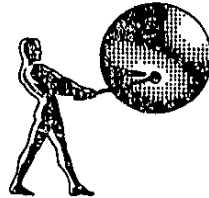


324504 - / 930

The Rank Organisation



Report and Accounts 1983



17

Contents

Directors	2
Financial Calendar	2
Chairman's Statement	3
Directors' Report	4
Review of Operations	6
Share Ownership Analysis	11
Report of the Auditors	11
Group Profit and Loss Account	12
Balance Sheets	13
Source and Application of Funds	14
Notes to the Accounts	15
Five Year Review	31
Notice of Meeting	32

1983 at a glance

	1983	1982
Turnover and Profit		
Turnover	£742.9 million	£682.2 million
Trading Profit	£38.2 million	£33.2 million
Share of results before taxation of Associated Companies	£56.7 million	£63.7 million
Profit before taxation	£69.3 million	£62.0 million
Profit before extraordinary items	£29.5 million	£27.2 million
Profit attributable to the Shareholders	£4.1 million	£4.0 million
Earnings, Dividend and Assets		
Earnings per Ordinary share (before extraordinary items)	14.3p	13.2p
Total Dividend per Ordinary share	10.0p	8.0p
Net Tangible Assets per Ordinary share	236p	236p
Employees		
Group employees at 31st October,	20,376	22,022

Notes

- (i) Analyses of Group turnover and profits by Division and geographical area are given on page 30.
(ii) All foreign currencies have been translated at the exchange rates ruling at 31st October of each year.



The Rank Organisation Plc

Directors

Sir Patrick Meaney	Chairman
Michael B. Gifford*	Managing Director and Chief Executive
Leslie H. Bond*	
Robert F. Butlin*	
Robin F. H. Cowen, M.B.E.	
Angus Crichton-Miller*	
James Daly*	
John C. Duckworth	
Sir Leslie Fletcher, D.S.C.	
Sir Reay Geddes, K.B.E.	
Sir Denis Mountain, Bt.	
The Hon. Angus Ogilvy	
Sir Richard Trehane, D.Sc.	
Douglas M. Yates, F.C.A.*	Finance Director

*Executive

Secretary and Registered Office
Brian C. Owers
11 Hill Street,
London W1X 8AE

Registrars and Transfer Office
Hill Samuel Registrars Limited,
6 Greencoat Place,
London SW1P 1PL

The Financial Calendar

The Interim Results for the half year and the interim dividend are announced in July. The interim dividend is paid in November.

Annual Results. A preliminary statement is published in January. The Annual Report is posted to shareholders in February and the final dividend is paid in April.

The Annual General Meeting is held in March.

Conversion of 4½% Convertible Loan 1993
These Bonds may be converted at any time until 12th February 1993 at a price of \$14.52⁰⁰ per Ordinary share.

Dates of Payment of other Dividends and Interest	
6½% Preference Shares	1st January and 1st July
8% Second Preference Shares	1st January and 1st July
4½% Convertible Loan 1993	15th February
6% Unsecured Loan Stock 1983/88	30th June and 31st December
5½% Unsecured Loan Stock 1990/95	30th June and 31st December
8% Unsecured Loan Stock 1988/93	30th June and 31st December
8½% Bonds 1986	1st November
10½% Unsecured Loan Stock 1997/2002	30th April and 31st October

Chairman's Statement

In the year to 31st October 1983 most of the Group's businesses contributed higher profits with all our UK divisions producing improved results against a continuing background of low activity in many of the trading areas in which we operate.

Group profit before tax and extraordinary items increased to £69.3 million compared with £62 million in 1982. The trading profit, after exceptional items, of the managed businesses increased to £38.2 million compared with £33.2 million in the previous year. The profit increase reflects the improvement in the Rank managed businesses and reduced interest charges, which together offset a decline in the profits of Rank Xerox and other associated companies. Interest charges fell from £34.9 million to £25.6 million reflecting a reduction in average borrowings during the year and lower interest rates. The increase in net borrowings from £233.5 million to £241.1 million on 31st October was due solely to movements in exchange rates.

Earnings per Ordinary share rose to 14.3p. The Board is recommending a Final Dividend of 6p per Ordinary share. With the Interim Dividend of 4p declared in July 1983 this will make a total dividend of 10p per Ordinary share for the year ended 31st October 1983 compared with 8p for the previous year.

There was a further decline in the pre-tax profit of our principal associate Rank Xerox and our share fell to £52.2 million compared with £57.1 million in 1982. In addition there was a reduction in our share of the income from other associate companies which was entirely accounted for by a decline of £2.2 million in the results of Telecom Plus International.

In Australia, the severe recession which began in 1982 continued through most of the year and Rank Industries Australia experienced difficult trading conditions in all its markets. Further action was taken to dispose of unprofitable businesses and given continuing improvement in the Australian economy, our operations in that country should trade profitably in the current year.

In the UK we have continued to reorganise, sell or close operations which were not producing satisfactory profits. We have completed the sale of three companies within the Industrial Division and two of the Butlin's main holiday centres have been closed. These actions, together with other disinvestments and the further rationalisation in Australia and elsewhere, have resulted in extraordinary items amounting to £25.4 million.

We invested £26.2 million in fixed assets and spent £27.6 million on increased investment in subsidiaries and associates in 1983, including a

further £22.4 million in Telecom Plus International.

At the Annual General Meeting last year, Mr. Russell Evans, who was then Chairman, announced intended changes in the constitution of the Board and the management of the Company. In the event, Mr. Michael Gifford was appointed Chief Executive of the Company in September and I succeeded Mr. Evans as Chairman last November. Also, we are pleased to welcome Sir Leslie Fletcher as a non-executive Director.

Since we commenced our appointments Michael Gifford and I have been engaged in an intensive review of all the Group's activities and investments and as indicated in this Statement, a number of steps have already been taken towards the improvement of your Company's prosperity. There is still much to be done but we intend, with the help and support of our Board and management colleagues, to ensure that the Company's earnings reflect the proper expectations of our shareholders.

On behalf of the Board I wish to thank management and employees throughout the Group for their endeavours and commitment during what has been a difficult year.

In 1983 Mr. Harry Smith retired as Deputy Chairman and a Director of the Company and Sir Robert Bellinger, Sir Arnold France and Mr. Keith Russett also retired from the Board. Since the end of the year Mr. Russell Evans and Mr. Brian Smith have retired as Directors and Sir Reay Geddes and Sir Richard Trehane will retire at the Annual General Meeting, having reached the age of seventy years. We record the Company's appreciation of the contributions made by these gentlemen to our affairs and wish them well in their retirement.

With continuing economic uncertainty, excessive interest rates, volatile foreign exchange conditions and further reshaping of the Group, it would be unwise to be over optimistic about the immediate future. However, your Company has financial strength, good assets and higher prospects of operating efficiency in activities covering a wide range of trading areas and markets. Trading in the opening part of the current year indicates improvement in the managed businesses and increases are expected in the profitability of the associated companies.

We shall continue to review all our operations and investments and to implement a determined management drive for profitability and growth so that the current year should be one of progress and improving performance.

24th January 1984

Patrick Meaney

Directors' Report

The Directors submit their Report and Statement of Accounts for the year ended 31st October 1983.

Group Profit and Dividends

Group profit before tax was £69.3 million for the year. Profit after tax and before extraordinary items, attributable to Ordinary shareholders was £29.5 million (1982 £27.2 million).

The Directors recommend a final dividend of 6p per Ordinary share which, together with the interim dividend of 4p already paid, makes a total for the year of 10p per share (1982 8p). Subject to the approval of the Annual General Meeting, the final dividend will be paid on 9th April 1984 to those shareholders whose names are on the register on 8th March 1984.

The amount which it is proposed should be transferred from reserves is detailed in note 24 to the Accounts on page 28.

Business Review

The Rank Organisation is principally a leisure group, with interests in the film industry, hotels and holidays in the United Kingdom and overseas and is also a manufacturer of consumer and industrial products including scientific and electronic equipment and theatrical and studio lighting and controls. In Australia only, the Group manufactures a range of electrical appliances and furniture. Rank has substantial property interests and a major investment in the Rank Xerox companies, owned jointly with Xerox Corporation as well as other investments in associate companies. An analysis of the Group's turnover and profit by business activity is set out in note 27 on page 30.

Further details of the Group's activities and a report on the business of the Company and its subsidiaries during the year, are contained in the Review of Operations.

Extraordinary Items

The continuing process of closing or disinvesting unprofitable operations has resulted in extraordinary items amounting in total to £25.4 million compared with the £6 million foreseen at the time of the Interim Report.

The major items contributing to this total were the closure of holiday centres in the U.K., the sale of English Numbering Machines and Inghams in the U.K., Rank Scherr-Tumico and Rank Electro-Media in North America and Rank-NEC and the security and air-conditioning operations in Australia. Provision has been made

for planned rationalisation of the small holiday and boating centres, restaurant and catering facilities in the U.K. and other selected activities in Australia plus the sale of the cinema business in Holland.

Fixed Assets

Changes in fixed assets during the year are shown in note 12 on pages 19 and 20.

Current Cost Accounts

Current Cost Accounts have not been presented as the Board is not convinced that the requirements of SSAP16 are appropriate. The present uncertainty as to the future of SSAP16 combines with the Board's view that Current Cost Accounts are not of sufficient assistance to either management or investors of the Group to warrant their presentation.

Directors

The Directors listed on page 2 were Directors of the Company throughout the year with the exception of Mr. H. A. Crichton-Miller and Mr. J. Daly who were appointed Directors on 3rd December 1982 and Mr. M. B. Gifford who was appointed a Director on 1st September 1983.

Mr. Harry Smith, Sir Robert Bellinger, Sir Arnold France and Mr. K. S. Russett resigned as Directors during the year. Since the end of the year, Mr. R. W. Evans and Mr. J. B. Smith have resigned as Directors.

Sir Patrick Meaney succeeded Mr. R. W. Evans as Chairman of the Board in November 1983.

Sir Richard Trehane, who was 70 on 14th July 1983 retires in accordance with the provisions of the Companies Act 1948 and is not offering himself for re-election. Sir Reay Geddes will also retire from the Board at the conclusion of the Annual General Meeting.

Mr. R. F. Butlin and Sir Denis Mountain retire by rotation in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

Sir Leslie Fletcher was appointed to the Board as a non-executive Director after the year end. Sir Leslie and Mr. M. B. Gifford retire in accordance with the Articles of Association and, being eligible, offer themselves for election.

Of the Directors proposed for re-election or election both Mr. R. F. Butlin and Mr. M. B. Gifford each have service contracts with the Company which are terminable by either party on not less than three years notice.

The beneficial interests of the Directors in shares of the Company, are shown in note 26 on page 29.

Significant Shareholdings

So far as is known at the date of this Report, the only substantial interest in the Ordinary share capital of the Company is a holding by The Rank Foundation Limited of 20,367,281 Ordinary shares representing 10.1 per cent of the issued Ordinary shares. The Rank Foundation Limited is associated with The Rank Prize Funds whose holding of 125,000 Ordinary shares in the Company amounts to a further 0.1 per cent.

Personnel

Systems of employee communication and consultation have been established throughout the Group and information about the operations is made available to employees. Importance is attached to the continuing development of these systems.

A policy of employee consultation was introduced in 1978 and Joint Committees provide elected employee representatives with the opportunity of regular consultation.

The Company encourages the employment of the disabled. Every effort is made to find suitable employment within the Group and training is given where necessary. The Company ensures that disabled employees benefit from employee training and development programmes.

Charitable and Political Contributions

During the year ended 31st October 1983 the Company and its subsidiaries made contributions for charitable purposes totalling £148,000. The Company has contributed £45,000 to the Conservative and Unionist Party and £1,000 to the Centre for Policy Studies Limited.

The Company has also contributed £2,500 to Aims of Industry.

Close Companies - Income and Corporation Taxes Act 1970

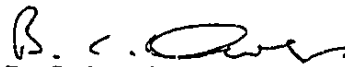
The Company is not a close company within the meaning of the Income and Corporation Taxes Act 1970.

Companies Act 1980

The Directors were authorised at the Annual General Meeting in 1983 to allot and grant rights over shares of a nominal amount equal to the then unissued share capital of the Company and, in certain limited circumstances, to allot or grant rights over Ordinary shares without first making a strict pro rata offer to all existing Ordinary shareholders. These authorities expire on the day preceding the forthcoming Annual General Meeting and accordingly shareholders will be asked to renew the authorities until the date of the next following Annual General Meeting. The necessary Resolutions are contained in the Notice of Meeting on page 32.

Auditors

Messrs. Peat, Marwick, Mitchell & Co. have signified their willingness to continue in office as Auditors. A resolution for their re-appointment will be proposed at the Annual General Meeting.


By Order of the Board
Brian C. Owers
Secretary

24th January 1984

Review of Operations

LEISURE DIVISION

Director – Angus Crichton-Miller

	1983	1982
Turnover (£million)	142.0	124.8
Trading Profit (£million)	11.3	7.2
People employed (thousands)	7.5	9.2

Cinemas – United Kingdom

Admissions to cinemas rose 9%, primarily as a result of the popularity of a small number of films, in particular 'Return of the Jedi', 'Octopussy', 'Gandhi', 'Tootsie' and 'Educating Rita'. A completely new cinema was opened in Ipswich which has attracted above average admissions. Nine cinema foyers now retail video cassettes, primarily for rental. In total in the U.K., the Division operates 79 cinemas with 198 screens.

Cinemas – Overseas

Portugal

Admissions and trading profits at the Sao Jorge cinema established a new record.

Ireland

Subject to Irish government approval, agreement has been reached on the sale of the three central Dublin cinemas which have been trading unsatisfactorily.

Holland

Further action on cost reduction, coupled with more popular films, have substantially reduced the trading losses in the year. It is intended to sell the whole of this business in the current year.

Top Rank Clubs

There was a 4% reduction in admissions for the year. However, continued upgrading of standards and facilities in several clubs, the opening of two new clubs at Bolton and Wolverhampton and the transfer to bigger and better premises of the Ipswich and Luton clubs, confirms that bingo in agreeable surroundings continues to attract customers.

Additional clubs, in Devonport and Penzance, were acquired during the year.

Improved efficiency, coupled with an increase in revenue per admission, resulted in record trading profits for the year.

Motorway Service Areas

The major improvements in 1982 at the Hilton Park and Knutsford service areas have resulted in increased sales. Competitive petrol prices and improved standards of catering and shops at other sites have contributed to the increase in trading profit.

Other Leisure Facilities

During the year agreements were concluded for the sale of all dancing venues with the exception of the successful leisure complex at Brighton. The sale of the remaining four Wimpy restaurants and the four Great American Disaster restaurants is planned.

Admissions at the live show venues topped 1.5 million for the first time in recent years, with the Odeon Hammersmith achieving the largest increase.

Trading profit for the year, for the Division as a whole, included £2.2 million (1982 – £0.7 million) of exceptional profits on the disposal of surplus property.

FILM AND TELEVISION SERVICES DIVISION

Director – James Daly

	1983	1982
Turnover (£million)	58.5	52.7
Trading Profit (£million)	4.8	4.7
People employed (thousands)	1.8	2.0
Pre-tax profit of Associates (£million)	0.2	(0.2)

Pinewood Studios

A series of major feature films kept the Studios busy throughout the year. Trading profits at a record level were 18% higher than those achieved in 1982.

Rank Advertising Films

The rise in cinema admissions this year combined with the offer to advertisers of a guaranteed audience delivery plan produced an increase in cinema advertising revenue and trading profits.

The outdoor poster and video advertising businesses improved. The company has begun to sell advertising on behalf of cable television operators.

Rank Audio Visual

There was an overall loss of £0.8 million, after provision of £0.5 million, for future reorganisation costs. Operating profits declined due to a substantial fall in business for the Rank Film Library.

Rank Video, which supplies pre-recorded video cassettes to the retail trade, had a successful year. The exclusive contract to distribute video cassettes of Walt Disney films has been renewed following the successful launch in 1982. An agreement to distribute Orion films on video has been signed.

Three new Rank Aldis training films were produced. 'The Art of Negotiating', (1982) won the British Industrial and Scientific Film Association's Gold Award and also took first place in the Australian Film Festival.

Hodgers Laboratories in Eire has been sold to local management.

Rank Film Distributors

Trading profits from U.K. and overseas were higher. 'Table for Five' was selected for the 1983 Royal Film Performance. 'Educating Rita' was the outstanding success for the company in the U.K.

Overseas sales were the highest ever with good results from the distribution of video cassettes in overseas markets.

The agreement to distribute Children's Film and Television Foundation films has been extended to include U.K. television and video rights. This gives Rank complete world rights for CFTF films.

Rank Film Laboratories

Trading profits increased following substantial cost reductions and despite fiercer competition in a restricted market.

The Laboratory was presented with the Scientific and Engineering Award by the U.S. Academy of Motion Picture Arts and Sciences for the development of a 4,000 metre printing system. This is the first award which the Academy has made to a British film laboratory. The British Kinematograph, Sound and Television Society awarded their Charles Parkhouse prize to the development team for the same project.

Camera Effects, which carries out sophisticated optical effects on film, continued to trade profitably.

Rank Satellite and Cable

The joint venture with Trident Television plc was terminated and Trident's interest taken up by Rank. The business will now concentrate on supplying programming and services to cable operators. A 14% share has been acquired in United Cable Programmes Ltd. This company will supply a feature film channel to cable operators from early 1984.

Rank Phicom Video Group

Loss-making activities have been closed or sold and the company was in profit for the first time since it was set up in 1981. Rank's 50% share of profits before tax was £0.2 million against a loss in 1982 of £0.2 million.

Rank Phicom Video Duplication has been further expanded. Television International is developing a transmission service to handle contracts for cable operators. The mobile facilities business has been sold for a cash settlement and an equity stake in the purchasing company.

HOTELS AND HOLIDAYS DIVISION

Director - Robert Butlin

	1983	1982
Turnover (£million)	245.0	225.0
Trading Profit (£million)	15.7	9.7
People employed (thousands)	7.9	8.5

Butlin's Holidays

The decline in bookings of the past three years ceased but customers chose increasingly 'off-peak' holiday periods and short-stay visits. On-site shops, restaurants and bars improved their sales by over 10%. Overall, trading profits from the U.K. centres remained at the level of last year. The unprofitable centres at Clacton and Filey were closed at the end of the summer season.

The campground business at Lake Arrowhead, U.S.A., improved turnover and profits.

Leisure Holidays

This was the first year of the new company which combines the activities of Leisure Caravan Parks and the former Small Centres Division of Butlin's. A good start was achieved with a profit increase of over 33%.

Bookings at U.K. locations fell by 4%, but overseas bookings rose by 5% excluding the El Griego Hotel, Torremolinos, which was particularly successful with first-year occupancy of 85%. There were poor results from the hire cruiser businesses.

Substantial savings on overhead costs were achieved and the drive to further reduce operating costs will continue in 1984.

Rank Hotels

Trading profit was the highest yet achieved and represented a 160% increase over last year. All five London hotels improved their results, helped by a major upturn in demand, particularly from U.S. visitors.

At the Royal Garden Hotel a sub-lease for a casino has been granted to a subsidiary of Trident Television plc. The casino will be developed at Trident's expense in the area currently occupied by the Bulldog Chop House. The casino is due to open in summer 1984.

Outside London, the Unicorn hotel in Bristol produced record profits, while the loss-making Great Danes Hotel, Maidstone has been sold to Embassy Hotels Limited.

The Hotel Medano, Tenerife, continued to trade at a loss, though at a reduced level compared with last year.

Rank Travel

OSL and Wings bookings were slightly lower than in the previous year. OSL remained the market leader in self-catering holidays. The lease of one Boeing 737 aircraft was terminated during the year and under the terms of the lease the company participated in the proceeds of its subsequent sale. Planefair, which sells aircraft-seats only, performed well. British Caledonian Airways (Charter) Limited produced results above expectations.

Rank Travel operates in a market where excess supply has led to fierce competition based on heavy discounting. However, our performance improved generally and the business traded profitably.

INDUSTRIAL DIVISION

Director - Geoffrey Deith

	1983	1982
Turnover (£million)	83.5	83.9
Trading Profit (£million)	2.5	1.7
People employed (thousands)	3.0	4.1

The Division continued to rationalise its operations, and achieved a marked increase in trading profits except in the Stage and Studio companies where losses after provisions for rationalisation increased to £2.2 million. The businesses of English Numbering Machines, R. E. Ingham and Blackburn & Swallow were sold. Disposals or closures also took place of a number of minor activities.

At the year-end the Division comprised five companies, each a major exporter and a leader in its specialist field of activity.

Rank Cintel

The company achieved good results and maintained its position as the world's leading manufacturer of telecine equipment for the conversion of images on motion picture film into electronic signals for the television screen. Two new products, the ADS 1 solid state telecine and Slide File, a digital picture store, were successfully launched. An agreement was made with Radio Corporation of America whereby the company manufactures the solid state telecine for sale by RCA under their brand name. This is additional to the marketing of the product by Rank Cintel and by Rank Precision Industries Inc.

Rank Electronic Tubes

This company which formerly was part of Rank Cintel has operated as an independent company within Industrial Division since November 1983. It manufactures cathode ray tubes principally for the air scanning and photo-typesetting markets.

The U.K. operation had a successful year, ending with a strong order book. The U.S. plant, in California, encountered start-up and management problems in the new premises opened in 1983.

Rank Pullin Controls

It was a successful and profitable year. Exports of military 24-hour sighting equipment more than doubled.

Several new products have been added to the range with the advantages to the customer of reduced cost, weight and size.

Rank Taylor Hobson

Greater cost efficiency combined with export growth particularly to Japan and the U.S.A. produced some improvement in the trading performance. However, traditional industrial markets for the RTH comprehensive range of precision measuring systems and instruments were depressed.

Substantial orders have been received for the 'Cooke' range of cine and TV zoom lenses. The first thermal imaging scanners have been delivered to the Ministry of Defence.

Rank Stage and Studio Group

The reorganisation of Rank Strand, started in 1982, is beginning to prove effective. Coupled with the successful introduction of new products, it returned to profitable trading in the second half-year.

Tele-Stage Associates, designers and manufacturers of theatre engineering projects and TV studio lighting suspension systems, improved performance following their reorganisation. Strand Seating and P. E. Kemp had a profitable year, but the professional audio and big-screen projection TV businesses failed to meet expectations.

AUSTRALIA

Director - Leslie Bond

	1983	1982
Turnover (£million)	129.1	120.2
Trading Loss (£million)	(6.4)	(6.0)
People employed (thousands)	2.4	3.0
Pre-tax profit of Associates (£million)	3.9	3.3

Firm action continued to disinvest unprofitable businesses and to reorganise the operations to achieve and maintain profitability.

The Air Conditioning division was closed down in

September 1983. At the beginning of December 1983, the 60% shareholding in the consumer electronics business Rank-NEC Pty. Limited was sold to the minority partner NEC Corporation. Later the same month, the Security division was sold and certain properties surplus to requirements were disposed of. It is also intended to dispose of Rank Electronics in the current year.

The businesses that remain are electrical appliances and furniture.

Greater Union Organisation

The results of the Greater Union Organisation group of companies, in which Rank has a 50% interest, showed a small improvement. For the year ended 30th June 1983, the share of profits before tax was A\$6.4 million compared with A\$5.9 million the previous year.

GUO felt the impact of increased sales of video cassette recorders which was reflected in a downturn in theatre admissions with drive-in cinemas being particularly affected.

The earnings of the Rank Xerox subsidiary in Australia, which is an associated company of GUO, declined during the year.

ASIA

Director - Peter Blaxtan

	1983	1982
Turnover (£million)	20.4	16.1
Trading Profit (£million)	1.4	1.0
People employed (thousands)	0.4	0.4

Turnover and profits were improved. Consumer product sales remained static, but sales of technical products increased substantially. Singapore was the most successful territory, followed by Hong Kong and Malaysia. The largest single contract, worth over £2 million was for the supply, installation and commissioning of sound, lighting and stage equipment for the UMNO building in Kuala Lumpur, Malaysia. It is due for completion in 1985.

NEW ZEALAND

Kerridge Odeon

The Rank 50% share of the profit before tax of associated companies in New Zealand was £1.5 million for the year ended 31st March 1983 compared with £1.3 million the previous year. The cinema operations produced improved results but the retail merchandising businesses experienced difficult market conditions.

NORTH AMERICA

Director - Brian Edney

	1983	1982
Turnover (£million)	32.1	30.7
Trading Loss (£million)	(0.9)	0.1
People employed (thousands)	0.6	0.6
Pre-tax Loss of Associates (£million)	(1.3)	0.9

Trading profits of the industrial businesses increased from £1.2 million to £1.7 million. This improvement was however more than offset by the increase in the trading losses of Nestar and Zynar from £1.4 million to £2.6 million.

Strand Century

Profitable results were achieved, with growing success in traditional theatre and TV/film studio markets and good customer acceptance of the new range of architectural dimming and control products. Strand's marketing subsidiary in Canada returned to profit, following a substantial reorganisation of activities in 1982.

Rank Precision Industries Inc.

Sales of contact roundness and surface metrology instruments were satisfactory as markets for capital goods improved in the second half-year, particularly in the automotive industry. Sales of telecine equipment were maintained at the previous year's level in a highly competitive market. Demand for motion picture camera lenses was strong but sales were limited by shortage of supply. Favourable exchange rates combined with strict control of operating costs contributed to another good financial performance.

Rank Scherr-Tumico

New activities in metal-working markets and severe competition resulted in continuing losses. The small measuring tools business was sold and the optical comparator product line transferred to Rank Precision Industries Inc. The range of non-contact video inspection products, used to monitor and check manufacturing processes, is being integrated with Rank Videometrix.

Rank Videometrix

An 80% interest in Videometrix Inc., was purchased and the company was subsequently renamed Rank Videometrix. The company designs and manufactures automated non-contact video inspection systems which can be used as stand-alone devices and for 'in-process' shop floor inspection. Demand for advanced metrology systems is being stimulated by the growth of factory automation and robotics.

Review of Operations continued

Rank Electro-Media

The company was profitable, though market conditions were difficult. However, with poor growth prospects and no synergy with other North American activities, this outdoor neon signs business has been sold.

Nestar Systems Inc./Zynar Ltd.

The market for the companies' microprocessor-based local area network products did not materialise as rapidly as expected. With continued heavy product development and marketing costs, substantial losses were incurred by both companies in the U.S.A. and U.K.

During the year, the shareholding in Nestar was increased to 85% and both companies were reorganised. New management has been appointed and the businesses have been integrated. The combined operations have been designed to sell into a wide range of financial, commercial, industrial and medical markets.

Telecom Plus International Inc.

Rank Industries America increased its shareholding in Telecom Plus from 21% to 30%. The company continued to expand rapidly and profitably until a lengthy strike of installation employees occurred in the key New York market in mid-1983 resulting in a loss for the year to 30th September 1983.

Telecom has continued to seek complementary business opportunities and is participating in the growth of cellular radio communications in the U.S.

PROPERTY INVESTMENT

	1983	1982
Turnover (£million)	32.3	28.8
Trading Profit (£million)	10.9	15.1
People employed (thousands)	0.2	0.2

United Kingdom and Europe

Directors -
Brian Penfold
Trefor Thomas

The U.K. rent roll increased by £0.2 million from new or reversionary lettings and by £0.5 million from completed rent reviews. Sales totalling £2.1 million were completed and others totalling £1.5 million were agreed at the year-end.

Construction has continued of the office and industrial development at Islington, North London, which will be ready for occupation early in 1984. Construction also commenced on the redevelopment of the former Rank Pullin Controls factory at Brentford, West

London, where a total of 80,000 sq. ft. of industrial and warehousing space is being erected on a prime site fronting the Great West Road. Units will be available for occupation in mid-1984.

Canada

Director - Derek Montague

The realisation of the Sheppard Centre at the end of the previous financial year reduced trading profit compared with 1982 by £5.0 million although the continued management of the property is still reflected in the turnover figures.

The level of vacancies in some properties had risen in line with the general weakness in the property leasing market, but a measure of re-leasing has been completed in the Toronto area at considerably increased rents, some taking effect in 1985. Properties will continue to be upgraded where appropriate in order to increase income by rent review or re-leasing.

RANK XEROX

Rank's share of Rank Xerox companies' profits before tax was £52.2 million compared with £57.1 million in 1982.

The total Rank Xerox profit of £165.9 million (£179.1 million in 1982) was after charging £19.4 million of redundancy cost (£27.1 million in 1982). There was a favourable currency impact of £4.9 million compared with 1982. Excluding these factors, the 12% lower profits reflect the competitive pressure on selling prices which prevented the recovery of the inflation in costs. Copy volume in the copier and duplicator business was restricted by economic conditions to a growth of 5%.

The new "10 series" copiers and duplicators have been well received and placement of machines in both the reprographic and office information markets was at a record level. Production of the Xerox 600 series of electronic typewriters is being stepped up in France and electronic printing products continue to capture a major share of this fast-growing sector.

Share Ownership Analysis

at 31st October 1983

Ordinary share holdings	Holdings		Nominal amount held	
	Number	%	£ million	%
Individuals				
Up to 500 shares	24,723	68.97	0.7	1.44
501 - 2,500 shares	7,559	21.09	2.0	3.99
2,501 - 25,000 shares	808	2.26	1.0	1.96
Over 25,000 shares	14	0.04	0.3	0.53
	<u>33,104</u>	<u>92.35</u>	<u>4.0</u>	<u>7.92</u>
Institutions and other corporate holdings				
Banks and nominee companies	1,720	4.80	22.2	43.97
Insurance companies and pension funds	210	0.59	14.3	28.36
Other corporate holdings	812	2.26	10.0	19.75
	<u>2,742</u>	<u>7.65</u>	<u>46.5</u>	<u>92.08</u>
Total ordinary share holdings	<u>35,846</u>	<u>100.00</u>	<u>50.5</u>	<u>100.00</u>
Preference share holdings	5,766		12.6	
Total	<u>41,612</u>		<u>63.1</u>	

Report of the Auditors

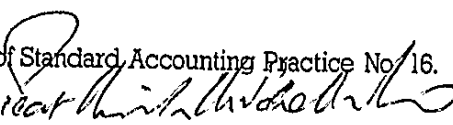
to the Members of The Rank Organisation Plc

We have audited the accounts on pages 12 to 30 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out in note 2 on page 15, give a true and fair view of the state of affairs of the company and of the group at 31st October 1983 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 to 1981.

The accounts do not include the current cost accounts required by Statement of Standard Accounting Practice No 16.

London
24th January 1984


PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

Group Profit & Loss Account

for the year ended 31st October 1983

	Note	1983 £ million	1982* £ million
Turnover	3 & 27	742.9	682.2
Less costs and exceptional items	3	<u>704.7</u>	<u>649.0</u>
Trading profit	3 & 27	38.2	33.2
Share of results of associated companies	4		
Rank Xerox companies		52.2	57.1
Others		4.5	6.6
		<u>94.9</u>	<u>96.9</u>
Interest	5	(25.6)	(34.9)
		<u>69.3</u>	<u>62.0</u>
Profit on ordinary activities before tax			
Tax on profit on ordinary activities	6	(37.8)	(32.7)
		<u>31.5</u>	<u>29.3</u>
Profit on ordinary activities after tax			
Minority interests		(2.0)	(2.1)
		<u>29.5</u>	<u>27.2</u>
Earnings			
Extraordinary items	7	(25.4)	(23.2)
		<u>4.1</u>	<u>4.0</u>
Profit for the financial year	8		
Dividends	9	(20.8)	(16.7)
	24	<u>(16.7)</u>	<u>(12.7)</u>
Earnings per Ordinary Share (before extraordinary items)	10	<u>14.3p</u>	<u>13.2p</u>

*Comparative figures have been restated (see notes 1 and 2(i) on page 15).
The notes to the accounts are on pages 15 to 30.

Balance Sheets

at 31st October 1983

1982* million	Note	Group		Company	
		1983 £ million	1982* £ million	1983 £ million	1982* £ million
682.2					
649.0					
33.2					
57.1					
6.6					
96.9					
(34.9)					
62.0					
(32.7)					
29.3					
(2.1)					
27.2					
(23.2)					
4.0					
(16.7)					
(12.7)					
13.2p					

PATRICK MEANEY

M. B. GIFFORD

Accounts approved by Board of Directors on 24th January 1984.

*Comparative figures have been restated (see notes 1 and 2(i) on page 15).
The notes to the accounts are on pages 15 to 30.

Source and Application of Funds

for the year ended 31st October 1983

	1983 £ million	1982 £ million
Generation of funds from operations		
Trading profit	38.2	33.2
Interest	(25.6)	(34.9)
Dividends received from associated companies	15.9	16.9
Extraordinary items before tax	(28.2)	(28.1)
Items included above not requiring funds		
Depreciation	16.8	15.9
Other items	13.7	8.3
	<u>30.8</u>	<u>11.3</u>
Decrease (increase) in working capital		
Stocks	10.5	0.3
Debtors	3.0	8.6
Creditors and provisions	15.3	(0.6)
	<u>59.6</u>	<u>19.6</u>
Net proceeds from the sale of:		
Investment properties	3.6	54.0
Other tangible fixed assets	14.9	5.7
Net assets and goodwill of subsidiaries	1.3	1.9
Investments	1.0	2.0
	<u>80.4</u>	<u>83.2</u>
Application of funds		
Acquisition of net assets of subsidiaries (1982 including goodwill of £13.9m)	0.7	16.5
Investments in associated companies	26.9	13.2
Additions to tangible fixed assets		
Investment properties	3.4	3.4
Other tangible fixed assets	22.0	26.4
Dividends paid	20.2	25.4
Taxation paid	2.4	4.4
	<u>76.4</u>	<u>90.3</u>
Decrease (increase) in net borrowings and share capital	<u>4.0</u>	<u>(7.1)</u>
Represented by changes in:		
Preference share capital	—	20.8
Loan capital	(10.2)	(11.5)
Cash and short term deposits	14.2	(16.4)
	<u>4.0</u>	<u>(7.1)</u>

Note: To eliminate distortions arising from changes in foreign currency exchange rates, the figures are presented on the basis that exchange rates ruling at 31st October of each year had applied throughout that year.

Notes to the Accounts

1 Companies Act 1981

The accounts have been drawn up to meet the new reporting requirements of the Companies Act 1981 but have otherwise been prepared on bases consistent with the previous year. Presentational adjustments have been made to the previous year's figures to correspond with the new format.

In addition profits less losses from the disposal of properties in the normal course of business have been included in trading profits instead of in extraordinary items. Comparative figures have been restated accordingly.

2 Accounting policies

(i) Consolidation

The consolidated profit and loss account and balance sheet include the parent company and its subsidiaries, and the group's share of profits or losses and reserves of associated companies which are all related companies. They are prepared under the historical cost convention, adjusted for the revaluation of certain properties as disclosed in note 12. The profits or losses of subsidiaries acquired or sold during the year are included as from or up to their respective dates of acquisition or disposal.

The consolidated accounts include the accounts of a subsidiary company which were not consolidated in the previous year. Comparative figures have been restated accordingly.

As provided for by Section 149(5) of the Companies Act 1948, no profit and loss account is presented by The Rank Organisation Plc.

(ii) Exchange rates

The Company and its subsidiaries

Assets and liabilities and profit and loss account items in foreign currencies are translated 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.

Rank Xerox companies

Assets and liabilities denominated in foreign currencies are translated into the functional currencies of the reporting companies at exchange rates ruling at the balance sheet date. The exchange differences arising, together with exchange differences on trading transactions, are dealt with in the respective profit and loss accounts.

For the purposes of consolidation of financial statements denominated in foreign currencies, assets and liabilities are translated into sterling at the exchange rates ruling at the balance sheet date and profit and loss account items at average exchange rates for the year. The exchange differences arising are dealt with through reserves. Unrealised intra-group profits are eliminated at exchange rates ruling on the date of the relevant transactions.

(iii) 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.

(iv) Goodwill

Goodwill in the consolidated balance sheet represents the net excess of the cost of shares in subsidiaries over net tangible assets at dates of acquisition together with the historical cost of goodwill of the parent company. It is stated at cost less provisions for permanent diminution in value. No amortisation is provided.

Goodwill in the balance sheet of the company is amortised over an estimated useful life of 20 years from the date of purchase.

(v) Stocks

Raw materials, work in progress, finished goods, other stocks and film productions are stated at the lower of cost (including, where appropriate, manufacturing overheads) and net realisable value on bases consistent with the previous year. Work in progress is stated net of progress payments receivable.

(vi) Research and development expenditure

Research and development expenditure incurred in the year is charged against profit from ordinary activities unless specifically chargeable to and recoverable from customers under agreed contract terms.

(vii) Depreciation of fixed assets

Properties held for investment

(a) Completed investment properties are revalued annually and the effect is reflected in the investment property revaluation reserve. Profits or losses on disposal are dealt with in extraordinary items and are arrived at by comparing sale proceeds with the revalued book amount at the beginning of the year and making an appropriate transfer from revaluation reserve of the previously unrealised surplus or deficit relating thereto which has become realised as a result of the disposal, to arrive at the realised profit or loss against historical cost.

(b) No depreciation is provided on freehold land and buildings.

(c) No depreciation is provided on leasehold properties where the leases have more than 50 years to run. The historical costs of other leasehold properties are depreciated on a straight line basis over the remaining terms of the leases.

Other properties

(a) No depreciation is provided on freehold land.

(b) Depreciation is provided on a straight line basis to write off the cost of all freehold buildings over their estimated useful lives which do not exceed 100 years.

(c) Leasehold properties are depreciated over the shorter of their estimated useful lives, which do not exceed 100 years, and the 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 mainly at rates between 5% and 25% per annum.

(viii) Deferred taxation

The Company and its subsidiaries

Deferred taxation is only provided where required by local regulations, or where it cannot be demonstrated with reasonable probability that a liability will not arise in the foreseeable future. No provision is made for taxation payable in the event of the profits of certain overseas subsidiary and associated companies being distributed. The amounts of deferred taxation provided and the relevant potential liability are set out in note 23 on page 27.

Rank Xerox companies

Full provision is made for deferred taxation.

Notes to the Accounts continued

3 Trading profit	1983	1982
	£ million	£ million
Turnover	742.9	682.2
Cost of sales	(594.0)	(545.8)
	<hr/>	<hr/>
Gross profit	148.9	136.4
Distribution costs	(58.1)	(53.8)
Administrative expenses	(58.7)	(51.8)
Other operating income	0.4	0.4
	<hr/>	<hr/>
	32.5	31.2
Exceptional items		
Surplus on purchase of debenture and loan stock	1.8	1.2
Profits less losses on disposal of operating properties and cancellation of aircraft lease	4.9	0.8
Oil exploration expenditure in prior years written off	(1.0)	—
	<hr/>	<hr/>
Trading profit	38.2	33.2
	<hr/>	<hr/>
Trading profit is stated after (charging) or crediting the following items:		
	1983	1982
	£ million	£ million
Depreciation of tangible fixed assets	(16.8)	(15.9)
Rental and leasing payments for plant and machinery	(4.3)	(3.2)
Auditors' remuneration (Company £0.2m 1982 £0.2m)	(1.0)	(1.0)
Rents receivable	12.9	15.6
	<hr/>	<hr/>
4 Share of results of associated companies	1983	1982
	£ million	£ million
Share of profits less losses before taxation	56.7	63.7
Share of taxation (note 6)	(27.3)	(29.4)
Share of extraordinary items (note 7)	(0.3)	0.2
	<hr/>	<hr/>
Dividends receivable by the Group	29.1	34.5
	(17.3)	(18.1)
	<hr/>	<hr/>
Profits less losses for the year retained by associated companies	11.8	16.4
Minority interests	(0.4)	(0.5)
	<hr/>	<hr/>
Amounts retained attributable to shareholders of the company	11.4	15.9
Reserves of associated company written out on disposal of investment	(0.1)	(0.5)
	<hr/>	<hr/>
Net increase in profits retained in associated companies	11.3	15.4
	<hr/>	<hr/>
5 Interest	1983	1982
	£ million	£ million
Interest on bank loans and overdrafts	(17.9)	(15.8)
Interest on other loans fully repayable within 5 years	(5.1)	(11.9)
Interest on other loans not fully repayable within 5 years	(6.4)	(6.4)
Discount on acceptance credits	(0.2)	(2.9)
Interest receivable	4.0	2.1
	<hr/>	<hr/>
	(25.6)	(34.9)
	<hr/>	<hr/>

6 Taxation

	Company and its subsidiaries	1983 Associated companies		Total	Company and its subsidiaries	1982 Associated companies		Total
		Rank Xerox companies	Others			Rank Xerox companies	Others	
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million
United Kingdom corporation tax								
Current	7.2	1.0	0.5	8.7	3.2	3.5	0.7	7.4
Deferred	(0.2)	(4.6)	—	(4.8)	(1.4)	(8.9)	(0.2)	(10.5)
Advance corporation tax	(1.0)	—	—	(1.0)	—	—	—	—
Development land tax	1.3	—	—	1.3	—	—	—	—
	<u>7.3</u>	<u>(3.6)</u>	<u>0.5</u>	<u>4.2</u>	<u>1.8</u>	<u>(5.4)</u>	<u>0.5</u>	<u>(3.1)</u>
Overseas								
Current	2.3	12.6	2.4	17.3	1.8	15.4	2.3	19.5
Deferred	0.9	16.0	(0.6)	16.3	(0.3)	16.4	0.2	16.3
	<u>3.2</u>	<u>28.6</u>	<u>1.8</u>	<u>33.6</u>	<u>1.5</u>	<u>31.8</u>	<u>2.5</u>	<u>35.8</u>
	<u>10.5</u>	<u>25.0</u>	<u>2.3</u>	<u>37.8</u>	<u>3.3</u>	<u>26.4</u>	<u>3.0</u>	<u>32.7</u>

Company and its subsidiaries

United Kingdom corporation tax is provided at 52% and is stated after crediting double tax relief of £1.3m (1982 £0.9m) in respect of income from subsidiaries and £0.8m (1982 £0.9m) in respect of dividends from associated companies. The charge for taxation has been increased by £0.9m (1982 reduced by £3.9m) in respect of accelerated capital allowances and other timing differences and has been reduced by £0.9m (1982 £0.9m) in respect of stock relief.

Rank Xerox companies

The charge for United Kingdom corporation tax provided at 52% has been reduced by £1.7m (1982 £1.4m) in respect of stock relief.

7 Extraordinary items

	1983 £ million	1982 £ million
Profits less (losses) on disposal of investment properties		
Against opening valuation	—	(0.6)
Transfer from investment property revaluation reserve relating thereto	0.6	3.2
Realised on investment properties against historical cost	0.6	2.6
Cost of terminating activities	(28.0)	(29.1)
Exchange differences on repayment of overseas currency loans (1982 loans and preference shares)	(0.8)	(1.6)
	<u>(28.2)</u>	<u>(28.1)</u>
Taxation (including relief relating to previous years)	2.7	4.6
	<u>(25.5)</u>	<u>(23.5)</u>
Share of extraordinary items of associated companies	(0.3)	0.2
	<u>(25.8)</u>	<u>(23.3)</u>
Loss attributable to minorities	0.4	0.1
	<u>(25.4)</u>	<u>(23.2)</u>

Notes to the Accounts continued

8 Profit attributable to The Rank Organisation Plc

The profit for the financial year dealt with in the accounts of The Rank Organisation Plc was £2.1m (1982 £11.1m).

9 Dividends

	1983 £ million	1982 £ million
<i>Preference shares</i>		
6½% Cumulative Preference	0.4	0.4
8% Second Cumulative Preference	0.2	0.2
	<u>0.6</u>	<u>0.6</u>
<i>Ordinary shares</i>		
Interim of 4.0p per share, since paid (1982 interim of 4.8p per share)	8.1	9.7
Final of 6.0p per share, proposed (1982 final of 3.2p per share)	12.1	6.4
	<u>20.2</u>	<u>16.1</u>
	<u>20.8</u>	<u>16.7</u>

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.

10 Earnings per Ordinary share

The calculation of earnings per Ordinary share is based upon profit before extraordinary items of £29.5m from which are deducted Preference dividends totalling £0.6m giving earnings of £28.9m (1982 £26.6m) and on Ordinary shares in issue during the year of 201,995,000 (1982 201,995,000 shares).

11 Intangible fixed assets

	Group			Company		
	Deferred revenue expenses £ million	Goodwill £ million	Total £ million	Deferred revenue expenses £ million	Goodwill £ million	Total £ million
<i>Cost</i>						
At 31st October 1982	1.4	56.4	57.8	0.1	3.4	3.5
Additions	0.3	0.7	1.0	0.2	—	0.2
Disposals	(1.0)	(3.4)	(4.4)	(0.1)	—	(0.1)
At 31st October 1983	<u>0.7</u>	<u>53.7</u>	<u>54.4</u>	<u>0.2</u>	<u>3.4</u>	<u>3.6</u>
<i>Amortisation</i>						
At 31st October 1982	0.4	—	0.4	—	—	—
Charged in year	0.1	—	0.1	0.1	3.2	3.3
Disposals	(0.1)	—	(0.1)	(0.1)	—	(0.1)
At 31st October 1983	<u>0.4</u>	<u>—</u>	<u>0.4</u>	<u>—</u>	<u>3.2</u>	<u>3.2</u>
<i>Net book amount</i>						
At 31st October 1982	<u>1.0</u>	<u>56.4</u>	<u>57.4</u>	<u>0.1</u>	<u>3.4</u>	<u>3.5</u>
At 31st October 1983	<u>0.3</u>	<u>53.7</u>	<u>54.0</u>	<u>0.2</u>	<u>0.2</u>	<u>0.4</u>

12 Tangible fixed assets

Group	Completed properties at valuation		Properties held for development at cost	Properties in course of development at cost	Total £ million
	Freehold £ million	Leasehold £ million	Freehold £ million	Freehold £ million	
Investment properties					
Cost or valuation at 31st October 1982	90.4	81.8	2.4	0.8	175.4
Currency translation adjustment	3.5	3.5	—	—	7.0
Transfers from other fixed assets	—	—	—	0.7	0.7
Additions at cost	1.6	0.5	—	1.3	3.4
Disposals at book amount	(3.5)	(0.1)	—	—	(3.6)
Transfers on completion	0.7	—	—	(0.7)	—
Depreciation for year	—	(0.2)	—	—	(0.2)
Deficit on revaluation	(9.9)	2.6	—	—	(7.3)
Cost or valuation at 31st October 1983	82.8	88.1	2.4	2.1	175.4

Completed investment properties have been valued as at 31st October 1983 on the basis of open market value for the existing use. The valuation includes £95.2m in respect of the United Kingdom portfolio which was valued by Messrs. Weatherall Green & Smith. The valuation of properties held by overseas subsidiaries was made by the directors of those companies with advice from executives of the Group who hold appropriate professional qualifications or have relevant experience.

The net deficit of £7.3m arising from the valuations has been transferred, after taking account of minority interests, to investment property revaluation reserve.

The amounts of completed properties included at valuation determined according to the historical accounting rules are for freehold £39.8m (1982 £39.1m) and leasehold £61.0m (1982 £57.5m).

The net book amount of investment properties at 31st October 1983 not depreciated during the year ended on that date was £171.8m (1982 £171.6m).

Other tangible fixed assets	Freehold land and buildings £ million	Leasehold land and buildings £ million	Plant and machinery £ million	Fixtures fittings tools and equipment £ million	Assets in course of construction £ million	Total £ million
Cost or valuation at 31st October 1982	120.4	60.5	109.3	35.7	1.0	326.9
Currency translation adjustment	1.8	0.2	0.8	1.6	0.1	4.5
Additions	3.7	1.4	11.9	4.7	1.1	22.8
Disposals	(7.8)	(2.3)	(10.5)	(5.4)	—	(26.0)
Transfers to investment properties	(0.7)	—	—	—	—	(0.7)
Transfers to and from assets in course of construction	1.9	—	—	—	(2.2)	(0.3)
Transfers to and from current assets	(12.7)	0.3	(11.5)	—	—	(23.9)
Cost or valuation at 31st October 1983	106.6	60.1	100.0	36.6	—	303.3
Depreciation at 31st October 1982	17.9	10.4	52.1	17.9	—	98.3
Currency translation adjustment	0.2	0.1	0.5	0.7	—	1.5
Disposals	(1.1)	(0.5)	(6.3)	(3.6)	—	(11.5)
Transfers to assets in course of construction	(0.3)	—	—	—	—	(0.3)
Transfers to and from current assets	(1.8)	0.3	(6.1)	—	—	(7.6)
Depreciation for year	2.1	1.5	8.8	4.0	—	16.4
Provisions for losses	1.8	0.5	0.7	0.6	—	3.6
Depreciation at 31st October 1983	18.8	12.3	49.7	19.6	—	100.4
Net book amount at 31st October 1982	102.5	50.1	57.2	17.8	1.0	228.6
Net book amount at 31st October 1983	87.8	47.8	50.3	17.0	—	202.9

Notes to the Accounts continued

Tangible fixed assets continued

Freehold land and buildings includes a property at a directors' valuation made on 31st October 1975. The valuation amounts and the amounts determined according to the historical cost accounting rules are as follows:

	At valuation		At historical cost	
	1983 £ million	1982 £ million	1983 £ million	1982 £ million
Valuation or cost	1.0	1.0	0.7	0.7
Depreciation	0.1	0.1	0.1	0.1
Net	0.9	0.9	0.6	0.6

Company	Freehold	Leasehold	Fixtures	Total
	land and buildings £ million	land and buildings £ million	fittings tools and equipment £ million	
Cost at 31st October 1982	23.7	26.0	39.5	89.2
Additions	1.2	0.7	4.9	6.8
Disposals	(3.0)	(1.5)	(5.6)	(10.1)
Transfers to and from current assets	1.6	0.7	0.2	2.5
Cost at 31st October 1983	23.5	25.9	39.0	88.4
Depreciation at 31st October 1982	5.8	4.3	20.0	30.1
Disposals	(0.7)	(0.4)	(3.1)	(4.2)
Charge for period	0.4	0.6	3.2	4.2
Provisions for loss on disposal	0.1	0.5	(0.3)	0.3
Transfers to and from current assets	0.6	0.4	0.1	1.1
Depreciation at 31st October 1983	6.2	5.4	19.9	31.5
Net book amount at 31st October 1982	17.9	21.7	19.5	59.1
Net book amount at 31st October 1983	17.3	20.5	19.1	56.9

The net book amount of leasehold investment properties and other leasehold land and buildings at 31st October 1983 includes for the Group £26.0m (1982 £23.9m) and for the Company £16.1m (1982 £16.9m) in respect of leases with less than 50 years to run.

13 Commitments

Future capital expenditure

	Group		Company	
	1983 £ million	1982 £ million	1983 £ million	1982 £ million
Commitments	4.5	5.9	0.2	0.4
Authorised by the Directors but not contracted	6.2	6.0	0.7	1.0
	10.7	11.9	0.9	1.4
Rental commitments over periods of leases				
Leased properties	50.0	50.0	50.0	50.0
Leased aircraft	14.4	14.0	14.4	14.0
	64.4	64.0	64.4	64.0

Forward foreign exchange contracts are entered into by certain group companies during the ordinary course of their business. At 31st October 1983 these amounted to £50 million sterling equivalent.

14 Investments in subsidiaries

	Shares at cost or valuation £ million	Loans and advances £ million	Provisions £ million	Net £ million
Balances at 31st October 1982	184.0	259.7	(32.7)	411.0
Additions	1.1	53.6	(9.0)	45.7
Disposals	(3.3)	(5.7)	2.9	(6.1)
Surplus on revaluation	104.0	—	—	104.0
Balances at 31st October 1983	285.8	307.6	(38.8)	554.6

The Company's 60% directly owned holding in Rank Precision Industries (Holdings) Plc was revalued by the directors on 31st October 1983 at £107.3m being an amount equal to the historical cost of £3.3m plus the appropriate share of post acquisition retained reserves. The surplus on revaluation has been taken to revaluation reserve.

Of the loans and advances to subsidiaries £61.6m (1982 £54.5m) has been subordinated to other creditors as an alternative to increasing the share capital of certain subsidiaries.

The principal subsidiaries, whose activities are shown in greater detail in the Review of Operations on pages 6 to 10 are:

Class of shares owned	Country of incorporation and operation	Percentage of share capital attributable to the Company			
		Directly owned	Through subsidiaries	Total	
Leisure Division					
Rank Leisure Limited	Company limited by guarantee	Great Britain	100	—	100
Odeon (Ireland) Limited	Ordinary	Republic of Ireland	—	100	100
Rank Tuschinski Beheer B.V.	Ordinary	Holland	—	100	100
Hotels and Holidays Division					
Butlin's Limited	6% Cumulative Preference Ordinary	Great Britain	100	—	100
Leisure Holidays Limited	Ordinary	Great Britain	—	100	100
Rank Hotels Limited	Ordinary	Great Britain	100	—	100
Rank Travel Limited	Ordinary	Great Britain	100	—	100
Film and Television Services Division					
Pinewood Studios Limited	Ordinary	Great Britain	100	—	100
Rank Advertising Films Limited	Ordinary	Great Britain	100	—	100
Rank Film Distributors Limited	Ordinary	Great Britain	100	—	100
Rank Film Laboratories Limited	Ordinary	Great Britain	100	—	100
Rank Audio Visual Limited	Ordinary	Great Britain	100	—	100
Industrial Division					
Rank Strand Limited	Ordinary	Great Britain	100	—	100
Rank Precision Industries Limited (note (c))	Ordinary	Great Britain	30	65	95
International Division					
Nestar Systems Inc.	Common	U.S.A.	—	85	85
Rank Industries America Inc.	Common	U.S.A.	—	100	100
Rank Industries Asia Pte. Limited	Ordinary	Singapore	—	100	100
Rank Industries Australia Limited	Ordinary	Australia	—	100	100
Zynar Limited	Ordinary	Great Britain	100	—	100
Property					
Rank City Wall Limited	Ordinary	Great Britain	100	—	100
Rank City Wall Canada Limited	Common	Canada	—	100	100

Notes to the Accounts continued

Details of principal subsidiary companies continued	Class of shares owned	Country of incorporation and operation	Percentage of share capital attributable to the Company		
			Directly owned	Through subsidiaries	Total
Holding Companies and other companies					
A. Kershaw & Sons, Plc (note (a))	8% 'A' Cumulative Preference	Great Britain	78	—	78
	12½% 'B' Non-Cumulative Preference		85	—	85
	Ordinary		82	—	82
Rank Overseas Holdings Plc (note (b))	Ordinary	Great Britain	100	—	100
Rank Precision Industries (Holdings) Plc (notes (a) and (c))	5% Cumulative Preference	Great Britain	57	35	92
	Ordinary		60	33	93
Rank RX Holdings Limited (notes (c) and (d))	Ordinary	Great Britain	50	46	96

(a) A. Kershaw & Sons, Plc holds 43% of the preference and 40% of the ordinary share capital of Rank Precision Industries (Holdings) Plc.

(b) Rank Overseas Holdings Plc owns the Group's investment in Rank Industries Australia Limited and many other overseas subsidiary and associated companies.

(c) Rank Precision Industries (Holdings) Plc owns 70% of the share capital of Rank Precision Industries Limited and 50% of the share capital of Rank RX Holdings Limited.

(d) Rank RX Holdings Limited owns directly and indirectly the whole of the Group's interests in the Rank Xerox Companies.

15 Investments in associated companies	Group				Company
	Shares at cost £ million	Share of post acquisition profits retained £ million	Loans and advances £ million	Total £ million	
Rank Xerox companies (unlisted)					Shares at cost £ million
Balances at 31st October 1982	19.4	214.4	1.8	235.6	
Currency translation adjustment	—	—	0.1	0.1	
Additions	3.3	—	—	3.3	
Share of retained profits and reserves for the year	—	24.7	—	24.7	
Balances at 31st October 1983	22.7	239.1	1.9	263.7	
Others (unlisted)					
Balances at 31st October 1982	15.7	22.9	1.2	39.8	0.1
Currency translation adjustment	1.4	—	—	1.4	—
Additions	23.5	—	0.1	23.6	1.0
Disposals	(0.2)	—	—	(0.2)	—
Share of retained profits and reserves for the year	—	3.9	—	3.9	—
Balances at 31st October 1983	40.4	26.8	1.3	68.5	1.1
Others (listed)					
Balances at 31st October 1982	0.1	—	—	0.1	—
Balances at 31st October 1983	0.1	—	—	0.1	—
Total					
Balances at 31st October 1983					
Unlisted	63.1	265.9	3.2	332.2	1.1
Listed	0.1	—	—	0.1	—
	63.2	265.9	3.2	332.3	1.1

The market value of listed shares at 31st October 1983 was £0.3m (1982 £0.2m).

The cost of shares in associated companies at 31st October 1983 includes goodwill of £15.4m (1982 £8.6m).

The holdings, all through subsidiaries, of associated companies principally affecting profits are:

	Percentage voting interest	Country of incorporation and operation	Class of capital owned	Percentage holding	Date of accounts (see note 2(i))
Rank Xerox companies					
Rank Xerox Limited	48.8	Great Britain	'B' Ordinary	96.4	31.10.83
			'D' Ordinary	96.4	
Rank Xerox Business Equipment Inc.	49.0	U.S.A.	'B' Common	96.4	31.10.83
Rank Xerox Holding B.V.	48.8	Holland	'B' Ordinary	96.4	31.10.83
			'C' Ordinary	96.4	
Rank Xerox Investments Limited	49.0	Bermuda	'B' Ordinary	96.4	31.10.83
Other associated companies					
Film exhibition					
Cathay Films Distribution Company Limited	24.2	Hong Kong	Ordinary	24.2	31.12.82
Cathay Organisation Private Limited	24.2	Singapore	Ordinary	24.2	31.12.82
The Greater Union Organisation Pty. Limited	50.0	Australia	Ordinary	50.0	30. 6.83
Kerridge Odeon Corporation Limited	50.0	New Zealand	Ordinary	50.0	31. 3.83
Video and broadcast facilities					
Rank Phicom Video Group Limited	50.0	Great Britain	Ordinary	50.0	31.10.83
Communication systems					
Telecom Plus International Inc.*	30.5	U.S.A.	Common	30.5	30. 9.83

* unaudited management accounts

The business of the Rank Xerox companies consists mainly of the manufacture in the United Kingdom, France and Holland of xerographic equipment for high speed document copying and duplicating, the marketing of such equipment through subsidiaries operating in Europe, Asia, Africa, Middle East and Australasia and the manufacturing and marketing operations of Fuji Xerox Co. Ltd., a company incorporated in Japan, which is 50% owned by Rank Xerox Limited.

Under an agreement with Xerox Corporation made in 1977, the Group, through Rank RX Holdings Limited, is entitled to a share in the annual combined profits before taxation of all the associated companies owned jointly with Xerox Corporation. This share amounts to one half of such profits up to a maximum annual sum of £3,700,627 plus one third of the amount by which such profits exceed £7,401,254, from which is deducted the related taxation.

For this purpose, the combined profits before taxation are calculated after making such adjustments as are necessary to eliminate charges made by Xerox Corporation for research and development and corporate overhead costs and the effect of inter-group trading.

A summary of the combined financial statements of the Rank Xerox companies is set out below:-

Profit and Loss Account	1983	1982	Balance Sheet	1983	1982
	£ million	£ million		£ million	£ million
Turnover	1,534	1,349	Fixed assets	3	4
Less costs	1,399	1,192	Intangible assets		528
Trading profit	135	157	Tangible assets	524	89
Interest	(10)	(10)	Investments	133	
Share of results of associates	41	32	Net current assets	660	621
Profit before Xerox Corporation charges	166	179		327	245
Xerox Corporation charges	(78)	(74)	Total assets less current liabilities	987	866
Profit before tax	88	105	Creditors falling due after more than one year	(183)	(127)
Tax	(40)	(44)	Provisions for liabilities and charges	(28)	(45)
Profit after tax	48	61		776	694
			Share capital and reserves	764	683
			Minority interests	12	11
				776	694

Notes to the Accounts continued

16 Other investments (unlisted)	Group		Company	
	Shares at cost £ million	Loans and advances £ million	Total £ million	Shares at cost £ million
Balances at 31st October 1982	0.3	1.5	1.8	0.2
Currency translation adjustment	—	0.1	0.1	—
Disposals/repayments	(0.2)	(0.5)	(0.7)	(0.2)
Balances at 31st October 1983	0.1	1.1	1.2	—

17 Stocks	Group		Company	
	1983 £ million	1982 £ million	1983 £ million	1982 £ million
Raw materials and consumables	16.7	14.2	1.1	1.0
Work in progress	17.1	18.5	—	—
Finished goods and goods for resale	45.0	56.6	4.2	6.4
Film productions	9.3	5.8	9.0	5.6
	88.1	95.1	14.3	13.0

18 Debtors	Group		Company	
	1983 £ million	1982 £ million	1983 £ million	1982 £ million
Amounts falling due within one year				
Trade debtors	83.7	86.8	7.6	10.6
Amounts owed by group companies	—	—	27.7	20.4
Other debtors	9.3	6.3	6.7	0.6
Fixed assets held for disposal	14.2	5.0	1.8	4.8
Prepayments and accrued income	16.7	16.3	5.1	4.3
Advance corporation tax recoverable on dividends provided in the accounts	—	1.4	—	1.4
Dividends receivable from associated companies	10.8	9.4	—	—
	134.7	125.2	48.9	42.0
Amounts falling due after more than one year				
Trade debtors	0.7	0.4	0.6	0.4
Other debtors	1.3	2.7	—	—
Fixed assets held for disposal	0.8	0.9	0.9	0.2
Prepayments and accrued income	0.7	0.1	—	—
Advance corporation tax recoverable on dividends provided in the accounts	8.5	—	8.5	—
	12.0	4.1	10.0	0.6
Total	146.7	129.3	58.9	42.6

19 Loan capital	Group		Company	
	1983 £ million	1982 £ million	1983 £ million	1982 £ million
Bank overdrafts	6.8	7.2	—	—
Bank loans				
Amounts repayable				
Within one year or on demand	6.3	30.3	2.5	10.1
Between one and two years	51.5	4.1	47.5	4.0
Between two and five years	40.8	16.6	40.8	16.5
In five years or more	59.2	61.5	69.2	61.5
	<u>157.8</u>	<u>112.5</u>	<u>150.0</u>	<u>92.1</u>
Other borrowings				
4½% Convertible Loan 1993	33.9	33.9	33.9	33.9
Remainder				
Amounts repayable				
Within one year	18.7	30.8	1.7	1.5
Between one and two years	3.8	10.2	1.7	1.5
Between two and five years	8.0	8.4	3.0	3.5
Between five and fifteen years	28.7	27.4	10.0	7.4
In fifteen years or more	17.5	22.7	15.0	18.7
	<u>110.6</u>	<u>133.4</u>	<u>65.3</u>	<u>66.5</u>
Total	<u>275.2</u>	<u>253.1</u>	<u>215.3</u>	<u>158.6</u>
Secured				
Sterling	23.3	24.6	—	—
Other currencies	5.6	6.3	—	—
	<u>28.9</u>	<u>30.9</u>	<u>—</u>	<u>—</u>
Unsecured				
Sterling	104.2	112.5	104.1	112.2
Other currencies	142.1	109.7	111.2	46.4
	<u>246.3</u>	<u>222.2</u>	<u>215.3</u>	<u>158.6</u>
Total as above	<u>275.2</u>	<u>253.1</u>	<u>215.3</u>	<u>158.6</u>
Deduct: Parallel loans	6.8	6.8	—	—
	<u>268.4</u>	<u>246.3</u>	<u>215.3</u>	<u>158.6</u>
Amounts falling due within one year or on demand	25.0	68.3	4.2	11.6
Amounts falling due after more than one year	243.4	178.0	211.1	147.0
	<u>268.4</u>	<u>246.3</u>	<u>215.3</u>	<u>158.6</u>

Holders of the 4½% Convertible Loan 1993 have the right to convert into fully paid Ordinary shares of the Company exercisable until 12th February 1993 on the basis of U.S. \$14.523 of the Loan for one Ordinary share of 25p. No conversion rights had been exercised by 31st October 1983 at which date U.S. \$50.7m nominal of the loan was outstanding. During the year the Company purchased and cancelled U.S. \$6m of the loan.

The remainder of other borrowings shown above includes borrowings not fully repayable within five years totalling £51.2m (1982 £54.3m) for the Group and £26.0m (1982 £26.2m) for the Company. These borrowings are repayable in part by annual sinking funds or by instalments and are all repayable at par. The average rate of interest payable on these borrowings was, for the Group 9.3% (1982 9.1%) and for the Company 9.5% (1982 9.5%).

In 1976, a subsidiary entered into a parallel loan agreement with an overseas third party. Under this agreement the subsidiary initially borrowed U.S. \$10m and lent the third party the sterling equivalent thereof. At 31st October 1983 the amount outstanding under this agreement was U.S. \$10.3m (1982 U.S. \$11.5m) by the subsidiary and £6.8m (1982 £6.8m) by the third party.

Notes to the Accounts continued

20 Other creditors

	Group		Company	
	1983 £ million	1982 £ million	1983 £ million	1982 £ million
Amounts falling due within one year				
Payments received on account	4.9	6.4	0.1	—
Trade creditors	54.3	46.9	16.8	14.6
Interest payable to group companies	—	—	1.9	2.2
Amounts owed to group companies	—	—	73.8	61.2
United Kingdom corporation tax	1.6	1.4	0.2	0.8
Overseas taxation	1.6	1.5	—	—
Advance corporation tax	8.5	1.4	8.5	1.4
Development land tax	1.4	0.2	1.3	—
Social security	4.1	3.7	1.7	1.4
Other creditors	14.1	13.5	6.5	5.8
Accruals and deferred income	40.4	39.2	11.5	12.0
Dividends				
Accrued on preference shares	0.2	0.2	0.2	0.2
Payable and proposed on ordinary shares	20.2	16.1	20.2	16.1
Minority shareholders of subsidiaries	0.9	1.0	—	—
	<u>152.2</u>	<u>131.5</u>	<u>142.7</u>	<u>115.7</u>
Amounts falling due after more than one year				
Payments received on account	—	0.1	—	—
United Kingdom corporation tax	2.6	1.0	—	—
Overseas taxation	0.1	0.1	—	—
Accruals and deferred income	0.4	0.2	0.2	0.2
Other creditors	0.1	0.4	—	0.1
	<u>3.2</u>	<u>1.8</u>	<u>0.2</u>	<u>0.3</u>

21 Provisions for liabilities and charges

Group	Deferred	Other
	taxation	provisions
	£ million	£ million
Balances at 31st October 1982	6.0	13.4
Currency translation adjustment	0.1	0.7
Utilised during the year	—	(15.8)
Charge for the year in the profit and loss account	2.3	24.5
Balances at 31st October 1983	<u>8.4</u>	<u>22.8</u>
Company		
Balances at 31st October 1982	1.9	2.7
Utilised during the year	—	(2.2)
Charge for the year in the profit and loss account	1.1	2.7
Balances at 31st October 1983	<u>3.0</u>	<u>3.2</u>

22 Provision for pensions and similar obligations

United Kingdom

The group pension schemes are contracted out of the State earnings related pension arrangements and are externally funded under separate trusts. Benefits are fixed by reference to final pay. There were 9,451 current members, 5,074 pensioners and 4,160 former employees with deferred pension rights at the 5th April 1983 the last pension plan year end. Valuations of the funds are carried out by the Eagle Star Group triennially, the last actuarial report being to 5th April 1982. That report disclosed that the funds were adequate to meet all the obligations of the schemes. During the year £1.2m (1982 £1.2m) was paid as ex-gratia pensions either granted on retirement or by way of pension increases since retirement.

Other countries

Group contributions to schemes for employees in other countries totalled £1.7m (1982 £1.5m).

23 Deferred taxation

	As provided				Full potential liability			
	Group		Company		Group		Company	
	1983 £ million	1982 £ million	1983 £ million	1982 £ million	1983 £ million	1982 £ million	1983 £ million	1982 £ million
Capital allowances	4.5	1.4	—	—	39.7	39.3	10.0	10.3
Investment property revaluation	3.0	3.0	—	—	18.6	20.3	—	—
Other timing differences	0.9	2.9	3.0	1.9	(8.7)	(1.5)	(3.2)	(1.9)
Losses	—	(1.2)	—	—	(0.1)	(1.4)	—	—
	<u>8.4</u>	<u>6.1</u>	<u>3.0</u>	<u>1.9</u>	<u>49.5</u>	<u>56.7</u>	<u>6.8</u>	<u>8.4</u>
Advance corporation tax	—	(0.1)	—	—	—	(1.0)	—	—
	<u>8.4</u>	<u>6.0</u>	<u>3.0</u>	<u>1.9</u>	<u>49.5</u>	<u>55.7</u>	<u>6.8</u>	<u>8.4</u>

The above figures exclude taxation payable:

- (a) in the event of profits of certain overseas subsidiary and associated companies being distributed and
- (b) estimated at £7 million (1982 £8 million) at current rates of taxation on capital gains which might arise from the sale of properties used for trading purposes at the values at which they are stated in the Group Balance Sheet.

24 Capital and reserves

Share capital	1983		1982	
	Authorised	Issued and fully paid	Authorised	Issued and fully paid
	£000	£000	£000	£000
6½% Cumulative Preference shares of £1 each	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	57,000	50,498	57,000	50,498
	<u>70,000</u>	<u>63,096</u>	<u>70,000</u>	<u>63,096</u>

At 31st October 1983 3,488,742 of the unissued Ordinary shares were reserved against conversions of the outstanding

4½% Convertible Loan 1993

Reserves	Group		Company	
	1983 £ million	1982 £ million	1983 £ million	1982 £ million
Share premium account	141.6	141.6	141.6	141.6
Revaluation reserve	67.5	73.1	104.0	—
Other reserves	270.1	268.7	32.8	50.7
	<u>479.2</u>	<u>483.4</u>	<u>278.4</u>	<u>192.3</u>

Notes to the Accounts continued

Capital and reserves continued	Group			Company			
	Revaluation	Other		Total	Revaluation	Other	Total
		Company and its subsidiaries	Associated companies				
Movements in reserves	£ million	£ million	£ million	£ million	£ million	£ million	
Balances at 31st October 1982	73.1	39.5	229.2	341.8	—	50.7	50.7
Currency translation adjustment	2.3	1.9	15.0	19.2	—	0.8	0.8
(Deficit) surplus on revaluation of fixed assets	(7.3)	—	1.2	(6.1)	104.0	—	104.0
Deficit on Profit and Loss Account for the year	—	(28.0)	11.3	(16.7)	—	(18.7)	(18.7)
Transfer to Profit and Loss Account on disposals	(0.6)	—	—	(0.6)	—	—	—
Balances at 31st October 1983	67.5	13.4	256.7(a)	337.6	104.0	32.8	136.8(b)

- (a) Includes £230m in respect of Rank Xerox companies
 (b) Includes £36.5m regarded as available for distribution

In presenting the figures for the Company's investments in subsidiary and associated companies the directors have adopted the alternative accounting rules under the terms of Schedule I Part II Section C of the Companies Act 1948 and have revalued an investment in a subsidiary company at 31st October 1983. The valuation surplus of £104m arising thereon has been taken to revaluation reserve.

The directors also consider that a permanent diminution in value has occurred in a number of subsidiary companies and consequently have made a charge of £9.0m to the profit and loss account of the Company during the year.

The directors have considered the value at 31st October 1983 of the remaining fixed assets of the Company without actually revaluing them, and are satisfied that these remaining assets are worth in total not less than the aggregate amount at which they are stated in these accounts.

Accordingly, and as provided in Section 39(4) and (4A) of the Companies Act 1980, the provisions for diminution in value of investments in subsidiaries of £9.0m charged in arriving at the deficit for the year of £18.7m in the Company's profit and loss account do not fall to be treated as realised losses and therefore are not regarded as reducing distributable reserves.

25 Contingent liabilities	1983	1982
Group	£ million	£ million
Guarantees by the company and by subsidiary companies, bills discounted by group companies and uncalled liability in respect of partly paid shares	14.2	15.4
Guarantees of advances to associated companies	0.2	0.3
Company		
Guarantees of advances to subsidiary companies, bills discounted and uncalled liabilities in respect of partly paid shares		
Provided as liabilities in the group balance sheet	29.0	42.5
Others	8.4	11.2
Guaranteed buyback of redeemable preference shares of a subsidiary	18.9	16.8
Guarantees of advances to associated companies	0.2	0.3

No security has been given in respect of any contingent liability.

26 Directors and employees

(a) Except as stated below none of the directors held interests in shares or debentures of the Company or any of its subsidiaries at 1st November 1982 or at 31st October 1983. None of the directors or their families has acquired or sold any interest in shares or debentures of the Company or its subsidiaries since 31st October 1983.

	The Rank Organisation Plc		
	6½% Preference Shares	Ordinary Shares	10½% Unsecured Loan Stock
R. F. Butlin		41,038	
As trustee		5,648	£155,000
R. F. H. Cowen		81,900	
As trustee	1,025	20,500,366	£15,200
Russell W. Evans (resigned 20.1.84)		9,706	
Sir Reay Geddes		1,166	
M. B. Gifford (appointed 1.9.83)		500	
Sir Patrick Meaney		1,016	£76
Sir Denis Mountain	1,000	315	
As trustee		46,600	
The Hon. Angus Ogilvy		2,679	
J. B. Smith (resigned 1.12.83)		240	
Sir Richard Trehane	1,000	1,260	
		Butlin's Limited	
	6½% Debenture Stock	7½% Debenture Stock	8% Debenture Stock
R. F. Butlin	£500		
As trustee		£10,000	£10,000

The above interests existed at 1st November 1982 (or later date of appointment) and at 31st October 1983.

	1983 £000	1982 £000
(b) Total emoluments of the directors of The Rank Organisation Plc		
Fees		
Other emoluments	65	70
Contributions to pension schemes	472	361
Pension paid to former director	223	141
Compensation to four directors for loss of office	12	11
	438	—

(c) Emoluments of Chairman (1982: two Chairmen)

80 63

(d) Emoluments of the highest paid director in 1982 (including those received as Chairman)

73

(e) The table which follows shows the number of directors of The Rank Organisation Plc other than the highest paid director and of higher paid employees of the Group, whose emoluments during the year were within the bands stated.

Emoluments £	Directors		Employees	
	1983	1982	1983	1982
Up to 5,000	6	7		
5,001—10,000	2	3		
10,001—15,000	1	1		
15,001—20,000	1	—		
20,001—25,000	—	1		
25,001—30,000	1	—		
30,001—35,000			14	6
35,001—40,000			1	4
40,001—45,000	1	2	1	—
45,001—50,000	3	1		
50,001—55,000	1	—		
55,001—60,000	—	1		
60,001—65,000	1	—		

(f) The particulars shown in notes (c), (d) and (e) above are provided only in respect of directors and employees of the Group working wholly or mainly in the United Kingdom.

(g) At 31st October 1983 an officer had a loan outstanding from the Company of £82,500 (1982 two officers totalling £98,000).

Notes to the Accounts continued

27 Segmental information

Analysis by Division	Average number of employees		Turnover		Trading profit	
	1983	1982	1983 £ million	1982 £ million	1983 £ million	1982 £ million
Leisure	7,519	9,194	142.0	124.8	11.3	7.2
Hotels & Holidays	7,906	8,453	245.0	225.0	15.7	9.7
Film & Television Services	1,858	1,965	58.5	52.7	4.8	4.7
Industrial	2,978	4,061	83.5	83.9	2.5	1.7
International	3,361	3,969	181.6	167.0	(5.9)	(4.9)
Property	182	194	32.3	28.8	10.9	15.1
Unallocated	300	347	742.9	682.2	39.3 (1.1)	33.5 (0.3)
	<u>24,104</u>	<u>28,183</u>	<u>742.9</u>	<u>682.2</u>	<u>38.2</u>	<u>33.2</u>
Total number of employees at 31st October	<u>20,376</u>	<u>22,022</u>				
Analysis by geographical area						
United Kingdom						
Rest of Europe			506.8	470.3	38.3	28.7
North America			29.2	24.1	2.1	—
Asia			54.2	48.6	3.4	9.2
Australasia			23.6	19.0	1.9	1.6
Deduct: unallocated costs net of debenture redemption profits			129.1	120.2	(6.4)	(6.0)
					(1.1)	(0.3)
			<u>742.9</u>	<u>682.2</u>	<u>38.2</u>	<u>33.2</u>
Employee costs	£ million	£ million				
Wages and salaries	144.9	146.3				
Social security costs	11.0	12.4				
Other pension costs	8.5	8.1				
	<u>164.4</u>	<u>166.8</u>				

Five Year Review

	1979 £ million	1980 £ million	1981 £ million	1982 £ million	1983 £ million
Turnover, Profits, Earnings and Dividends					
Turnover	<u>541.2</u>	<u>600.1</u>	<u>621.1</u>	<u>682.2</u>	<u>742.9</u>
Trading profit	43.8	37.2	39.2	33.2	38.2
Associates	107.3	94.2	91.8	63.7	56.7
Interest	(19.9)	(22.0)	(28.2)	(34.9)	(25.6)
Profit before taxation	<u>131.2</u>	<u>109.4</u>	<u>102.8</u>	<u>62.0</u>	<u>69.3</u>
Taxation	(53.7)	(51.0)	(44.2)	(32.7)	(37.8)
Minority interests	(3.5)	(4.1)	(5.6)	(2.1)	(2.0)
Profit before extraordinary items	<u>74.0</u>	<u>54.3</u>	<u>53.0</u>	<u>27.2</u>	<u>29.5</u>
Extraordinary items	(0.3)	(20.0)	(2.0)	(23.2)	(25.4)
Profit available for distribution	<u>73.7</u>	<u>34.3</u>	<u>51.0</u>	<u>4.0</u>	<u>4.1</u>
Earnings per ordinary share (before extraordinary items)	<u>38.4p</u>	<u>26.6p</u>	<u>25.9p</u>	<u>13.2p</u>	<u>14.3p</u>
Dividend per ordinary share	<u>10.8p</u>	<u>10.8p</u>	<u>10.8p</u>	<u>8.0p</u>	<u>10.0p</u>
Group funds employed					
Goodwill	51.8	47.2	46.5	57.4	54.0
Fixed assets	362.8	398.6	443.2	404.0	378.3
Investments	224.9	212.1	270.3	277.3	333.5
Net trading assets	67.8	70.4	73.7	71.7	48.2
Total funds employed at year end	<u>707.3</u>	<u>728.3</u>	<u>833.7</u>	<u>810.4</u>	<u>814.0</u>
Financed by					
Ordinary share capital and reserves	468.5	482.6	566.8	533.9	529.7
Preference share capital and minority interests	56.7	50.0	60.7	43.0	43.2
	<u>525.2</u>	<u>532.6</u>	<u>627.5</u>	<u>576.9</u>	<u>572.9</u>
Net borrowings	182.1	195.7	206.2	233.5	241.1
	<u>707.3</u>	<u>728.3</u>	<u>833.7</u>	<u>810.4</u>	<u>814.0</u>

The figures for the five years 1979 to 1983 represent abridged versions of the full accounts which have been filed with the registrar of companies and on which the auditors gave unqualified reports. The 1980 figures have been restated to give effect to a change by the Rank Xerox companies in the accounting policy for translating amounts denominated in foreign currencies. Prior year figures have not been restated for this change.

Notice of Meeting

Notice is hereby given that the forty-seventh Annual General Meeting of The Rank Organisation Plc will be held in the Methven Room, Confederation of British Industry Headquarters, Centre Point, New Oxford Street, London WC1A 1DU, on Thursday 15th March 1984 at 12 noon for the following purposes:

1 To receive the Report of the Directors and the audited Accounts for the year ended 31st October 1983 and to declare a final Dividend on the Ordinary shares.

2 To elect Directors:

- (a) Mr. Robert F. Butlin
- (b) Sir Leslie Fletcher
- (c) Mr. Michael B. Gifford
- (d) Sir Denis Mountain

3 To re-appoint Auditors and to authorise the Directors to fix the Auditors' Fee.

4 As special business to consider, and if thought fit, pass the following Resolutions the first of which will be proposed as an Ordinary Resolution and the second as a Special Resolution:

(1) "THAT

(a) the Directors be generally and unconditionally authorised for the purpose of section 14 of the Companies Act 1980 to allot, and to grant rights to subscribe for or to convert securities into, unissued shares of the Company up to a maximum nominal amount of £6,903,500 at any time before the date for which the Annual General Meeting of the Company next following this meeting is convened; and

(b) the Company be allowed to make any offer or agreement which will or might require any such shares to be allotted or any such rights to be granted after the expiry of this authority and the Directors may, notwithstanding such expiry, allot shares and grant such rights in pursuance of any such offer or agreement made by the Company before the expiry of this authority."

(2) "THAT the Directors be empowered to allot any equity securities (as defined in Section 17 of the Companies Act 1980) of the Company under the authority conferred on them by this meeting for the purpose of Section 14 of the Companies Act 1980 at any time before the expiry of that authority as if Section 17(1) of that Act did not apply provided that the power hereby given shall be limited to such allotments of equity securities as are specified in paragraphs 6(C) (1) and 6(C) (2) of the Articles of Association of the Company."

By Order of the Board
Brian C. Owers
Secretary
20th February 1984

11 Hill Street,
London W1X 8AE

Under the Company's Articles of Association only the holders of Ordinary shares are entitled to attend and 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. For Ordinary shareholders, a form of proxy is enclosed.

Directors' service contracts of more than one year's duration are available for inspection at the Registered Office of the Company during the usual business hours.