efforts are being made to keep overheads to a minimum commensurate with the need to reinforce or expand those interests which are vital for the profitable growth of the business.

Government Inquiries—Shortly after the end of the accounting year, the British Monopolies and Mergers Commission report was published on the supply of indirect electrostatic reprographic equipment in the U.K. and we were pleased at the Commission's finding that Rank Xerox' position as the main supplier of plain paper copiers does not of itself operate against the public interest. However, we have always maintained that the reference by the Government to the Commission was too restrictive since it was confined to the supply of indirect electrostatic reprographic equipment rather than to the reprographic market as a whole. Arising from the Commission's recommendations, the Government has indicated matters for discussion between Rank Xerox and the Office of Fair Trading.

Social Policy—As well as maintaining the facility for individual employees to undertake social projects of their choice for up to six months, we have continued the policy of supporting a wide range of social, medical, educational and cultural causes in all the countries in which we have established interests.

In Denmark, for example, we supported a campaign to fight the drug problem among young people. In Italy, we gave a sum to the Friuli Earthquake Fund. The Kenya

Chairman's Statement *continued*

Our share of pre-tax profits for the financial year ended 31st March 1976, at \$NZ1,361,119, compares with that of the previous year at \$NZ1,602,000.

Malaya and Singapore—We hold a 24% interest in Cathay Organisation (Malaya) Sdn Berhad, Cathay Organisation Private Limited and Cathay Films Distribution Company Limited, which have film interests in Malaya and Singapore and exhibition interests in Northern Borneo.

Our share of pre-tax profits for the financial year ended 31st December 1975 amounted to \$S2,577,000 compared with \$S3,295,000 for the previous year.

My Position

I joined Odeon Theatres, now The Rank Organisation Limited, on 1st January 1938 as Chief Accountant, becoming Secretary and Financial Controller in the following June. On 19th December 1941 I was elected to the Board and became a Joint Managing Director.

In 1948 I was appointed Managing Director when the net profit was £596,000.

In 1962 I became Chairman continuing to work closely with the President, the late Lord Rank. It was a great privilege to be happily associated with him for over thirty years. By then the profit had risen to £1.9 million.

During this period, in addition to reducing our commitments in a contracting film activity we had increased our interests in other directions—not unprofitably.

Some twenty years ago it was my privilege to meet the late Mr. Joseph Wilson, who died in 1971, and his colleague Mr. Sol Linowitz. This meeting led to the formation of a joint venture—Rank Xerox Limited—with Xerox Corporation. This company was developed as a division of The Rank Organisation until 1969. By then its profits had risen to £24.7 million after tax, of which Rank's share was £8.7 million.

In 1969 after discussion with Mr. Joseph Wilson, Mr. Peter McColough the President, and his colleagues, we revised our arrangement with Xerox so that Rank Xerox ceased to be a subsidiary of The Rank Organisation, whilst our profit participation remained unaltered.

This was a difficult decision but clearly the right one. I am glad to say that my association and that of my colleagues with Mr. McColough has been of the happiest.

I believe that the overall record of the development of the Organisation is something of which all personnel, directors and shareholders should be proud. The Organisation has shown consistent growth, it is mindful of its social responsibilities and it has made a material contribution to the national economy through the development of exports. Last year our overseas earnings and those of the Rank Xerox Group were £258 million.

So, in summary, our earnings per share (adjusted for scrip issues) have risen from 2.6p in 1962 to 20.2p in 1976 with net taxed profits rising over the same period from £1.9 million to £35.4 million.

To me it has been my life and a satisfying one.

I retire at the close of the Annual General Meeting as Chairman of the Board. My colleagues have intimated to me that my re-election as a Director at that meeting (I attained seventy years of age last November) would receive their unanimous support.

Chairman's Statement *continued*

Nevertheless, I have decided that the appropriate course for me to take is to retire from my office as a Director simultaneously with my retirement from the Chair. For this reason I shall not be seeking re-election at the Annual General Meeting.

It is, however, the desire of my colleagues that on retirement I accept the office of President of the Company and I am honoured to do so, particularly since I shall be following in the footsteps of Lord Rank who was the first President until his death.

This position carries no executive responsibility but enables me to continue my association with The Rank Organisation and assist the new management in any way they may wish.

The Future

Unfortunately the past year has, as we all know, been one in which the country has passed from crisis to crisis. Such an atmosphere is of no assistance to Industry and can be particularly harmful to Service Industries which include many of our activities.

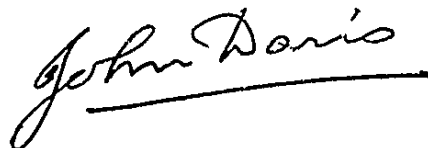
We have, in the past, kept before us the need to increase the yield on capital employed, which policy I know will be continued.

Obviously the Company is not without its problems but they are under control and solutions being actively sought.

I hand over the direction of this Company with confidence to Mr. Harry Smith, who takes over the Chair at the close of the Annual General Meeting on Tuesday, 15th March and will be ably assisted by Mr. Russell Evans, Managing Director, who has already made a material impact on the operation.

This Organisation now enters the third stage of its development. My successors take office at a time of widespread economic difficulties which will undoubtedly present problems in the short term. They are, however, in good heart and I believe under their guidance the continued success and growth and reputation of the Company in the long term is assured.

Yours sincerely,

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

Chairman.



At the conclusion of the 1977 Annual General Meeting, Sir John Davis retires from the position of Chairman which he has held since 1962. During his long and distinguished career with the Company, which started in 1938, he has dedicated his outstanding ability and energy to the creation and progressive development of The Rank Organisation. The Board wish to place on record their wholehearted thanks and appreciation for all that he has achieved during this time.

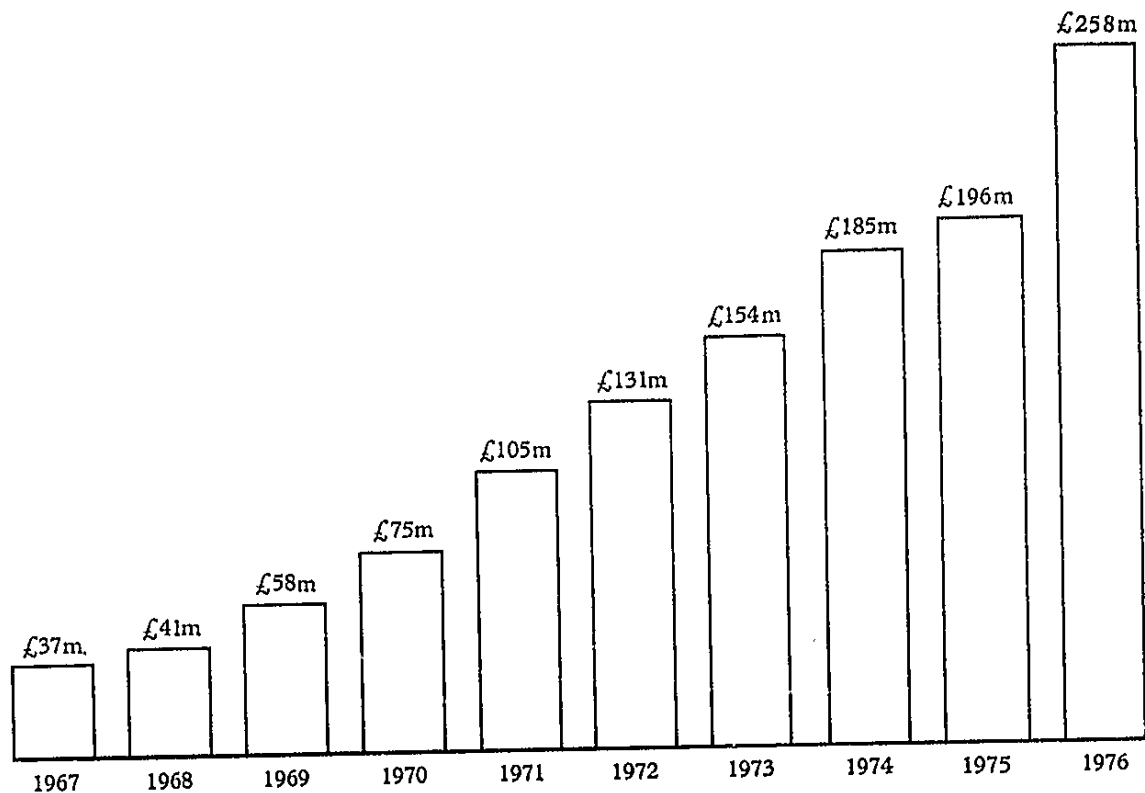
The establishment with Xerox Corporation of Rank Xerox in 1956 was an achievement of major significance not only for The Rank Organisation but for the economy of the whole country. The remarkable progress of that company, particularly in its early years as a subsidiary, owes much to his personal inspiration, leadership and drive.

The Board are delighted that Sir John has accepted their invitation to become President of the Company and that, in this capacity, his great knowledge and experience will continue to be available to the Board.

Harry Smith
Deputy Chairman

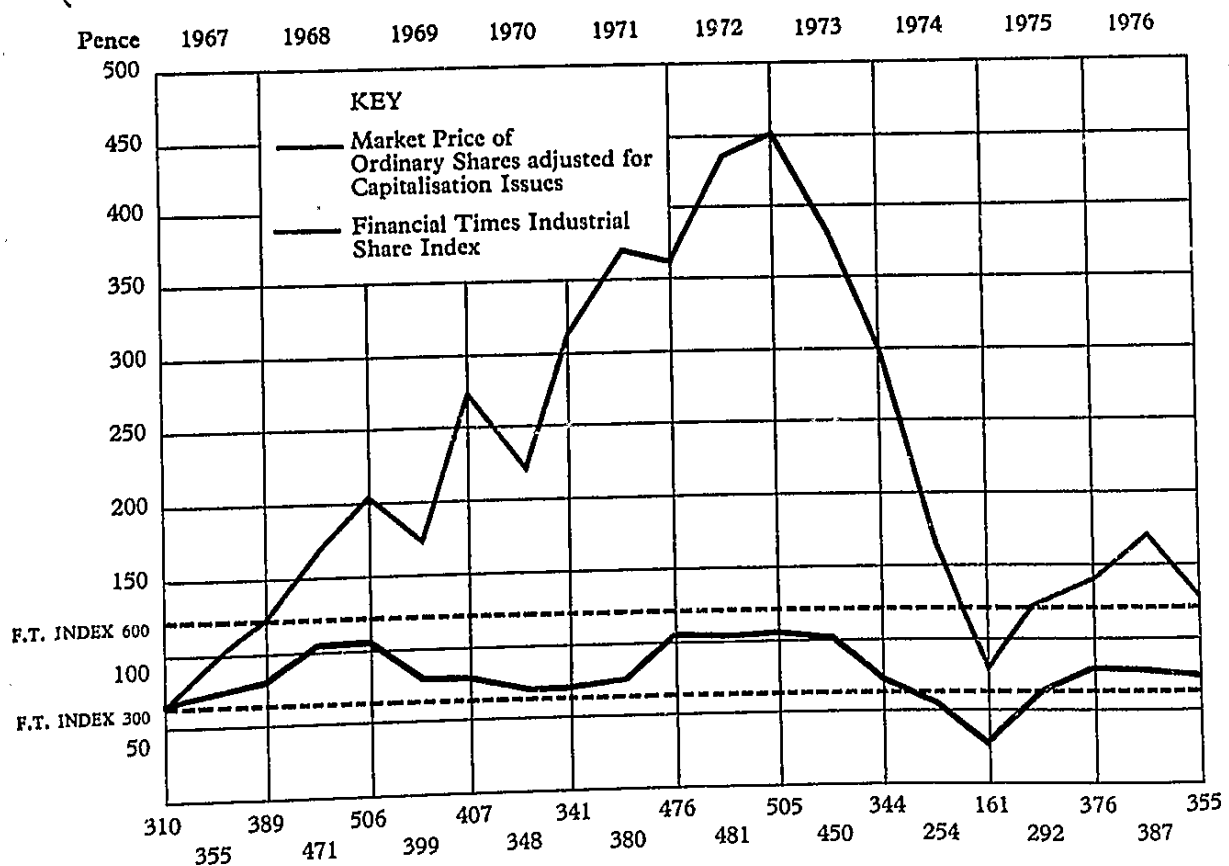
The Rank Organisation and Associated Companies including Companies owned jointly with Xerox Corporation

Exports and Overseas Earnings 1967/76



Movement in Prices of Ordinary Shares and Financial Times Index 1967/76

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



The Rank Organisation Limited

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

We have examined the accounts set out on pages 38 to 53 which have been prepared under the historical cost convention adjusted for the revaluation of certain properties as disclosed in note 4. In our opinion the accounts give, under that convention, a true and fair view of the state of affairs of the company and of the group at 31st October 1976 and of the profit and source and application of funds of the group for the year to that date and comply with the Companies Acts 1948 and 1967.

London
19th January 1977

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

The Rank Organisation Limited and Subsidiaries

Consolidated Profit and Loss Account for the year ended 31st October 1976

	Notes and Schedule References	1976 £000s £426,317	1975 Adjusted see note below £000s £352,663
Turnover			
Trading Profit before charging the items below		43,472	27,159
Depreciation		10,842	9,935
Expenditure on abortive oil exploration		29	600
Expenditure on discontinued property development		—	472
Trading Profit		32,601	16,152
Share of Profit before taxation of Associated Companies			
Companies owned jointly with Xerox Corporation		59,163	49,200
Others		5,145	4,128
Dividends and Interest Receivable	A	1,634	1,408
<i>Less: Interest Payable</i>	B	98,543 22,954	70,888 20,221
Profit before Taxation		75,589	50,667
<i>Less: Taxation based thereon</i>	C	38,143	26,596
<i>Less: Outside Shareholders' Share of Subsidiaries' Profit</i>		37,446 2,039	24,071 1,334
Profit after Taxation attributable to the Shareholders in The Rank Organisation Limited		35,407	22,737
<i>Add: Extraordinary Items</i>	D	6,302	(2,699)
Balance of Profit attributable to the Shareholders in The Rank Organisation Limited (of which £23,642,000 is dealt with in the accounts of The Rank Organisation Limited—1975 £13,573,000)		£41,709	£20,038
Dividends of The Rank Organisation Limited			
6½% Cumulative Preference		437	437
8% Second Cumulative Preference		146	146
Ordinary	E	12,300	11,025
		12,883	11,608
Profit Retained	2	12,998	(1,056)
The Rank Organisation Limited and Subsidiaries			
Associated Companies		13,824	7,806
Companies owned jointly with Xerox Corporation		2,004	1,680
Others			
		£41,709	£20,038

NOTE: The 1975 figures have been restated to give effect to the adjustment to the share of profits of companies owned jointly with Xerox Corporation arising from a change made in the accounts of those companies in respect of the basis of translating to sterling foreign currency loans not due for repayment within one year. This change has had the effect of reducing profits before taxation by £1,771,000, outside shareholders' interests by £70,000 and profits retained in associated companies by £1,701,000; a further £2,960,000 has been debited to prior years' reserves (see note 2 on page 46).

Other notes relating to this Profit and Loss Account appear on pages 44 to 52.

Schedules

	1976	1975
	£000s	£000s
A Dividends and Interest Receivable		
Quoted companies	12	151
Unquoted companies	—	22
Bank and other Interest	1,622	1,235
	<u>£1,634</u>	<u>£1,408</u>
B Interest Payable		
Bank Loans and Overdrafts	10,987	10,858
Other Loans not fully repayable within 5 years	10,316	8,927
Other Loans fully repayable within 5 years	1,651	436
	<u>£22,954</u>	<u>£20,221</u>
C Taxation		
The Rank Organisation Limited and Subsidiaries United Kingdom		
Corporation Tax recoverable (after double taxation relief £8,979,000—1975 £5,500,000)	(27)	(174)
Transfer from Deferred Taxation	(60)	(5,291)
	<u>(87)</u>	<u>(5,465)</u>
Overseas (Including transfer to Deferred Taxation £922,000— 1975 £206,000)	6,306	4,686
	<u>6,219</u>	<u>(779)</u>
On share of profits of Associated Companies (Including £518,000—1975 £1,553,000 attributable to dividends receivable from overseas companies)		
Companies owned jointly with Xerox Corporation	29,377	25,693
Others	2,547	1,682
	<u>£38,143</u>	<u>£26,596</u>
Note: Corporation Tax is calculated at 52% (1975 52%)		
D Extraordinary Items		
Profits less losses and provisions for losses on disposal of properties and cessation of businesses	1,786	(234)
Add: Taxation relief relating to losses included above (corporation tax on capital gains is covered by losses brought forward)	1,421	66
	<u>3,207</u>	<u>(168)</u>
Profits less losses on disposal of investments	1,096	43
Profits less losses on disposal of Subsidiary and Associated Companies	180	677
Profit on early redemption of long-term debentures	4,530	—
Exchange losses less profits on repayment of overseas loans	(2,587)	(1,070)
Goodwill written off	(923)	(500)
Share of extraordinary items of Associated Companies		
Companies owned jointly with Xerox Corporation	—	(1,710)
Others	1,050	146
Other items (after taxation relief of £162,000)	(247)	(173)
	<u>6,306</u>	<u>(2,755)</u>
Attributable to Outside Shareholders	(4)	56
	<u>£6,302</u>	<u>£(2,699)</u>
E Dividends on Ordinary Shares		
Interim of 2·1875p per share, since paid (1975 interim of 2·1875p per share)	3,776	3,722
Final of 4·939341p per share, proposed (1975 final of 4·291447p per share)	8,524	7,303
	<u>£12,300</u>	<u>£11,025</u>
F Earnings per Ordinary Share of 25p		
The calculation of earnings per share is based on earnings of £34,824,000 and on shares in issue during the year of 172,592,000 (1975 £22,154,000 earnings and 159,483,000 shares)	20·2p	13·9p

The Rank Organisation Limited and Subsidiaries
 Consolidated Balance Sheet
 at 31st October 1976

	Note Reference	1976		1975	
		£000s	£000s	£000s	£000s
Issued Share Capital of The Rank Organisation Limited					
6¼% Cumulative Preference Shares of £1 each	2	9,996		9,996	
8% Second Cumulative Preference Shares of £1 each		2,602		2,602	
Ordinary Shares of 25p each		43,148		7,576	
'A' Ordinary Shares of 25p each		—	55,746	34,966	55,140
Reserves					
Share Premium Account	2	85,459		86,150	
Other Reserves		150,765	236,224	128,359	214,509
Issued Share Capital and Reserves Attributable to the Shareholders in The Rank Organisation Limited			291,970		269,649
Outside Shareholders' Interest in Net Assets of Subsidiaries			8,776		7,597
Deferred Taxation			6,699		7,034
Loan Capital and Borrowed Money					
Secured—United Kingdom	3	33,821		49,365	
Overseas		22,484		21,854	
		56,305		71,219	
Unsecured—United Kingdom		74,263		60,337	
Overseas		190,132		144,862	
		264,395		205,199	
		320,700		276,418	
Deduct: Parallel Loan		5,438	315,262	—	276,418
			£622,707		£560,698

	Note Reference	1976		1975	
		£000s	£000s	£000s	£000s
Fixed Assets	4				
Investment Properties		204,334		172,765	
Other Fixed Assets		<u>190,417</u>	394,751	<u>182,560</u>	355,325
Subsidiary not Consolidated	6		2,438		—
Investments	7		695		2,255
Interests in Associated Companies	8				
Companies owned jointly with Xerox Corporation		101,229		91,687	
Others		<u>26,327</u>	127,556	<u>18,054</u>	109,741
Goodwill			41,911		42,870
Deferred Revenue Expenditure			<u>1,334</u>		<u>1,292</u>
			568,685		511,483
Current Assets					
Stocks and Work in Progress		62,262		52,136	
Film Productions		1,885		2,665	
Debtors and Prepayments	10	89,438		74,529	
Dividends Receivable		7,764		4,965	
Short Term Deposits		8,381		11,830	
Cash at Bank and in Hand		<u>4,902</u>		<u>5,406</u>	
		<u>174,632</u>		<u>151,531</u>	
Deduct: Liabilities and Provisions (Other than borrowed money)					
Creditors, Expenses Accrued and Provisions		95,272		82,829	
Taxation		5,965		3,820	
Dividends					
Shareholders in the Company		12,494		11,219	
Outside Shareholders of Subsidiaries		181		163	
Advance Corporation Tax		<u>6,698</u>		<u>4,285</u>	
		<u>120,610</u>	54,022	<u>102,316</u>	49,215
			<u>£622,707</u>		<u>£560,698</u>

Notes relating to this Balance Sheet appear on pages 44 to 52.

The Rank Organisation Limited

Balance Sheet

at 31st October 1976

	Note Reference	1976		1975	
		£000s <i>Authorised</i>	£000s <i>Issued and Fully Paid</i>	£000s <i>Authorised</i>	£000s <i>Issued and Fully Paid</i>
Share Capital					
6¼% Cumulative Preference Shares of £1 each	2	10,000	9,996	10,000	9,996
8% Second Cumulative Preference Shares of £1 each		3,000	2,602	3,000	2,602
Ordinary Shares of 25p each		50,000	43,148	8,000	7,576
'A' Ordinary Shares of 25p each		—	—	37,000	34,966
		<u>£63,000</u>	<u>55,746</u>	<u>£58,000</u>	<u>55,140</u>
Reserves					
Share Premium Account	2	85,459		86,150	
Other Reserves		<u>21,046</u>	106,505	<u>10,025</u>	96,175
			<u>162,251</u>		<u>151,315</u>
Deferred Taxation			1,020		821
Loan Capital and Borrowed Money					
Secured—United Kingdom	3	<u>29</u>		<u>32</u>	
Unsecured—United Kingdom		74,254		60,280	
Overseas		<u>79,425</u>		<u>68,235</u>	
		<u>153,679</u>	153,708	<u>128,515</u>	128,547
Liabilities and Provisions (Other than borrowed money)					
Creditors, Expenses Accrued and Provisions		15,693		13,312	
Dividends		194		194	
Accrued on Preference Shares Payable and Proposed on Ordinary Shares		12,300		11,025	
Advance Corporation Tax		<u>6,601</u>	34,788	<u>4,199</u>	28,730
			<u>£351,767</u>		<u>£309,413</u>

We certify that this is a true copy of every Balance Sheet laid before the Company in General Meeting during the period to which this Return relates (including every document required by law to be annexed to the Balance Sheet) and a true copy of the report of the Auditors on, and of the report of the directors accompanying, each such Balance Sheet.

James Evans
Director

B. C. Evans
Secretary

	Note Reference	1976		1975	
		£000s	£000s	£000s	£000s
Fixed Assets	4		42,353		41,355
Investments	7		35		1,759
Interests in Associated Companies (Unquoted)	8				
Rank Xerox Limited					
Shares at par		5,571		5,571	
Subordinated Unsecured Loan Notes at cost		600		600	
Others at cost		315	6,486	496	6,667
Subsidiaries	9				
Shares in Subsidiaries at or under cost		122,553		122,801	
Amounts owing by Subsidiaries including dividends receivable		218,331		183,492	
Interest receivable		6,989		5,538	
<i>Less: Amounts owing to Subsidiaries</i>		<u>347,873</u>		<u>311,831</u>	
		70,392	277,481	72,972	238,859
Goodwill at or under cost			4,271		4,243
Deferred Revenue Expenditure			82		134
			<u>330,708</u>		<u>293,017</u>
Current Assets					
Stocks		1,993		1,614	
Film Productions		1,071		1,620	
Debtors and Prepayments	10	13,324		8,722	
Corporation Tax Recoverable		—		253	
Dividends Receivable		3,696		1,709	
Short Term Deposits		98		1,808	
Cash at Bank and in Hand		877	21,059	670	16,396

JOHN DAVIS *Chairman*
HARRY SMITH *Deputy Chairman*

£351,767

£309,413

James Evans

Notes relating to this Balance Sheet appear on pages 44 to 52.

Notes forming part of the Accounts for the year ended 31st October 1976

1 Accounting Policies

(i) Historical Cost Convention

The accounts of the Group have been prepared under the historical cost convention, adjusted for the revaluation of certain properties as disclosed in note 4.

(ii) Subsidiary Companies

Apart from the accounts of H. A. O'Connor and Company (Pte) Limited to which reference is made in note 6, the consolidated accounts include the audited accounts of all subsidiary companies made up to 31st October 1976. Details of principal subsidiary companies are given in note 9.

(iii) Associated Companies

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

<i>Company</i>	<i>Year End Date of Accounts</i>
Cathay Organisation (Malaya) Sdn. Berhad	31st December 1975
The Greater Union Organisation Pty. Limited	30th June 1976
Kerridge Odeon Corporation Limited	31st March 1976

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

Details of principal Associated Companies are given in note 8.

(iv) Exchange Rates

The Company and its subsidiaries

Assets and liabilities and profit and loss account items in foreign currencies are converted into sterling at the rates ruling at the balance sheet date. Exchange differences on trading transactions are dealt with in arriving at trading profit. Realised exchange differences on non-trading transactions to the extent not dealt with in earlier years are included in the Profit and Loss Account in extraordinary items. All other exchange differences are dealt with in reserves.

Associated companies owned jointly with Xerox Corporation

Foreign currency current assets other than stocks and all liabilities other than deferred taxation are converted into sterling at the rates ruling at the balance sheet date. Stocks, fixed assets (including related depreciation) and deferred taxation are converted at the rates ruling at the dates of acquisition or origin. All exchange differences are dealt with in arriving at trading profit.

(v) Turnover

Turnover consists of sales of goods and services, admission receipts, film distribution revenues, royalties, commissions and gross rents receivable from investment properties and proceeds of sale of properties held as trading assets. Turnover of Associated Companies is not included.

(vi) Goodwill

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

(vii) Stocks and Work in Progress

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

(viii) Deferred Revenue Expenditure

Deferred revenue expenditure comprises:

(a) Pre-opening expenses which are written off on a straight line over ten years.

(b) Oil exploration expenditure. The present policy is to carry forward expenditure until a decision can be reached as to whether or not the project to which such expenditure relates has prospects for development on a commercial basis.

(ix) Depreciation of Fixed Assets

The following is a summary of the Group's policy for depreciation of fixed assets:

Properties held for investment

- (a) No depreciation has been provided on freehold land and buildings.
- (b) No depreciation has been provided on leasehold properties where the leases have more than 50 years to run. Other leasehold properties have been depreciated on a straight line basis over the remaining terms of the leases.

Other Properties

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

Plant, Vehicles and Equipment

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

(x) Film Productions

United Kingdom

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

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

Overseas

Film productions are valued on bases consistent with the previous year. Unreleased and uncompleted films are valued at or below cost. Released films are valued at cost less recoveries and amounts written off.

(xi) Deferred Taxation

Deferred taxation mainly represents (1) taxation set aside at current rates on the excess of the book values over the written down values for tax purposes of the relevant fixed assets and (2) stock relief claimed under section 37 Finance Act 1976 on the assumption that future legislation will provide for the continuation of such relief and is stated after deduction of losses available to be carried forward and advance corporation tax considered to be recoverable against future corporation tax liabilities.

No provision has been made for taxation payable:

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

2 Capital and Reserves

By virtue of the Finance Acts 1972 and 1976, the dividends payable on the 6½% Cumulative Preference Shares and 8% Second Cumulative Preference Shares are calculated at the rates of 4.375% and 5.6% per annum respectively, without deduction of income tax.

Movements in Share Capital and Share Premium Account	<i>Ordinary Share Capital</i> £000s	<i>Share Premium Account</i> £000s
Balances at 31st October 1975	7,576	86,150
Issue of shares to Ordinary Shareholders on enfranchisement of 'A' Ordinary Shares	606	(606)
Transfer from 'A' Ordinary Share Capital on enfranchisement	34,966	—
Expenses of share issues	—	(85)
Balances at 31st October 1976	<u>£43,148</u>	<u>£85,459</u>

2 Capital and Reserves *continued*

	<i>The Group</i>			<i>The Company</i>
	<i>The Company and its Subsidiaries</i>	<i>Associated Companies</i>	<i>Total</i>	
Movements in Other Reserves	£000s	£000s	£000s	£000s
Balances at 31st October 1975	33,915	94,444	128,359	10,025
Prior year items (see footnote on page 38)				
1975	—	(1,701)	(1,701)	—
Before 1975	—	(2,960)	(2,960)	—
Exchange adjustments	(8,040)	3,181	(4,859)	262
Surplus on revaluation of properties	—	2,798	2,798	—
Reclassification	4,734	(4,734)	—	—
Sundry items	57	245	302	—
Profit retained	12,998	15,828	28,826	10,759
Balances at 31st October 1976	<u>£43,664</u>	<u>£107,101*</u>	<u>£150,765</u>	<u>£21,046</u>
Not regarded as available for distribution	<u>£20,260</u>	<u>£107,101</u>	<u>£127,361</u>	<u>£1,102</u>

*Includes £84,958,000 in respect of companies owned jointly with Xerox Corporation.

3 Loan Capital and Borrowed Money (partly secured)

	<i>The Group</i>		<i>The Company</i>	
	1976	1975	1976	1975
	£000s	£000s	£000s	£000s
Not fully repayable within 5 years				
U.S. \$75,000,000 4½% Convertible Loan 1993	47,304	36,084	47,304	36,084
Debenture Stocks, Mortgages and other loans repayable by annual sinking fund or by instalments				
Final Redemption dates from 1981 to 1991	46,718	52,517	25,845	22,183
Final Redemption dates after 1991	53,221	71,669	26,039	26,039
	<u>£147,243</u>	<u>£160,270</u>	<u>£99,188</u>	<u>£84,306</u>
Fully repayable within 5 years				
Bank Loans	131,568	89,200	45,428	42,123
Bank Overdrafts	22,601	12,933	9,074	2,094
Other Short Term Loans	19,288	14,015	18	24
	<u>£173,457</u>	<u>£116,148</u>	<u>£54,520</u>	<u>£44,241</u>
Total	<u>£320,700</u>	<u>£276,418</u>	<u>£153,708</u>	<u>£128,547</u>

All the above loans are repayable at par.

The average rate of interest payable on Debenture Stocks, Mortgages and other loans not fully repayable within 5 years was, for the Group 9.6% (1975 8.9%) and for the Company 10.4% (1975 9.8%).

Holders of the U.S. \$75,000,000 4½% Convertible Loan 1993 have the right to convert into fully paid Ordinary Shares of the Company exercisable until 12th February 1992 on the basis of \$14.10 of the loan for one Ordinary Share of 25p. No conversion rights had been exercised by 31st October 1976.

4 Fixed Assets

The Group

Investment Properties	Completed Properties		Properties held for and in course of development		Total £000s
	Freehold £000s	Leasehold £000s	Freehold £000s	Leasehold £000s	
Cost or valuation at 31st October 1975*	43,903	29,012	65,013	36,985	174,913
Exchange adjustments	1,179	986	13,972	9,410	25,547
Additions	333	509	29,662	3,097	33,601
Developments completed	24,377	43,668	(24,377)	(43,668)	—
Transfers to Other Fixed Assets	—	—	(151)	(6)	(157)
Disposals	(20,309)	(182)	(6,337)	(9)	(26,837)
Cost or valuation at 31st October 1976	<u>£49,483</u>	<u>£73,993</u>	<u>£77,782</u>	<u>£5,809</u>	<u>£207,067</u>
Depreciation at 31st October 1975	37	339	1,658	114	2,148
Exchange Adjustments	—	52	—	—	52
Developments completed	4	13	(4)	(13)	—
Charge for period	—	67	—	10	77
Provision for losses on disposal	—	—	639	—	639
Transfers to Other Fixed Assets	—	—	(39)	—	(39)
Disposals	(2)	(81)	(61)	—	(144)
Depreciation at 31st October 1976	<u>£39</u>	<u>£390</u>	<u>£2,193</u>	<u>£111</u>	<u>£2,733</u>
Net book amount at 31st October 1976	<u>£49,444</u>	<u>£73,603</u>	<u>£75,589</u>	<u>£5,698</u>	<u>£204,334</u>

The net book amount of completed properties at 31st October 1976 includes properties at Directors' valuation (a) made 31st October 1971: Freehold £17,285,000, Leasehold £7,765,000, (b) made 31st October 1973: Freehold £9,970,000, and (c) made 31st October 1975: Freehold £4,005,000.

Other Fixed Assets	Freehold Land and Buildings £000s	Leasehold Land and Buildings £000s	Plant, Vehicles and Equipment £000s	Total £000s
Cost or valuation at 31st October 1975*	96,228	51,496	98,963	246,687
Exchange adjustments	8,321	1,389	4,077	13,787
Additions	3,383	1,107	8,447	12,937
Transfers from Investment Properties	151	6	—	157
Disposals	(1,706)	(613)	(4,272)	(6,591)
Cost or valuation at 31st October 1976	<u>£106,377</u>	<u>£53,385</u>	<u>£107,215</u>	<u>£266,977</u>
Depreciation at 31st October 1975*	10,150	6,622	47,355	64,127
Exchange adjustments	1,739	366	2,269	4,374
Charge for period	616	1,025	9,150	10,791
Provision for losses on disposal	110	32	797	939
Transfers from Investment Properties	39	—	—	39
Disposals	(170)	(201)	(3,339)	(3,710)
Depreciation at 31st October 1976	<u>£12,484</u>	<u>£7,844</u>	<u>£56,232</u>	<u>£76,560</u>
Net Book Amount at 31st October 1976	<u>£93,893</u>	<u>£45,541</u>	<u>£50,983</u>	<u>£190,417</u>

The net book amount at 31st October 1976 includes a freehold property at Directors' valuation made 31st October 1975 of £1,051,000.

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

4 Fixed Assets *continued*

	<i>Freehold Land and Buildings</i> £000s	<i>Leasehold Land and Buildings</i> £000s	<i>Plant Vehicles and Equipment</i> £000s	<i>Total</i> £000s
The Company				
Cost at 31st October 1975*	23,925	13,887	24,634	62,446
Inter-group transfers	225	143	22	390
Additions	579	499	2,272	3,350
Disposals	(198)	(87)	(667)	(952)
Cost at 31st October 1976	<u>£24,531</u>	<u>£14,442</u>	<u>£26,261</u>	<u>£65,234</u>
Depreciation at 31st October 1975*	3,751	3,384	13,956	21,091
Inter-group transfers	38	60	17	115
Charge for period	38	234	1,648	1,920
Provision for losses on disposal	382	(4)	(14)	364
Disposals	(53)	(18)	(538)	(609)
Depreciation at 31st October 1976	<u>£4,156</u>	<u>£3,656</u>	<u>£15,069</u>	<u>£22,881</u>
Net Book Amount at 31st October 1976	<u>£20,375</u>	<u>£10,786</u>	<u>£11,192</u>	<u>£42,353</u>

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

The Net Book Amount of Investment Properties and other Leasehold Land and Buildings at 31st October 1976 includes for the Group £12,332,000 (1975 £10,182,000) and for the Company £3,658,000 (1975 £3,183,000) in respect of leases with less than 50 years to run.

The aggregate book amount at 31st October 1976 of Investment and Other Properties not depreciated was, in respect of the Group £271,166,000 (1975 £245,707,000) and in respect of the Company £19,181,000 (1975 £18,849,000).

Interest payable, rents payable and other outgoings, after appropriate tax relief, amounting to £6,191,000 (1975 £4,097,000) incurred in the year, have been charged to Investment Properties in course of development or construction.

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

5 Future Capital Expenditure	<i>United Kingdom</i> £000s	<i>Overseas</i> £000s	<i>Total</i> £000s
The Group			
Future Capital Expenditure at 31st October 1975			
Commitments	3,600	32,700	36,300
Authorised by the Directors but not contracted	2,200	300	2,500
	<u>5,800</u>	<u>33,000</u>	<u>38,800</u>
Exchange Adjustments	—	8,500	8,500
	<u>5,800</u>	<u>41,500</u>	<u>47,300</u>
Authorisations in year			
Net additional costs of projects commenced prior to 31st October 1975	1,800	6,300	8,100
Other Items	11,400	3,500	14,900
	<u>19,000</u>	<u>51,300</u>	<u>70,300</u>
Expended in Year	(10,700)	(35,800)	(46,500)
Future Capital Expenditure at 31st October 1976	<u>£8,300</u>	<u>£15,500</u>	<u>£23,800</u>
Commitments	2,400	14,700	17,100
Authorised by the Directors but not contracted	5,900	800	6,700
	<u>£8,300</u>	<u>£15,500</u>	<u>£23,800</u>
The Company		1976	1975
Commitments		£000s	£000s
Authorised by the Directors but not contracted		70	147
		1,976	999
		<u>£2,046</u>	<u>£1,146</u>

6 Subsidiary Not Consolidated

An offer to acquire the whole of the share capital not already owned of H. A. O'Connor and Company (Pte) Limited, a company incorporated in Singapore, became unconditional on 25th October 1976. The latest audited accounts of that company were prepared to 31st December 1975. It would not have been practicable, without causing undue delay, to prepare accounts for the period from 1st January 1976 to 31st October 1976. Accordingly, the book amount of the investment is included in the Consolidated Balance Sheet at 31st October 1976, being the aggregate of (i) £1,571,000, the cost of acquiring under the offer, 61.624% of the share capital and (ii) £867,000, the cost of the former holding of 38.376% of the share capital together with the post acquisition retained profits and reserves relating thereto.

7 Investments	1976	1975
The Group	£000s	£000s
Quoted Companies at cost less amounts written off (Market value £43,000, 1975 £2,875,000)	62	1,777
Unquoted Companies at cost less amounts written off	633	478
	<u>£695</u>	<u>£2,255</u>
The Company		
Quoted Companies at cost (Market value £26,000, 1975 £2,859,000)	35	1,752
Unquoted Companies at cost less amounts written off	—	7
	<u>£35</u>	<u>£1,759</u>

8 Interests in Associated Companies

The Group	1976	1975
Companies owned jointly with Xerox Corporation	£000s	£000s
Rank Xerox Limited	11,142	11,142
Unquoted 'B' and 'D' Shares at par		
Rank Xerox Holding B.V.	55	55
Unquoted 'B' and 'C' Shares at cost		
Société Industrielle Rank Xerox S.A.	322	322
Unquoted Shares at cost		
Rank Xerox Fabrikations GmbH	35	35
Unquoted Shares at cost	<u>11,554</u>	<u>11,554</u>
Share of retained profits and reserves	88,475	78,933
	<u>100,029</u>	<u>90,487</u>
Rank Xerox Limited		
Subordinated Unsecured Loan Notes at cost	1,200	1,200
	<u>£101,229</u>	<u>£91,687</u>

The share interests in Companies owned jointly with Xerox Corporation are carried at par in the Accounts of the Company and certain subsidiaries (the Company £5,571,000; Subsidiaries £5,983,000) and exclude the share of retained profits and reserves of £88,475,000 which is included in arriving at the value at which these interests are shown in the Group Accounts. The Group's share of the Profit before Taxation for the year ended 31st October 1976 of Companies owned jointly with Xerox Corporation amounted to £59,163,000 (1975 £49,200,000).

Rank Xerox Limited is incorporated in Great Britain. Its business consists mainly in the manufacture and marketing in the United Kingdom of xerographic equipment for high speed document copying and duplicating and the marketing of such equipment abroad through subsidiaries operating in Europe, Asia, Africa and Australasia and also in Japan through Fuji Xerox Co. Ltd. which is 50% owned. The subsidiaries are wholly owned apart from those operating in Australasia which are 75% owned, Nigeria which is 60% owned and one of the subsidiaries operating in France which is 67% owned.

Particulars of the issued share capital of Rank Xerox Limited at 31st October 1976 were as follows:

	'A'	Class of Share of £1 each			'E'
		'B'	'C'	'D'	
The Company and Subsidiary		7,401,254		3,740,694	
Xerox Corporation and Subsidiary	7,401,254		7,481,388		
Trustees of employee share purchase schemes					57,475

The 'A', 'B' and 'E' Shares carry no votes. The 'C' Shares are entitled to 21 votes for each 20 of such shares. The 'D' Shares are entitled to two votes for each share representing approximately 48.8% of the total votes attaching to the 'C' and 'D' Shares.

The holders of the 'A' and 'B' Shares are entitled pari passu to the profits of Rank Xerox Limited and Subsidiaries up to a maximum annual sum (fixed at an amount equal to one-half of the 'A' and 'B' capital subscribed) amounting at 31st October 1976 to £7,401,254 before charging taxation. Subject to the participation of 'E' Shares issued under the share purchase schemes, the holders of the 'C' and 'D' Shares are entitled pari passu to any excess of profit of each year over and above such maximum annual sum.

8 Interests in Associated Companies *continued*

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

Other Associated Companies	1976 £000s	1975 £000s
Quoted Companies		
Shares at cost (Market Value £90,000, 1975 £59,000)	<u>£110</u>	<u>£102</u>
Unquoted Companies		
Shares at Directors' Valuation	194	194
Others		
Shares at cost less amounts written off	3,729	2,751
Share of post-acquisition retained profits and reserves	22,144	14,765
Advances	150	242
	<u>£26,217</u>	<u>£17,952</u>
Total	<u>£26,327</u>	<u>£18,054</u>

Brief details of principal other Associated Companies are as follows:

	<i>Country of Incorporation and Operation</i>	<i>Class of Capital Owned</i>	<i>Holding of Share Capital Percentage</i>	
			<i>Group</i>	<i>Company</i>
Film Exhibition				
Cathay Organisation (Malaya) Sdn. Berhad	Malaysia	Ordinary	24.2	—
Cathay Organisation Private Limited	Singapore	Ordinary	24.2	—
Ceylon Theatres Limited	Sri Lanka	Ordinary	28.4	—
The Greater Union Organisation Pty. Limited	Australia	Ordinary	50.0	—
Kerridge Odeon Corporation Limited	New Zealand	Ordinary	50.0	—
Manufacture				
Bush India Limited	India	Ordinary	40.0	—
Murphy India Limited	India	Ordinary	38.0	—
Property				
Rank Estates Limited	Great Britain	Ordinary	47.5	47.5
Television				
Southern Television Limited	Great Britain	Ordinary	37.6	37.6

Dividends receivable from Associated Companies, including companies owned jointly with Xerox Corporation, whose results have been dealt with in the Profit and Loss Account on the basis of including the proportion of their results attributable to the shareholdings of the Group, amounted to £16,953,000 (1975 £15,794,000).

9 Subsidiary Companies

Details of the principal Subsidiary companies:	Nature of Principal Operations	Class of Capital Owned	Percentage of Capital Owned		
			Direct	Indirect	Total
Butlin's Limited	Holiday Centres	6% Cumulative Preference	100	—	100
		Ordinary	100	—	100
City Wall Properties Limited	Property	Ordinary	—	100	100
English Numbering Machines Limited	Manufacture of Counting and Numbering Devices	Ordinary	60	40	100
A. Kershaw & Sons, Limited	Investment Holding Company (see note (a))	8% 'A' Cumulative Preference	78	—	78
		12½% 'B' Non-Cumulative Preference	85	—	85
		Ordinary	80	—	80
H. A. O'Connor and Company (Pte) Limited	Contractors, factors and retailers of consumer and electrical products	Ordinary	—	100	100
Odeon (Ireland) Limited	Film Exhibition and Property	Ordinary	—	100	100
The Odeon Theatres (Canada) Limited	Film Exhibition	Ordinary	—	100	100
Rank Advertising Films Limited	Advertising Films	Ordinary	100	—	100
Rank Audio Visual Limited	Manufacturers and factors of Audio, Theatre Lighting, Professional Film, Electronic and Educational Equipment	Ordinary	100	—	100
Rank City Wall Limited	Property	Ordinary	100	—	100
Rank City Wall Canada Limited	Property	Ordinary	—	100	100
Rank Credit Facilities Limited	Leasing and Rental Finance	Ordinary	100	—	100
Rank Film Distributors Limited	Film Distribution	Ordinary	100	—	100
Rank Film Laboratories Limited	Film Processing	Ordinary	100	—	100
Rank Hotels Limited	Hotels	Ordinary	100	—	100
Rank Industries Australia Pty. Limited	Manufacturers and factors of Television, Audio, Optical and Electronic Equipment	Ordinary	—	100	100
Rank Leisure Services Limited	Manages Theatres, Bingo Clubs, Ballrooms, Suites and Motorports	Company Limited by Guarantee	—	—	—
Rank Overseas Holdings Limited	Holding Company	Ordinary	100	—	100
Rank Precision Industries Limited	Manufacture of Optical, Mechanical and Electronic Equipment	Ordinary	30	64	94
Rank Precision Industries (Holdings) Limited	Investment Holding Company	5% Cumulative Preference	56	35	91
		Ordinary	60	32	92
Rank Radio International Limited	Manufacture of Television and Radio Receivers	Ordinary	100	—	100
Rank RX Overseas Limited	Investment Holding Company	Ordinary	50	46	96
Rank Tuschinski Beheer B.V.	Film Exhibition	Ordinary	—	100	100

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

(b) All companies listed above are incorporated and operate in Great Britain other than:
 Odeon (Ireland)—Republic of Ireland
 Rank Industries Australia—Australia
 Rank City Wall Canada—Canada
 The Odeon Theatres (Canada)—Canada
 Rank Tuschinski Beheer—Holland
 H. A. O'Connor—Singapore

(c) Of the £218,331,000 owing by subsidiaries, £74,500,000 has been subordinated to other creditors as an alternative to increasing the share capital of certain subsidiaries.

10 Debtors and Prepayments

Include (a) £612,000 for the Group and £470,000 for the Company in respect of loans made to the Trustees of the Executive Incentive Scheme after providing £1,235,000 and £799,000 respectively and (b) £6,698,000 for the Group and £6,601,000 for the Company in respect of Advance Corporation Tax arising on dividends provided in the accounts which is considered recoverable.

11 Contingent Liabilities

A claim for damages has been made by 83 plaintiffs resident in the United States of America in respect of 15,000,000 Shares arising out of the Offer for Sale made on 21st April, 1975. The damages claimed, apart from interest, are under £600,000. The Company is advised that it has a good defence to the claim and accordingly no provision has been made.

In addition there are the following items:

The Group There are Contingent Liabilities in respect of (a) guarantees amounting in aggregate to approximately £12,800,000 (1975 £10,800,000) including £7,100,000 (1975 £5,800,000) relating to advances at 31st October 1976 to Associated Companies and (b) additional taxation payable in the event of the profits of certain Overseas Subsidiary and Associated Companies being distributed.

The Company There are Contingent Liabilities mainly in respect of guarantees of advances at 31st October 1976 to (a) Subsidiaries amounting in aggregate to approximately £92,500,000 (1975 £66,100,000) of which £91,100,000 (1975 £65,100,000) is included as liabilities in the Consolidated Balance Sheet and (b) Associated Companies of approximately £6,800,000 (1975 £5,800,000).

The Company is included in a normal group value added tax registration. Companies within the group registration are jointly and severally liable for the total value added tax due by such group. At 31st October 1976 the contingent liability under these arrangements amounted to £2,300,000.

12 Emoluments of Directors of The Rank Organisation Limited

	<i>In respect of Services as Directors</i>		<i>Other Emoluments</i>	
	1976 £000s	1975 £000s	1976 £000s	1975 £000s
Chairman	4	4	31	31
Highest paid Director	—	2	35	51
Other Directors	<i>Number of Directors</i>			
	1976	1975		
Nil— £2,500	1	2		
£2,501— £5,000	11	12		
£5,001— £7,500	1	—		
£7,501— £10,000	1	—		
£15,001— £17,500	2	—		
£22,501— £25,000	—	1		
	44	48	44	23
	<u>48</u>	<u>54</u>	<u>110</u>	<u>105</u>
Contributions to the Pension and Life Assurance Schemes	—	—	16	16
Compensation for loss of Executive Office (£150,000) and paid leave (£22,000) approved by shareholders' resolution	—	—	172	—
Total Emoluments	<u>£48</u>	<u>£54</u>	<u>£298</u>	<u>£121</u>

13 Employees receiving remuneration of more than £10,000

	<i>Number of Employees</i>	
	1976	1975
£10,001—£12,500	28	29
£12,501—£15,000	21	15
£15,001—£17,500	7	5
£17,501—£20,000	1	2
£20,001—£22,500	1	—

14 Remuneration of Auditors

	1976	1975
	£000s	£000s
The Rank Organisation Limited	61	49
Subsidiary Companies		
United Kingdom	244	218
Overseas	421	313
	<u>£726</u>	<u>£580</u>

The Rank Organisation Limited and Subsidiaries
Source and Application of Funds
for the year ended 31st October 1976

	1976	1975
	£ millions	Adjusted see note on page 38 £ millions
Source of Funds		
Within the Group		
Profit after Taxation	35.4	22.7
Profit retained by Associated Companies	(15.8)	(9.5)
Items included in Profit after Taxation not requiring (providing) funds		
Depreciation	10.8	9.9
Deferred Taxation and Other Provisions	0.9	(5.7)
	<u>31.3</u>	<u>17.4</u>
Net proceeds from the sale of		
Net Assets and Goodwill of Subsidiaries	0.8	2.6
Investments	2.9	0.5
Properties and Plant	35.2	5.8
	<u>£70.2</u>	<u>£26.3</u>
Outside the Group		
Issues of 'A' Ordinary Shares	—	27.0
Increases in Bank Loans and Overdrafts less Cash and Short Term Deposits	3.1	—
Mortgages and Other Loans		
Fully repayable within five years	—	8.6
Not fully repayable within five years	5.1	24.8
Decrease in Net Working Capital other than Cash and Short Term Deposits	—	6.2
	<u>£8.2</u>	<u>£66.6</u>
Total	<u>£78.4</u>	<u>£92.9</u>
Application of Funds		
Acquisition of Net Assets and Goodwill of Subsidiaries	2.0	2.0
Acquisition of other Investments	0.7	0.1
Additions to Fixed Assets		
Investment Properties		
United Kingdom	1.8	5.2
Overseas	31.8	28.8
Other Fixed Assets	12.9	18.6
Increase in Net Working Capital other than Cash and Short Term Deposits	0.7	—
Decreases in Bank Loans and Overdrafts less Cash and Short Term Deposits	—	23.8
Repayment of Debenture Stocks, Mortgages and Other Loans		
Fully repayable within five years	0.3	0.4
Not fully repayable within five years	12.9	0.9
Dividends of The Rank Organisation Limited	12.9	11.6
Advance Corporation Tax	2.4	1.5
	<u>£78.4</u>	<u>£92.9</u>

Unutilised Financial Resources Available to The Group
at 31st October 1976

	1976	1975
	£ millions	£ millions
Short Term Deposits	8.4	11.8
Unused Bank and Other Borrowing Facilities	45.1	55.4
	<u>£53.5</u>	<u>£67.2</u>

The Rank Organisation Limited and Subsidiaries

Analysis of Turnover

£ figures in thousands	1976*	1975	1974	1973	1972
	£	£	£	£	£
Leisure Services and Hotels					
Film Exhibition					
British Isles	27,165	26,989	24,835	24,482	26,261
Overseas	35,723	28,318	22,951	13,581	12,582
Dancing and Bingo	21,914	18,995	16,137	15,503	14,048
Motorports and Restaurants	16,336	12,668	11,916	10,362	8,903
Film Studios	2,493	1,732	1,798	1,626	1,075
Film Production and Distribution	5,376	7,125	5,046	4,687	5,561
Hotels	25,652	18,889	14,812	10,622	6,094
	134,659	114,716	97,495	80,863	74,524
Industrial and Consumer Products					
Audio Visual	88,654	37,181	32,878	26,548	18,694
Film Laboratories	12,115	9,858	7,851	7,733	6,643
Radio and Television					
Europe	30,633	71,829	76,512	87,348	66,049
Australia	58,993	33,959	519	—	—
Scientific Instruments, Optics and Electronics	35,967	28,682	26,057	20,972	21,022
	226,362	181,509	143,817	142,601	112,408
Holiday Centres	42,039	37,947	30,662	24,951	—
Property	12,519	8,565	6,637	5,710	3,226
Other Activities	10,738	9,926	9,075	6,168	5,061
	£426,317	£352,663	£287,686	£260,293	£195,219

*The presentation of the 1976 figures reflect the new management structure introduced during the year. Comparative figures have not been changed.

Information per Ordinary Share

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

	1976	1975	1974	1973	1972
	pence	pence	pence	pence	pence
Sterling					
Earnings	20.2	13.9	19.4	22.3	17.7
Dividends	7.1268	6.4789	5.5793	5.0531	6.875
Net Assets	161.9	151.1	150.6	147.9	108.9
U.S. Dollars					
(exchange rate)	cents	cents	cents	cents	cents
	(\$1.59=	(\$2.08=	(\$2.34=	(\$2.44=	(\$2.34=
	£1)	£1)	£1)	£1)	£1)
Earnings	32.1	28.9	45.4	54.4	41.4
Dividends	11.3316	13.4762	13.0555	12.3296	16.0875
Net Assets	257.4	314.2	352.4	360.9	254.9

Notes: (a) Earnings for 1975 have been restated to give effect to the adjustments set out in the footnote on page 38.

(b) The figures for 1972 have been adjusted as appropriate to take account of the one for one capitalisation issue approved by the Shareholders on 30th March 1973.

(c) The dividends for 1973 to 1976 inclusive are paid under the imputation system of United Kingdom Corporation Tax which came into force on 1st April 1973 and are shown net of the related tax credit. Dividends for 1972 are shown gross.

The Rank Organisation Limited and Subsidiaries

Analysis of Trading Profit

£ figures in thousands	1976*	1975	1974	1973	1972
	£	£	£	£	£
Leisure Services and Hotels					
Film Exhibition					
British Isles	532	298	1,734	2,243	3,225
Overseas	3,292	3,501	2,788	1,482	1,363
Dancing and Bingo	3,134	3,068	2,084	2,416	2,072
Motorports and Restaurants	366	315	206	277	375
Film Studios	69	(450)	15	(17)	(183)
Film Production and Distribution	220	202	527	(299)	255
Hotels	(904)	(2,278)	(2,864)	(744)	298
	6,709	4,656	4,490	5,358	7,405
Industrial and Consumer Products					
Audio Visual	2,822	4,150	2,724	2,167	701
Film Laboratories	1,134	881	963	1,149	893
Radio and Television					
Europe	(5,771)	(11,726)	(821)	8,233	5,857
Australia	8,941	5,626	(99)	—	—
Scientific Instruments, Optics and Electronics	4,818	1,738	1,055	(164)	(654)
	11,944	669	3,822	11,385	6,797
Holiday Centres	6,693	6,104	5,464	5,024	—
Property	7,287	5,293	3,536	3,363	1,862
Other Activities	556	179	1,382	477	714
	33,189	16,901	18,694	25,607	16,778
<i>Deduct:</i>					
Unallocated Central Costs	588	749	886	940	671
Trading Profit	£32,601	£16,152	£17,808	£24,667	£16,107

*The presentation of the 1976 figures reflect the new management structure introduced during the year. Comparative figures have not been changed.

Geographical Analysis of Turnover and Trading Profit

A geographical analysis of Turnover and Trading Profits of trading operations carried on by the Company and its Subsidiaries for the year ended 31st October 1976 is as follows:

	Turnover £000s	Trading Profit £000s
United Kingdom	251,901	18,594
Germany	16,085	(230)
Holland	10,821	459
Eire	3,560	404
Denmark	7,161	115
Sweden	1,859	(499)
Rest of Europe	9,795	(1,373)
Canada	36,599	4,832
U.S.A.	7,823	583
Australia	78,715	9,933
Rest of World	1,998	371
<i>Deduct: Unallocated Central Costs</i>		(588)
	£426,317	£32,601

The Rank Organisation Limited and Subsidiaries

Ten Year Financial Review

£ figures in thousands	1976 October (year)	1975 October (year)	1974 October (year)	1973 October (year)	1972 October (year)	1971 October (year)
Turnover	£426,317	£352,663	£287,636	£260,293	£195,219	£157,020
Profits						
Trading Profit before depreciation	£43,472	£27,159	£27,119	£31,453	£21,353	£14,350
Depreciation	10,842	9,935	8,257	6,786	5,246	4,775
Expenditure on abortive oil exploration and discontinued property development	29	1,072	1,054	—	—	—
Trading Profit	32,601	16,152	17,808	24,667	16,107	9,575
Share of Profits before Taxation of Associated Companies						
Companies owned jointly with Xerox Corporation	59,163	49,200	54,306	47,384	36,320	29,716
Others	5,145	4,128	3,930	3,963	2,838	2,070
Dividends and Interest Receivable	1,634	1,408	2,943	3,619	1,154	1,050
	98,543	70,888	78,987	79,633	56,419	41,900
Interest Payable	22,954	20,221	18,767	11,223	6,045	5,282
Profit before Taxation	75,589	50,667	60,220	68,410	50,376	36,618
Taxation						
The Rank Organisation Limited and Subsidiaries	6,219	(779)	2,666	8,539	5,298	2,900
Associated Companies						
Companies owned jointly with Xerox Corporation	29,377	25,693	24,832	22,881	17,204	13,355
Others	2,547	1,682	1,881	1,918	1,437	1,044
	38,143	26,596	29,379	33,338	23,939	17,399
Profit after Taxation	37,446	24,071	30,841	35,072	26,437	19,222
Outside Shareholders of Subsidiaries	2,039	1,334	1,173	956	709	533
	35,407	22,737	29,668	34,116	25,728	18,789
Extraordinary Items	6,302	(2,699)	(10,845)	690	58	2,755
	£41,709	£20,038	£18,823	£34,806	£25,786	£21,544
Appropriation						
Dividends of Parent Company:						
Preference	£583	£583	£583	£622	£833	£833
Ordinary	12,300	11,025	8,379	7,588	8,193	7,811
Additions to Reserves etc.						
The Rank Organisation Limited and Subsidiaries	12,998	(1,056)	(14,071)	8,434	17,344	9,611
Associated Companies						
Companies owned jointly with Xerox Corporation	13,824	7,806	23,666	15,733	(1,185)	7,800
Others	2,004	1,680	266	2,429	601	477
	£41,709	£20,038	£18,823	£34,806	£25,786	£21,544
Capital Employed						
Ordinary Share Capital and Reserves	£279,372	£257,051	£226,132	£222,141	£153,264	£134,877
Preference Share Capital	12,598	12,598	12,598	12,598	12,598	12,598
Outside Shareholders of Subsidiaries	8,776	7,597	6,550	5,375	4,024	3,788
Deferred Taxation	6,699	7,034	13,743	8,799	6,890	5,333
Loan Capital	141,805	150,270	121,100	118,942	43,376	37,599
Short Term Advances, Bank Loans and Overdrafts	173,457	126,148	128,758	105,298	48,074	43,577
	£622,707	£580,898	£508,881	£473,153	£268,226	£238,035
Represented by:						
Fixed Assets	£394,751	£355,325	£312,606	£278,854	£133,261	£121,690
Investments—						
Companies owned jointly with Xerox Corporation	101,229	91,687	83,232	57,784	41,399	42,633
Other	29,460	20,309	16,355	25,957	20,427	16,011
Goodwill and Deferred Revenue Expenditure	43,245	44,162	44,249	42,451	21,453	21,655
Net Current Assets	54,022	49,215	52,439	68,107	51,651	36,666
Taxation on Unrealised Profits within the Rank Xerox Group	—	—	—	—	—	—
	£622,707	£580,898	£508,881	£473,153	£268,226	£238,035

Figures for periods ended October 1970 to 1976 include the full share of profits of Associated Companies. The profit and loss account for 1975 has been restated.— See note at the foot of page 38.

The figures for periods ended October 1970 to 1976 include the full share of profits of Associated Companies only, from Associated Companies.

Companies owned jointly with Xerox Corporation

Ten Year Financial Review

£ figures in thousands	1976 October (year)	1975 October (year)	1974 October (year)	1973 October (year)	Oct (year)
Turnover	<u>£753,538</u>	<u>£612,417</u>	<u>£477,522</u>	<u>£370,341</u>	<u>£26</u>
Profits					
Trading Profit before depreciation	£284,728	£241,321	£231,150	£192,608	£14
Depreciation	83,566	72,940	59,151	48,650	3
Trading Profit	201,162	168,381	171,996	143,958	10
Share of Profit before Taxation of Fuji Xerox	1,325	4,895	9,377	7,245	
Dividends and Interest Receivable	5,209	2,463	1,567	1,464	
Interest Payable	207,696	175,739	182,940	152,667	11
	31,883	30,731	22,358	13,346	4
Profit before Taxation	175,813	145,008	160,582	139,321	10
Taxation based thereon	86,193	71,385	73,247	67,099	4
Profit after Taxation	89,620	73,623	87,335	72,222	5
Profit attributable to Minority Interests	1,116	767	885	563	
Extraordinary Items	88,504	72,856	86,450	71,659	5
	—	(4,996)	—	—	
Deduct: Amount attributable to Xerox Corporation and 'E' Shareholders	88,504	67,860	86,450	71,659	5
	58,339	44,613	56,976	47,156	3
Profit after Taxation attributable to The Rank Organisation Group	<u>£30,165</u>	<u>£23,247</u>	<u>£23,474</u>	<u>£24,503</u>	<u>£16</u>
Capital Employed					
Share Capital and Reserves					
The Rank Organisation Group	£99,986	£85,587	£80,503	£56,585	£4
Xerox Corporation	183,662	156,210	147,120	100,772	6
'E' Shareholders	3,074	2,979	2,416	1,665	1
Minority Interests	6,047	4,554	3,601	2,813	1
Loan Capital and Borrowed Money					
Repayable after one year	213,373	216,866	115,731	86,568	6
Deferred Taxation	77,169	73,656	68,028	48,338	2
Non-Current Taxation	—	—	97	3,526	
	<u>£583,311</u>	<u>£539,852</u>	<u>£417,696</u>	<u>£300,268</u>	<u>£21</u>
Represented by:					
Fixed Assets	£414,377	£410,139	£360,302	£253,304	£19
Goodwill and Patent Rights	—	—	—	—	
Investment in Fuji Xerox	17,612	25,092	35,675	17,313	1
Loans for the purchase of 'E' Shares	3,212	3,144	2,425	1,756	
Net Current Assets (Liabilities)	60,733	34,619	(18,633)	(6,015)	(2)
Deferred Expenditure:					
Taxation on Unrealised Intra-Group Profits	77,038	56,813	36,993	25,246	1
Development Expenditure	10,339	10,045	10,934	8,664	
	<u>£583,311</u>	<u>£539,852</u>	<u>£417,696</u>	<u>£300,268</u>	<u>£21</u>

The figures stated above for 1974 to 1976 relate to Rank Xerox Limited and its Subsidiaries and also Rank Xerox Holding B.V. and its Subsidiaries and for 1975 have been restated to give effect to a change in the policy for the translation to sterling of foreign currency loans not due for repayment within one year. Figures for prior periods relate only to Rank Xerox Limited and its Subsidiaries and have not been restated for the change in accounting policy.

1974 October (year) £477,522	1973 October (year) £370,341	1972 October (year) £208,131	1971 October (year) £207,132	1970 October (52 weeks) £163,444	1970 October (70 weeks) £206,372	1969 June (52 weeks) £115,275	1968 June (52 weeks) £84,361	1967 June (53 weeks) £61,812
£231,150 59,154	£192,608 48,650	£143,651 37,924	£112,521 29,275	£92,081 22,952	£117,056 29,503	£66,618 17,697	£46,386 13,693	£31,753 10,568
171,996 9,377 1,567	143,958 7,245 1,464	105,727 4,565 1,430	83,246 5,159 940	69,129 4,111 976	87,553 4,979 1,261	48,921 — 797	32,693 — 702	21,185 — 702
182,940 22,358	152,667 13,346	111,722 6,133	89,345 5,179	74,216 4,216	93,793 5,526	49,718 3,671	33,395 3,159	21,897 2,974
160,582 73,247	139,321 67,099	105,589 49,970	84,166 38,400	70,000 32,130	88,267 40,226	46,047 21,324	29,937 13,506	18,913 8,525
87,335 885	72,222 563	55,619 165	45,766 223	37,870 160	48,011 226	24,723 171	16,431 114	10,389 71
86,450	71,659	55,454	45,543	37,710	47,815	24,552 (397)	16,317 514	10,317 (32)
86,450	71,659	55,454	45,543	37,710	47,815	24,155	16,831	10,284
56,976	47,156	36,338	29,707	24,409	31,001	15,196	10,593	6,287
£29,474	£24,503	£19,116	£15,836	£13,211	£16,811	£8,659	£6,238	£3,997
£80,503 147,120 2,416 3,801	£56,585 100,772 1,665 2,813	£40,199 69,210 1,088 1,285	£41,432 70,523 — 1,120	— — — —	£33,301 51,822 897	£24,012 37,044 556	£19,787 29,115 386	£15,455 21,615 226
115,731 68,028 97	86,569 48,338 3,528	68,623 25,260 4,900	45,431 14,166 8,900	— — —	20,405 8,932 14,589	20,708 6,121 7,800	20,550 3,760 5,286	20,584 3,071 5,137
£417,696	£306,268	£210,565	£181,572	—	£132,946	£96,241	£78,914	£66,088
£360,302 — 25,675 2,425 (18,633)	£253,304 — 17,313 1,756 (6,015)	£194,462 — 14,038 1,112 (22,737)	£154,213 — 11,848 — 974	— — — —	£118,356 — 5,915 — (1,918)	£89,073 — 90 444 — 180	£72,197 — 90 427 — (1,381)	£60,406 — 90 397 — (3,016)
36,993 10,934	25,246 8,664	18,235 5,455	12,040 2,497	— —	9,512 1,081	6,985 469	6,882 699	7,250 961
£417,696	£300,268	£210,565	£181,572	—	£132,946	£96,241	£78,914	£66,088

subsidiaries and also Rank Xerox
a change in the policy for the
year. Figures for prior periods
for the change in accounting

Companies owned jointly with Xerox Corporation

Source and Application of Funds Year ended 31st October 1976

	£000s	£000s
Source of Funds		
Within the Group		
Profit after Taxation	88,504	
Add: Loss retained in Associated Company	4,803	93,307
	<hr/>	
Add:		
Items charged against Profits not requiring funds		
Depreciation	83,566	
Deferred Taxation and Other Charges	19,922	103,488
	<hr/>	
Reduction in advance to Associated Company		3,069
Proceeds from sale of Fixed Assets		16,521
		<hr/>
		216,385
Outside the Group		
Additional Share and Loan Capital and Borrowed Money		76,207
		<hr/>
		£252,592
		<hr/>
Application of Funds		
Additions to Rental Equipment		81,137
Additions to Properties and Plant		30,693
Additional Investment in Associated Company		392
Increase in Net Current Assets		25,114
Loans for the purchase of 'E' shares		1,338
Additional Deferred Expenditure		27,037
Repayment of Mortgages and other Loans		39,213
Dividends		46,668
		<hr/>
		£252,592
		<hr/>