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# RANK XEROX

## Rank Xerox Limited

Directors' Report and Financial Statements  
for the three-day period ended 31 October 1983



Rank Xerox Limited  
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## Directors

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**Chairman**  
H Orr-Ewing

**Managing Director**  
R E G Magnin

P A Allaire \*  
M H Antonini \*  
H C Debuissier  
J H Duerden  
M B Gifford  
W F Glavin \*  
L Gonzalez-Camino ‡  
R A Holmes \*  
D P Hornby

D T Kearns \*  
C P McColough \*  
J R Milligan \*  
B H Nicholson  
J S Thomas  
D A Thompson  
E H van der Beugel, KCMG  
D M Yates

\* USA ‡ Spain

**Secretary and Registered Office**  
R A Reeve  
Rank Xerox House  
338 Euston Road  
London NW1 3BH

**Bankers**  
National Westminster Bank PLC

**Auditors and Consultant Accountants**  
Peat, Marwick, Mitchell & Co.

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# Rank Xerox Limited

## Directors' Report

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### 1. Accounting Reference Date

On 31 October, 1983, the Company changed its accounting reference date from 28 October to 31 October. The change to the accounting reference date was made to maximise the recognition of tax losses brought forward from previous periods.

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### 2. Financial Statements

The Directors present the balance sheet of the Company and consolidated balance sheet for the period ended 31 October 1983, together with the consolidated profit and loss account and consolidated statement of source and application of funds for the period ended on that date.

The Company recorded a profit after taxation of £8.0m. as a result of disposing of certain tangible fixed assets to a United Kingdom subsidiary.

An interim dividend of £5.3m. on the 'D' Shares of the Company was paid in respect of the period on 31 October 1983 to Shareholders registered on 28 October 1983. No final dividends are proposed for the period and there were no transfers to non-distributable reserves.

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### 3. Principal Activities

The principal activities of the Company and its subsidiaries during the period under review were the manufacture and marketing of xerographic equipment and ancillary supplies, and the marketing of office information products and ancillary supplies throughout the world outside North, Central and South America and certain related territories.

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### 4. Directors

The Directors shown on page 1 are in office at the date of this Report.

Since 28 October 1983 the following changes in the Board occurred:

Mr J.B. Smith	- resigned on 1 December 1983
Mr R.W. Evans	- resigned on 5 December 1983
Mr W.F. Souders	- resigned on 15 January 1984

The remaining Directors served throughout the period under review.

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### 5. Tangible Fixed Assets

During the period under review the Company sold certain tangible fixed assets with a net book value of £20.7m. to Rank Xerox Equipment Services Limited, a United Kingdom subsidiary. The overall value of tangible fixed assets within the Group was not affected by this transaction, and there were no other additions to the tangible fixed assets of the Company or its subsidiaries during the period.

Land and buildings are included in the balance sheet at net book values (note 12 to the financial statements). The Directors are of the opinion that at 31 October 1983 the aggregate of the open market values of land and buildings exceeded net book values by approximately £19.4m for the Group, and net book values of land and buildings exceeded open market values by £9.9m for the Company.

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### 6. Charitable and Political Contributions

No charitable donations or political contributions were made by the Group in the period under review.

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# Rank Xerox Limited Directors' Report

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## 7. South Africa

A report on the employment policies and practices of the Company's South African subsidiary is available on request.

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## 8. Employment Policies

### a. Disabled Persons

Rank Xerox's policy concerning the employment of disabled people is:-

- i. When recruiting, the Company gives full consideration to job applicants who are disabled. Candidates are selected on the basis of their ability to do the job. Where disabled people have the necessary aptitudes and abilities every possible consideration is given to their application including the provisions of special training and/or facilities.
- ii. If an employee of the Company becomes disabled, all possible steps are taken for appropriate training, including the provision of facilities to enable the employee to perform his or her existing job, or an alternative job appropriate to the aptitudes and abilities of the individual concerned.
- iii. The Company encourages employees to fulfil their potential through training, career development and promotion. This policy applies to disabled people for whom further necessary training or facilities are provided to meet their particular needs.

### b. Employee Involvement

- i. The period ended 31 October, 1983 is the first accounting period of the Company commencing on or after 1 January, 1983 and the Employment Act 1982 provides that the Directors' Report shall contain a statement describing the action that has been taken during that period to introduce, maintain or develop arrangements in respect of employee involvement and consultation.
- ii. No arrangements were introduced or developed during the period and existing arrangements previously in effect for the period ended 28 October, 1983 were maintained, including those referred to in the following paragraph.
- iii. Throughout the Company and the Rank Xerox Group there is close consultation between management and employees on matters of common interest. The practice varies between countries depending on the customs and legal structure in each location. The Company endeavours to keep its employees well informed about the performance and progress of the business, and to develop the use of problem solving groups of employees who participate in its operational processes.

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## 9. Auditors

Peat, Marwick, Mitchell & Co., having signified their willingness to continue in office as auditors, will be proposed for re-appointment as auditors at the Annual General Meeting.

By order of the Board  
R A Reeve  
Secretary

23 January 1984

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## Rank Xerox Limited and Subsidiaries

Financial Statements for the period ended 31 October 1983.

These financial statements cover the 3 day period ended 31 October 1983. Comparative figures are presented for the 362 day period ended 28 October 1983.

During the period ended 31 October 1983 Rank Xerox Limited ("The Company") sold certain tangible fixed assets to a United Kingdom subsidiary. The Group financial statements were not affected by this transaction, and no other trading activity took place in the period.

Accordingly, the Group's Consolidated Profit and Loss Account, Consolidated Statement of Source and Application of Funds and certain notes to the Financial Statements are presented only in the form of comparative figures. These items are indicated by the additional heading "prior period only".

Rank Xerox Limited and Subsidiaries  
**Consolidated Profit and Loss Account**

**For the period ended 31 October 1983 (prior period only)**

No consolidated profit and loss account is presented for the Group for the period ended 31 October 1983 since no trading activity occurred during that period. Dividends paid and proposed during the period amounted to £5.3m.

	Period ended 28 October 1983 £m
Turnover (Note 3)	1462.3
Cost of Revenue (Note 4)	<u>807.9</u>
Gross Profit	654.4
Distribution Costs (Note 5)	337.9
Administrative Expenses (Note 6)	224.9
Income from Shares in Associated Companies (Note 13)	(40.7)
Other Interest Receivable and Similar Income (Note 7)	(28.3)
Interest Payable and Similar Charges (Note 7)	33.1
Xerox Corporation Charges (Note 8)	<u>50.0</u>
	<u>576.9</u>
Profit on Ordinary Activities before Taxation	77.5
Tax on Profit on Ordinary Activities (Note 9)	<u>33.4</u>
Profit on Ordinary Activities After Taxation for the period	44.1
Dividends Paid and Proposed (Note 10)	<u>10.8</u>
	33.3
Outside Shareholders' Interests	<u>(1.0)</u>
Amount set aside to Reserves	<u>34.3</u>

The notes on pages 10 to 26 form part of the financial statements

# Rank Xerox Limited and Subsidiaries

## Balance Sheets

At 31 October 1983

	Group 31 October 1983 £m	Group 28 October 1983 £m	Company 31 October 1983 £m	Company 28 October 1983 £m
<b>Fixed Assets:</b>				
Intangible Assets (Note 11)	0.3	0.3	0.1	0.1
Tangible Assets (Note 12)	515.4	515.4	17.9	38.6
Investments (Note 13)	<u>133.1</u>	<u>133.1</u>	<u>67.5</u>	<u>67.5</u>
	648.8	648.8	85.5	106.2
<b>Current Assets:</b>				
Stocks (Note 14)	221.5	221.5	113.8	113.8
Debtors (Note 15)	481.7	481.7	103.4	103.4
Cash at Bank and In Hand	<u>114.0</u>	<u>119.3</u>	<u>85.2</u>	<u>53.2</u>
	817.2	822.5	302.4	270.4
<b>Creditors: Amounts falling due within one year (Note 16)</b>	<u>469.7</u>	<u>467.4</u>	<u>229.4</u>	<u>227.1</u>
Net Current Assets	<u>347.5</u>	<u>355.1</u>	<u>73.0</u>	<u>43.3</u>
<b>Total Assets less Current Liabilities</b>	<b>996.3</b>	<b>1003.9</b>	<b>158.5</b>	<b>149.5</b>
<b>Creditors: Amounts falling due after more than one year (Note 17)</b>	159.8	159.8	26.8	26.8
Provisions for Liabilities and Charges (Note 18)	<u>54.1</u>	<u>56.4</u>	<u>(17.1)</u>	<u>(23.4)</u>
	<u>782.4</u>	<u>787.7</u>	<u>148.8</u>	<u>146.1</u>
<b>Capital and Reserves:</b>				
Called Up Share Capital (Note 19)	29.9	29.9	29.9	29.9
Share Premium Account (Note 19)	3.0	3.0	3.0	3.0
Other Reserves (Note 20)	107.3	107.3	0.3	0.3
Profit and Loss Account (Note 20)	<u>631.0</u>	<u>636.3</u>	<u>115.6</u>	<u>112.9</u>
	771.2	776.5	148.8	146.1
<b>Outside Shareholders' Interest</b>	<u>11.2</u>	<u>11.2</u>	-	-
	<u>782.4</u>	<u>787.7</u>	<u>148.8</u>	<u>146.1</u>

Hamish Orr-Ewing  
Chairman, Rank Xerox Limited

Roland Magnin  
Managing Director, Rank Xerox Limited

Approved by the Board of Directors on 23 January 1984

The notes on pages 10 to 26 form part of the financial statements

Rank Xerox Limited and Subsidiaries  
**Consolidated Statement of Source and Application of  
 Funds**

For the period ended 31 October 1983 (prior period only)

	Period ended 28 October 1983 £m
<b>SOURCE OF FUNDS</b>	
<b>Funds from Operations</b>	
Profit on Ordinary Activities before Taxation	77.5
<i>less</i> Profit before Taxation Retained by Associated Companies	<u>37.8</u>
	39.7
<i>add</i> Depreciation and Other Charges which do not require funds:	<u>175.2</u>
<b>Total Funds from Operations</b>	<b>214.9</b>
<b>Other Sources</b>	
Disposal of Fixed Assets at Net Book Value	95.9
Additional Creditors falling due after more than one year	<u>57.6</u>
	<u><b>368.4</b></u>
<b>APPLICATION OF FUNDS</b>	
Additions to Fixed Assets	222.5
Provisions for Liabilities and Charges	7.1
Taxation Paid	29.9
Dividends Paid	9.4
Currency Translation	<u>16.3</u>
	<u>285.2</u>
<b>Increase in Working Capital</b>	<u><b>83.2</b></u>

The notes on pages 10 to 26 form part of the financial statements



Period ended  
28 October 1983  
£m

**ANALYSIS OF CHANGE IN WORKING CAPITAL**

Increase in Stocks	49.3
Increase in Debtors	35.8
Increase in amounts owed to Xerox Corporation	(20.8)
Decrease in amounts owed to Rank Xerox Holding BV and Subsidiaries	1.2
Increase in Creditors falling due within one year	(31.3)
Decrease/(Increase) in Long Term Loans due within one year	<u>8.2</u>
	<u>42.4</u>
Increase/(Decrease) in Net Liquid Funds:	
Cash at Bank and In Hand	26.2
Bank Overdrafts and Acceptances	<u>14.6</u>
	<u>40.8</u>
Increase in Working Capital	<u>83.2</u>

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

No consolidated statement of source and application of funds is presented for the Group for the period ended 31 October 1983. The only transaction occurring during that period was the payment of a dividend of £5.3m which reduced Working Capital by that amount.

The notes on pages 10 to 26 form part of the financial statements

# Rank Xerox Limited and Subsidiaries

## Notes to Financial Statements

Figures in £ millions (except where otherwise indicated)

### 1. Principles of consolidation and accounting policies.

The Group's major accounting policies are summarised below.

#### a Accounting Convention

The financial statements are prepared under the historical cost convention.

#### b Basis of Consolidation

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

#### c Translation of Foreign Currencies

The Group has adopted Statement of Financial Accounting Standards No. 52 issued by the United States Financial Accounting Standards Board relating to the translation of foreign currencies. There is no material difference, so far as the Group's financial statements are concerned, between the requirements of this Statement and those of Statement of Standard Accounting Practice No. 20, issued in 1983 by the United Kingdom Accounting Standards Committee.

i Assets and liabilities of the reporting entities that are denominated in non-local currencies have been translated into the currency of the reporting entity at rates approximating to the mid-market rates ruling at 31 October 1983. The gains and losses arising together with exchange gains and losses on trading transactions are dealt with in the respective profit and loss accounts.

ii Balance sheets of reporting entities that are denominated in foreign currencies are translated into Sterling at rates approximating to mid-market rates ruling at 31 October 1983 for consolidation. Profit and loss items are translated at rates approximating to the rates ruling when the transactions occurred and unrealised profits on intra-group transfers are eliminated at the rates ruling when such profits arose. Translation differences, which principally represent the gain or loss arising on overseas net assets as a result of changes in exchange rates during the period, are dealt with in the currency translation account.

#### d Deferred Taxation

This principally represents tax, provided on the liability basis, on the net excess of the cumulative deductions which have been claimed for fiscal purposes for depreciation of rental equipment and other fixed assets, for deferred pre-production expenditure and for certain provisions on stocks and debtors, over the corresponding cumulative amounts charged in the financial statements, together with tax on the profits recognised on sales-type leases in advance of receipt of rental income. Offset against this is the taxation on unrealised intra-group profits referred to in notes 1g and 18c below.

Under Statement of Standard Accounting Practice No. 15 issued by the United Kingdom Accounting Standards Committee, deferred taxation should not be provided when the tax effects of timing differences can be demonstrated with reasonable probability to continue in the future. It is considered that in the environment of a changing equipment rental/sales mix in which the Group operates, it would be neither realistic nor prudent to use forecasts of future rental/sales activity for accounting purposes.

The Group has a large deferred tax asset comprising tax on unrealised intra-group profits which also relates to rental assets and which it is considered should be retained. Deferred tax provisions on other items are not significant and will be retained.

Accordingly, deferred tax continues to be provided in full on all timing differences between profits as computed for taxation purposes and profits as stated in the financial statements.

#### e Tangible Fixed Assets

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

Freehold Buildings	40-50 years
Leasehold Land and Buildings	Term of lease
Plant and Machinery	12-13 years
Fixtures and Fittings	10-20 years
Vehicles	3-5 years
Rental Equipment	2-5 years

Freehold land is not depreciated.

The cost of rental equipment in course of manufacture consists of direct materials and labour, together with an appropriate proportion of overheads.

Expenditure on tools, jigs and machine fixtures is deferred and recovered as part of the manufacturing cost of a predetermined volume of equipment and spare parts. (Equipment for this purpose includes both products intended for resale and products intended for capitalisation as rental equipment within the Group.)

#### f Pension Costs

The Group operates various schemes in its overseas subsidiaries and a contributory scheme covering the employees of the Company and its United Kingdom subsidiaries. The latter scheme is independent of the Group's finances and is fully funded, its assets being administered by trustees.

Contributions to the Group's schemes are determined on the basis of independent actuarial advice and any relevant local statutory requirements, and the amounts charged to the profit and loss account are designed to reflect the full actuarial cost attributable to the period.

Provisions for pensions and similar obligations in certain overseas subsidiaries are reflected in the consolidated balance sheet (note 18).

*g Unrealised Intra-Group Profits*

Profits arising on the sale of equipment and supplies between Group companies, and on similar sales to the associated companies, are deferred in the consolidated balance sheet along with the related tax on paid or payable on them. The unrealised element of profit is deducted from the carrying value of equipment and supplies, while the related taxation is carried forward as a component of the deferred taxation balance (note 18). Deferred profits, and the taxation attributable to them, are recognised in the profit and loss account when realised, in the case of supplies and equipment intended for sale, and, in the case of rental equipment, evenly over its estimated useful life.

*h Development Expenditure*

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

*i Deferred Pre-Production Expenditure*

The policy followed in accounting for pre-production expenditure was modified with effect from 1 November 1974. Such expenditure was previously deferred and recovered generally as part of the manufacturing cost of a predetermined volume of equipment. An increasing percentage of 1975 and subsequent years' expenditure has been charged directly against profit and the deferred amount is amortised over a five year period on a straight line basis. From 1 November 1980 all such expenditure has been written off as incurred.

The remaining balance of unamortised expenditure is carried on the consolidated balance sheet as intangible fixed assets (note 11).

*j Stocks*

These are stated at the lower of cost and net realisable value on bases consistent with the previous period. Cost includes, where appropriate, a proportion of overheads, and, in the case of stock that has been shipped across national boundaries, normally includes import duties, insurance and freight costs up to the point of customs clearance (note 14). Subsequent local carriage costs are normally expensed as incurred.

*k Leasing Arrangements*

The Group has adopted lease accounting policies in compliance with Statement of Financial Accounting Standards No.13 issued by the United States Financial Accounting Standards Board.

As lessor: assets leased to customers under agreements classified as sales-type leases, which have the economic substance of a credit sale agreement, are recorded as sales using the present value of the minimum lease payments computed at a commercial rate of interest. The cost or carrying values of the leased assets are charged to cost of revenue (note 4) when the sales are recognised. The difference between the gross value and the present value of minimum lease payments is recognised as interest receivable and similar income (note 7), to provide an approximately constant rate of return on the net investment in the leases. The net investment in sales-type leases, which is reduced over the term of the leases by gross minimum lease payments less interest receivable, is included in trade debtors due within one year or due in more than one year as appropriate.

All other lease agreements with customers are classified as operating leases. Assets leased or intended to be leased under operating leases are classified as rental equipment within tangible fixed assets (note 12) and depreciated over their estimated useful lives. Rentals receivable from customers under operating leases are recognised in the profit and loss account as earned, and associated costs are charged to cost of revenue (note 4) as incurred.

As lessee: assets employed under agreements classified as capital leases, which have the economic substance of a purchase secured by a specific borrowing, are capitalised as tangible fixed assets (note 12). The cost of such assets is recorded at the lower of (a) the present value of the minimum lease payments when the lease begins, and (b) market value at that date. Depreciation is charged on a straight line basis over the lease term, or, if title will ultimately pass to the Group as lessee, the estimated useful life of the asset on bases consistent with note 1.e above.

All other leases are classified as operating leases, and the rentals payable under such agreements are charged against profits as incurred.

# Rank Xerox Limited and Subsidiaries

## Notes to Financial Statements

Figures in £ millions (except where otherwise indicated)

### 2. Consolidated financial statements

a With effect from 1 November 1973, Rank Xerox (Nederland) BV sold the assets of its manufacturing division at Venray, The Netherlands, to Rank Xerox Manufacturing (Nederland) BV. The latter is a subsidiary of Rank Xerox Holding BV, a Dutch company directly owned by Xerox Corporation and the Rank Organisation Group.

The comparative figures reflect the results of a significant volume of transactions, covering equipment, goods and services, between the Rank Xerox Limited Group and the Rank Xerox Holding BV Group.

b No profit and loss account for Rank Xerox Limited ("The Company") is presented in these statements.

c Supplementary current cost statements, pursuant to Statement of Standard Accounting Practice No. 16

issued by the United Kingdom Accounting Standards Committee, are presented in a separate set of combined financial statements covering Rank Xerox Limited, Rank Xerox Holding BV and other companies jointly owned by Xerox Corporation and the Rank Organisation Group.

In the opinion of the Directors, it would not be helpful to present current cost statements showing the impact of price changes on Rank Xerox Limited and its subsidiary companies alone, in view of the substantial volume of equipment and stocks supplied to the Rank Xerox Limited Group from companies in the Rank Xerox Holding BV Group.

The combined financial statements referred to above are available on request.

### 3. Turnover (prior period only)

a This consists of revenue earned in the period from the rental and sale of equipment, from the sale of paper and supplies and from the provision of service and maintenance. Turnover in the prior period includes royalties amounting to £ 17.0m, and sales to the Group's associated companies, after adjustments for unrealised profit (note 1g).

b Turnover for the prior period is analysed by geographic markets as follows:

Europe	1,267.8
Other	<u>194.5</u>
Total	<u>1,462.3</u>

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

### 4. Cost of revenue (prior period only)

The prescribed format for the profit and loss account in the Companies Acts uses the term "Cost of Sales". The Group's turnover, as described in note 3 above, contains significant income from equipment rentals

and service contracts, and, in the opinion of the Directors, is more meaningfully described by the term "Cost of Revenue".

### 5. Distribution costs (prior period only)

These include staff costs and overheads attributable to distribution centres in the Group's manufacturing

locations, and salaries, commissions, support costs and other marketing expenses related to the Group's salesforce.

### 6. Administrative expenses (prior period only)

Administrative expenses are stated after taking into account foreign exchange impacts on transactions

(note 1c) which in the prior period represented a loss of £ 5.2m and costs of £ 18.6m in respect of redundancy programmes.

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**7. Interest (prior period only)****a Other interest receivable and similar income comprises:**

Short term deposits and banks	8.0
Sales-type leases and credit sale agreements	16.0
Rank Xerox Holding BV and subsidiaries	1.1
Other sources	<u>3.2</u>
	<u>28.3</u>

**b Interest payable and similar charges comprises:**

Loans, other than from banks, not fully repayable within five years	1.8
Bank loans and other loans repayable within five years	30.0
Capital leases	<u>1.3</u>
	<u>33.1</u>

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**8. Xerox Corporation charges (prior period only)**

Since 1 November 1976, the Company has been charged with a proportion of research and development and corporate overhead expenses incurred by its ultimate holding company, Xerox Corporation. These

charges reflect the benefits that the Rank Xerox Limited Group receives from these activities, and amounted to £50.0m for the period to 28 October 1983.

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**9. Taxation (prior period only)****a Tax on profit on ordinary activities comprises:**

Rank Xerox Limited and subsidiaries (note 9 b)	10.7
Associated companies	<u>22.7</u>
	<u>33.4</u>

**b The Group provision for the prior period is calculated as follows:**

United Kingdom:	
Corporation tax at 52%	
- Current (£19.1m before double taxation relief)	1.8
- Deferred	<u>(6.0)</u>
	(4.2)
Overseas:	
- Current	21.2
- Deferred	<u>(4.9)</u>
	(4.9)
Prior year adjustments:	
- Current	(3.1)
- Deferred	<u>1.7</u>
	<u>10.7</u>

The tax charge for the prior period was reduced by £5.0m owing to stock relief for which no deferred taxation provision is required.

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Rank Xerox Limited and Subsidiaries  
Notes to Financial Statements

Figures in £.millions (except where otherwise indicated)

10. Dividends paid and proposed	Period ended	
	31 October 1983	28 October 1983
Interim - paid	5.3	-
Special-proposed	-	5.0
Final - proposed	-	5.8
	<u>5.3</u>	<u>10.8</u>

11. Fixed assets - intangible assets

a These comprise:	Group 31 October 1983	Group 28 October 1983	Company 31 October 1983	Company 28 October 1983
Deferred pre-production expenditure (note 11b)	0.1	0.1	0.1	0.1
Goodwill (note 11c)	<u>0.2</u>	<u>0.2</u>	-	-
	<u>0.3</u>	<u>0.3</u>	<u>0.1</u>	<u>0.1</u>

b Deferred pre-production expenditure (note 1b) has been expensed as incurred since 1 November 1980. The movements on this account during the period were as follows:

Balance brought forward	0.1	0.7	0.1	0.6
Amounts written off	-	<u>0.6</u>	-	<u>0.5</u>
Balance at 31 October 1983	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>

c Goodwill represents the excess of the cost of acquiring subsidiary companies over their net asset value at the time of joining the Group. Goodwill is amortised over a ten year period, in accordance with Xerox Corporation policy. The movements on this account during the period were as follows:

Balance brought forward	0.2	0.3	-	-
Amounts written off	-	<u>0.1</u>	-	-
Balance at 31 October 1983	<u>0.2</u>	<u>0.2</u>	-	-

**12. Fixed assets - tangible assets**

	Land and Buildings	Plant and Machinery	Fixtures, Fittings, Tools and Equipment	Construction in Progress	Rental Equipment	Total
<i>a Group</i>						
Cost:						
At 31 & 28 October 1983	<u>119.5</u>	<u>59.2</u>	<u>157.3</u>	<u>1.8</u>	<u>840.9</u>	<u>1,178.7</u>
Depreciation provision:						
At 31 & 28 October 1983	<u>28.4</u>	<u>32.6</u>	<u>74.6</u>	<u>-</u>	<u>529.7</u>	<u>665.3</u>
Net book value:						
At 31 & 28 October 1983	<u>93.1</u>	<u>26.6</u>	<u>82.7</u>	<u>1.8</u>	<u>311.2</u>	<u>515.4</u>
<i>b Company</i>						
Cost:						
At 28 October 1983	<u>16.5</u>	<u>31.2</u>	<u>27.1</u>	<u>1.0</u>	<u>1.3</u>	<u>77.1</u>
Disposals	<u>-</u>	<u>(29.5)</u>	<u>(17.1)</u>	<u>-</u>	<u>-</u>	<u>(46.6)</u>
At 31 October 1983	<u>16.5</u>	<u>1.7</u>	<u>10.0</u>	<u>1.0</u>	<u>1.3</u>	<u>30.5</u>
Depreciation provision:						
At 28 October 1983	<u>3.5</u>	<u>19.1</u>	<u>14.9</u>	<u>-</u>	<u>1.0</u>	<u>38.5</u>
Disposals	<u>-</u>	<u>(17.4)</u>	<u>(8.5)</u>	<u>-</u>	<u>-</u>	<u>(25.9)</u>
At 31 October 1983	<u>3.5</u>	<u>1.7</u>	<u>6.4</u>	<u>-</u>	<u>1.0</u>	<u>12.6</u>
Net book value:						
At 31 October 1983	<u>13.0</u>	<u>-</u>	<u>3.6</u>	<u>1.0</u>	<u>0.3</u>	<u>17.9</u>
At 28 October 1983	<u>13.0</u>	<u>12.1</u>	<u>12.2</u>	<u>1.0</u>	<u>0.3</u>	<u>38.6</u>

- c*
- i Rental equipment consists of xerographic and other equipment on or available for rental to customers under operating leases. In view of the material amounts involved, it has been disclosed separately.
  - ii Rental equipment includes £ 12.3m (prior period - £ 12.3m) representing equipment in the course of manufacture.
  - iii Rental equipment disposals and additions include equipment transferred to and from remodelling centres within the Group and in the Rank Xerox Holding BV Group.

*d*  
Land and buildings includes, at net book value, the following amounts at 31 and 28 October 1983:

	Group	Company
Freehold	<u>58.1</u>	<u>0.2</u>
Long leasehold	<u>6.0</u>	<u>0.6</u>
Short leasehold	<u>29.0</u>	<u>12.2</u>

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

# Rank Xerox Limited and Subsidiaries

## Notes to Financial Statements

Figures in £ millions (except where otherwise indicated)

### 13. Fixed assets - investments

a At 31 and 28 October, these comprise:

	Group	Company
Shares in Group companies (note c)	-	38.5
Loans to Group companies	-	20.2
Associated companies (note b)	129.3	6.6
Other loans (note d)	3.8	2.2
	<u>133.1</u>	<u>67.5</u>

### b Associated Companies

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

The principal associated company is Fuji Xerox Co., Ltd., incorporated in Japan, in which the Company owns 50 per cent of the issued ordinary share capital. Fuji Xerox Co., Ltd. manufactures and markets xerographic equipment and related supplies in Japan and the Far East and prepares its accounts to 20 October in each financial year. Transactions between 20 October and the Group's balance sheet date are not material. There are other associated companies in France and India.

The Company's balance sheet reflects the Company's investment at cost in associated companies. The Group's share of the net assets of associated companies is reflected in the consolidated balance sheet and translated from overseas currencies in accordance with the principles stated in note 1c. No provision has been made for any additional taxation which would arise if the investments in those companies were disposed of at their balance sheet values, or if their retained profits, treated as non-distributable reserves in note 20, were subject to distribution.

The summarised financial information set out below is based on the audited consolidated financial statements of Fuji Xerox Co., Ltd. for the year ended 20 October 1983.

	1983		1983
Turnover	<u>705.1</u>	Rental equipment and other tangible assets	345.5
Depreciation	<u>62.6</u>	Net current assets	<u>3.4</u>
Profit on ordinary activities before taxation	<u>81.4</u>		<u>348.9</u>
		Capital and Reserves	257.3
		Creditors falling due after more than one year	<u>91.6</u>
			<u>348.9</u>



c Group companies	Country of incorporation	Percentage of ordinary share capital owned		
		Direct	Indirect	Total
The principal subsidiaries of Rank Xerox Limited are as follows:				
Rank Xerox (Copy Bureaux) Limited	England	-	100	100
Rank Xerox de Espana Limited	England	100	-	100
Rank Xerox Equipment Services Limited	England	100	-	100
Rank Xerox Exports Limited	England	100	-	100
Rank Xerox (Ireland) Limited*	England	100	-	100
Rank Xerox (Management) Limited	England	100	-	100
Rank Xerox (Overseas) Limited	England	100	-	100
Rank Xerox (R & S) Limited	England	-	100	100
Rank Xerox (UK) Limited	England	100	-	100
Rank Xerox (Australia) Pty Limited	Australia	-	75	75
Rank Xerox Austria GmbH	Austria	-	100	100
NV Rank Xerox SA	Belgium	-	100	100
Rank Xerox A/S	Denmark	-	100	100
Rank Xerox Oy	Finland	-	100	100
Office de Transformation Papetiere SA	France	-	100	100
Rank Xerox SA	France	100	-	100
Rank Xerox GmbH	Germany	-	100	100
Rank Xerox Greece SA	Greece	-	100	100
Rank Xerox (Nederland) BV	Holland	-	100	100
Rank Xerox Finance (Nederland) BV	Holland	100	-	100
Rank Xerox SpA	Italy	-	100	100
Rank Xerox Kenya Limited	Kenya	100	-	100
Rank Xerox New Zealand Limited	New Zealand	75	-	75
Rank Xerox (Nigeria) Limited	Nigeria	60	-	60
Rank Xerox A/S	Norway	-	100	100
Rank Xerox (Proprietary) Limited	South Africa	-	100	100
Rank Xerox Espanola SA	Spain	25	75	100
Rank Xerox AB	Sweden	-	100	100
Rank Xerox AG	Switzerland	-	100	100
Rank Xerox Uganda Limited	Uganda	-	100	100

\*Operates in the Republic of Ireland

The Group also has branches operating outside the UK.

The Company has not had control over its subsidiaries in Iran since July 1980 and accordingly the results and net assets of those subsidiaries have not been consolidated. No audited accounts have been received in respect of those subsidiaries since that time.

d Other loans consist of advances from the Company and certain of its subsidiaries to the trustees of the Rank Xerox Share Purchase Scheme, and the National Westminster Jersey Trust Company Limited as trustees of a discretionary settlement, to enable them to acquire 'E' shares in the Company. The loans do not currently bear interest. The gross amount of loans outstanding at 31 and 28 October 1983 was £11.9m for the Group and £10.3m for the Company, against which provision of £8.1m has been made.

e There were no movements during the period on fixed asset investments of either the Group or the Company.

Rank Xerox Limited and Subsidiaries  
Notes to Financial Statements

Figures in £ millions (except where otherwise indicated)

14. Stocks

a The Group's principal activity is the sale and rental of xerographic equipment to customers. Equipment on, or intended for, rental (including equipment held by the Company) is accordingly held as fixed assets in the Group balance sheet, while equipment intended for resale is held as stock. Rental equipment in the process of manufacture is also classified with fixed assets.  
The Company's principal activity is the manufacture and sale of xerographic equipment to subsidiary companies.

b Stocks at 31 and 28 October 1983 comprise:	Group	Company
Raw materials and consumables	5.1	4.0
Work in progress	14.6	29.3
Finished goods and goods for resale:		
Consumables, spares and paper	108.5	26.8
Equipment	93.3	53.7
	<u>221.5</u>	<u>113.8</u>

c Stocks are valued in accordance with the principles stated in note 1j, and include costs of distribution up to the point of customs clearance for finished goods that have been transported across national boundaries. The Group follows Statement of Standard Accounting Practice No 9, issued by the United Kingdom Accounting Standards Committee, which includes in its definition of cost that expenditure which has been incurred in the normal course of business in bringing a product or service to its present location and condition. If the requirements of the Companies Acts were followed in excluding distribution costs, the effect would have been to reduce the balance sheet value of stocks by £9.0m in both periods and to increase Distribution Costs in the profit and loss account by £0.8m in the period to 28 October 1983.

15. Debtors

a At 31 and 28 October 1983, these comprise:	Group	Company
Due within one year:		
Trade debtors	295.1	16.8
Owed by the Rank Xerox Holding BV Group	-	0.7
Amounts owed by Group companies		
- dividends	-	6.9
- other	-	63.8
Amounts owed by associated companies	5.1	2.9
Other debtors	9.5	1.3
Prepayments and accrued income	98.7	6.9
	<u>408.4</u>	<u>99.3</u>
Due in more than one year:		
Trade debtors (note b)	57.7	1.3
Owed by fellow subsidiaries	2.5	-
Other debtors (note c)	13.1	2.8
	<u>73.3</u>	<u>4.1</u>
	<u>481.7</u>	<u>103.4</u>

b Trade debtors due in more than one year represent amounts owed by customers under sales-type leases and credit sale agreements.

c Other debtors include a loan of £10,000 to an officer of the Company.

**16. Creditors: amounts falling due within one year**

*a* These comprise:

	Group 31 October 1983	Group 28 October 1983	Company 31 October 1983	Company 28 October 1983
Bank loans and overdrafts				
- overdrafts and acceptances	86.4	86.4	53.4	53.4
- long term loans due within one year (note 17)	11.5	11.5	0.3	0.3
- bills of exchange payable (note 17)	17.9	17.9	-	-
Trade creditors	67.8	67.8	15.9	15.9
Amounts owed to Xerox Corporation and subsidiaries	66.4	66.4	59.5	59.5
Amounts owed to Rank Xerox Holding BV and subsidiaries	5.4	5.4	-	-
Amounts owed to Group companies	-	-	48.2	48.2
Other creditors including taxation and social security (note b)	69.0	66.7	25.7	23.4
Accruals and deferred income	<u>145.3</u>	<u>145.3</u>	<u>26.4</u>	<u>26.4</u>
	<u>469.7</u>	<u>467.4</u>	<u>229.4</u>	<u>227.1</u>

*b* Other creditors including taxation and social security includes dividends payable of £ 10.8m for both the Group and the Company, and current taxation payable of £ 45.0m for the Group and £ 11.8m for the Company (prior period - £ 42.7m and £ 9.5m respectively).

**17. Creditors: amounts falling due after more than one year**

*a* At 31 and 28 October 1983, these comprise:

	Group	Company
Long term loans (note b)		
- Debenture loans (note c)	54.9	3.5
- Bank loans and overdrafts	40.6	-
- Other loans	57.6	18.4
- Bills of exchange payable	6.7	-
Amounts owed to Group companies	-	4.9
	<u>159.8</u>	<u>26.8</u>

*b* Long term loans at 31 and 28 October 1983 include £ 37.3m and £ 3.5m for the Group and the Company respectively, of loans not fully repayable within 5 years. Of these loans, amounts repayable by instalments were £ 14.7m for the Group and Nil for the Company. Aggregate instalments due after more than 5 years totalled £ 8.5m for the Group and Nil for the Company.

# Rank Xerox Limited and Subsidiaries

## Notes to Financial Statements

Figures in £ millions (except where otherwise indicated)

### 17. Creditors: amounts falling due after more than one year (continued)

c Debenture loans comprise:

- i The Company's 7½% Guaranteed Unsecured Loan Stock 1986/1991, guaranteed as to payment of capital and interest 60% by Xerox Corporation and 40% by The Rank Organisation Group. Since 1971, £0.1m nominal of the stock has been required to be redeemed at par by drawings, which can be satisfied by purchase and cancellation of the stock. After 14 December 1986, the Company may at three months' notice redeem at par all or part of the stock outstanding. Any previously unredeemed stock is redeemable at par on 15 December 1991. £0.5m was outstanding at 31 and 28 October 1983, at which dates £4.5m nominal stock had been purchased and cancelled.
- ii The Company's 7½% Subordinated Unsecured Loan Notes 1992, of which £3.0m was outstanding at 31 and 28 October 1983. The Notes are not repayable without the consent of the Trustees of the 7½% Guaranteed Unsecured Loan Stock 1986/1991, and until all capital and interest on that stock have been paid.
- iii Rank Xerox Finance (Nederland) BV's 11-3/8% Guaranteed Bonds due 1988, denominated in ECU's, and 7½% Bonds 1983/1993, denominated in German Marks. Both issues are guaranteed as to payment of capital, interest and premium on redemption, if any, by the Company. £28.7m and £19.1m respectively were outstanding on these issues at both 31 and 28 October 1983.
- iv Rank Xerox A/S's 13-3/8% Loan Stocks due 1983/1988, denominated in Norwegian Kroner, and guaranteed as to payment of capital, interest and premium on redemption, if any, by the Company. £3.4m was outstanding at 31 and 28 October 1983.

d The aggregate amount of secured loans at 31 and 28 October 1983 was £5.3m for the Group. There were no secured loans to the Company. Such loans to Group companies are generally secured on land and buildings. The category "Other Loans" also includes certain amounts (note 22 a), in respect of liabilities under capital leases, which are specifically secured on the leased assets involved.

e Repayment terms at 31 and 28 October 1983 are as follows:

	Group	Company
1 year	29.4	0.3
2 years	38.7	15.4
3 years	21.5	0.2
4 years	29.3	0.2
5 years	39.1	0.2
6 to 10 years	29.3	3.7
Thereafter	1.9	2.2
	<u>189.2</u>	<u>22.2</u>

f Loans are denominated in the following currencies:

	Average interest rate (Group)	Group	Company
Not fully repayable within 5 years:			
Sterling	7.9%	4.4	3.5
German Marks	7.5%	19.1	-
Other currencies	10.7%	7.3	-
		<u>30.8</u>	<u>3.5</u>
Fully repayable within 5 years, and capital leases:			
Sterling	8.5%	66.4	18.7
US Dollars	10.6%	1.8	-
ECU	11.4%	28.7	-
French Francs	13.3%	21.7	-
Other currencies	13.9%	39.8	-
		<u>189.2</u>	<u>22.2</u>

## 16. Provisions for liabilities and charges

a These comprise:

	Group 31 October 1983	Group 28 October 1983	Company 31 October 1983	Company 28 October 1983
Pensions and similar obligations (note b)	39.2	39.2	-	-
Deferred taxation (note c)	2.2	4.5	(23.8)	(30.1)
Other provisions (note b)	12.7	12.7	6.7	6.7
	<u>54.1</u>	<u>56.4</u>	<u>(17.1)</u>	<u>(23.4)</u>

b There were no movements on provisions for pensions and similar obligations or other provisions during the period.

c Deferred taxation shown above comprises:

Deferred taxation	99.7	91.1	4.2	(4.4)
<i>less</i>				
Advance Corporation Tax	(28.0)	(25.7)	(28.0)	(25.7)
<i>less</i>				
Taxation on unrealised intra-Group profits (note 1g)				
- Stocks and rental equipment	(60.9)	(60.9)	-	-
- Other tangible fixed assets	(8.6)	-	-	-
	<u>2.2</u>	<u>4.5</u>	<u>(23.8)</u>	<u>(30.1)</u>

The deferred tax asset of £8.6m has arisen from the sale of fixed assets by Rank Xerox Limited to a United Kingdom subsidiary.

The deferred taxation balance at 31 October comprises:

Timing differences:				
Fixed assets	66.3	77.1	3.7	14.5
Sales-type leases	23.1	23.1	0.3	0.3
Other (including tax loss offsets)	10.3	(9.1)	0.2	(19.2)
	<u>99.7</u>	<u>91.1</u>	<u>4.2</u>	<u>(4.4)</u>

Advance Corporation Tax is recoverable in the future against deferred taxation liabilities of the Company or its United Kingdom subsidiaries.

d Movements on the taxation provision were as follows:

	Group	Company
Balance at 28 October 1983	4.5	(30.1)
Additions charged to the profit and loss account	-	8.6
Utilised during the period	<u>(2.3)</u>	<u>(2.3)</u>
Balance at 31 October 1983	<u>2.2</u>	<u>(23.8)</u>

# Rank Xerox Limited and Subsidiaries

## Notes to Financial Statements

Figures in £millions (except where otherwise indicated)

### 19. Called up share capital and share premium account.

a The Company's share capital at 31 and 28 October 1983 consists of shares of £1 each, divided into classes as follows:

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

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

### 20. Other reserves and profit and loss account

a At 31 and 28 October 1983 other reserves in the balance sheet comprise:

	Group	Company
Non-distributable reserves:		
- Group companies	54.4	-
- Associated companies	89.6	-
Currency translation account (note 1c)	<u>(36.7)</u>	<u>0.3</u>
	<u>107.3</u>	<u>0.3</u>

b Movements in reserves during the period were as follows:

i) There was no movement on the currency translation account.

ii) Other reserves and profit and loss account

	Profit and loss account Group	Non-distributable reserves		Profit and loss account Company
		Group Companies	Associated Companies	
At 28 October 1983	636.3	54.4	89.6	112.9
Amount set aside	<u>(5.3)</u>	-	-	<u>2.7</u>
At 31 October 1983	<u>631.0</u>	<u>54.4</u>	<u>89.6</u>	<u>115.6</u>

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

'A' shares reserves	15.5	0.6	2.2	2.8
'B' shares reserves	15.5	0.6	2.2	2.8
General reserves	<u>600.0</u>	<u>53.2</u>	<u>85.2</u>	<u>110.0</u>
	<u>631.0</u>	<u>54.4</u>	<u>89.6</u>	<u>115.6</u>

d The Group profit after taxation in the period ended 28 October 1983 included a profit of £69.6m attributable to the shareholders of Rank Xerox Limited which has been dealt with in the financial statements of the Company.

The Company recorded a profit after taxation of £8.0m in the period ended 31 October 1983.

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

## 21. Directors and employees (prior period only)

a The average number of persons employed by the Group (including directors) during the period was:	1983	Other directors	1983 Number
Manufacturing operations	4,101	Nil	8
Marketing operations	<u>26,930</u>	£ 10,001-£ 15,000	6
		£ 20,001-£ 25,000	1
		£ 25,001-£ 30,000	1
		£ 70,001-£ 75,000	1
	<u>31,031</u>	£ 80,001-£ 85,000	1
		£ 100,001-£ 105,000	1
		£ 130,001-£ 135,000	3
		£ 145,001-£ 150,000	1
		£ 160,001-£ 165,000	1
The aggregate payroll costs of these persons were as follows:	1983		
Wages and salaries	367.6		
Social security costs	32.7		
Other pension costs	<u>24.2</u>		
	<u>424.5</u>		
		An interest-free loan of £40,000 was outstanding under the Company's Senior Executive Loan Scheme to Mr. J H Duerden at the date of his appointment as a director. This loan was repaid on 31 October 1983.	
b Remuneration of directors and senior employees was as follows:			
i Remuneration of directors of Rank Xerox Limited (pursuant to Section 196, Companies Act 1948).	1983 £000's	ii Remuneration of employees, excluding directors, receiving more than £30,000 (pursuant to Section 8, Companies Act 1967).	1983 Number
		£ 30,001-£ 35,000	33
		£ 35,001-£ 40,000	15
		£ 40,001-£ 45,000	2
		£ 45,001-£ 50,000	5
		£ 50,001-£ 55,000	2
Emoluments for services as executives	<u>1,474</u>		
Emoluments for the purposes of Section 6, Companies Act 1967 were:	1983 £		
Chairman	103,081		
Highest paid director	188,447		

# Rank Xerox Limited and Subsidiaries

## Notes to Financial Statements

Figures in £millions (except where otherwise indicated)

### 21. Directors and employees. (con..nued)

c The only interests of the directors of Rank Xerox Limited (including family interests) in the shares or debentures of the Company or of Xerox Corporation, its holding company, were as follows:

		Rank Xerox Limited 'E' Shares of £ 1 each*	Xerox Corporation Common Stock par value \$1.00 Holding	Xerox Corporation Common Stock par value \$1.00 Options	Xerox Corporation Class 'B' Stock par value \$1.00	6% Convertible Subordinated Debentures due 1995
P A Allaire	a	-	1,222	39,941	-	-
M H Antonini	a	-	2,388	49,299	-	-
W F Glavin	a	-	3,536	60,825	8,600	-
R A Holmes	a	-	-	13,225	-	-
D P Hornby	a	-	360	12,925	-	-
D T Kearns	a	-	6,471	110,568	9,250	-
R E G Magnin	a	-	-	16,000	-	-
Peter McColough	a	-	20,785	54,907	-	\$3,200
J R Milligan	a	-	940	6,364	-	-
W F Souders	a	-	3,960	55,962	5,600	-
E H van der Beugel	a	-	100	-	-	-

a Holding at 31 and 28 October 1983

\*The Company has a Share Purchase Scheme for the provision by the Company and certain participating subsidiaries of financial assistance for the subscription and sale to their employees (including Executive Directors) of fully paid 'E' Shares in the Company to be held by and eventually sold to the Trustees of the Scheme. At 31 October 1983 Mr. M B Gifford, Mr. D T Kearns and Mr. R E G Magnin were the Trustees of the Scheme and 56,730 'E' Shares were held by the Trustees (prior period - 56,645).

Apart from the interests set out above, no other Director in office at 31 and 28 October 1983 was interested in the shares or debentures of the Company or Xerox Corporation during the period under review.



## 22. Leasing arrangements

### a As lessee

The Group leases certain tangible assets under capital and operating leases, which expire over varying periods up to 2062. Rentals under operating leases charged against profits amounted to £36.8m for the Group and £5.3m for the Company in the prior period. Hire of plant and machinery amounted to £0.7m for the Group, and nil for the Company in the prior period. Future minimum lease payments required under capital leases, and operating leases with more than one year to run before expiry, are summarised below:

Period ending 31 October:	Group Capital Leases	Group Operating Leases	Company Capital Leases	Company Operating Leases
1984	4.6	33.0	0.6	6.3
1985	3.8	26.0	0.5	5.3
1986	3.0	19.3	0.5	4.5
1987	2.1	14.6	0.5	4.3
1988	1.5	13.7	0.5	4.2
Later years	18.7	123.8	15.5	49.1
<b>Total minimum lease payments</b>	<b>33.7</b>	<b>230.4</b>	<b>18.1</b>	<b>73.7</b>
<i>Less:</i>				
Executory costs	2.9		3.0	
Interest element	15.8		11.6	
	<b>18.7</b>		<b>14.6</b>	
<b>Present value of net minimum payments</b>	<b>15.0</b>		<b>3.5</b>	

### b As lessor

The Group leases equipment to customers under both operating leases and finance leases. Rentals payable under operating leases normally include maintenance, service and parts, and may also include the provision of supplies such as toner and paper. Total rentals receivable in the period ended 28 October 1983 amounted to £510.3m of which £139.0m represented contingent rentals for equipment usage in excess of the contractual minimum. Minimum future rental revenues are calculated as: 1984 - £200.3m; 1985 - £32.1m; 1986 - £10.7m; total - £243.1m, based on operating leases with minimum terms ranging from one month to three years.

The net investment in sales-type leases at 31 and 28 October 1983 consisted of minimum lease payments as summarised below:

	Group	Company
<b>Due within:</b>		
One year	36.1	1.8
Two years	30.0	0.9
Three years	20.1	0.3
Four years	8.8	0.1
Five years	2.6	-
More than five years	0.8	-
<b>Total minimum lease payments receivable</b>	<b>98.4</b>	<b>3.1</b>
<i>Less:</i>		
Executory costs included in rentals	4.9	-
Deferred interest income	21.6	0.5
Allowance for doubtful debts	3.1	0.1
	<b>29.6</b>	<b>0.6</b>
<b>Net investment in sales-type leases</b>	<b>68.8</b>	<b>2.5</b>

# Rank Xerox Limited and Subsidiaries

## Notes to Financial Statements

Figures in £ millions (except where otherwise indicated)

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### 23. Capital expenditure

No provision has been made in the financial statements for the following capital expenditure, which excludes acquisitions of rental equipment in the ordinary course of business:

At 31 and 28 October 1983	Group	Company
Expenditure contracted for	2.9	0.8
Expenditure authorised but not committed	<u>11.0</u>	<u>8.6</u>
	<u>13.9</u>	<u>9.4</u>

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### 24. Contingent liabilities

#### a The Group

There are contingent liabilities, arising from the ordinary activities of the Group, which amount to approximately £20.6m at 31 and 28 October 1983 in respect of bills discounted, guarantees and other liabilities.

#### b The Company

Loans and bank overdrafts of subsidiary companies have been guaranteed by the Company up to a maximum of £93.4m. At 31 and 28 October 1983, £79.8m was outstanding.

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### 25. Remuneration of auditors (prior period only)

	Period ended 28 October 1983 £ 000's
Rank Xerox Limited	194
Subsidiaries	<u>607</u>
	<u>801</u>

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### 26. Ultimate holding company

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

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## Report of the Auditors

To the Members of Rank Xerox Limited

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We have audited the financial statements on pages 5 to 26 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared on the basis of the accounting policies set out on pages 10 and 11, give a true and fair view of the state of affairs of the Company and the Group at 31 October 1983 and of the results and source and application of funds of the Group for the period ended on that date and comply with the Companies Acts 1948 to 1981.

Peat, Marwick, Mitchell & Co.  
Chartered Accountants  
London

*Peat, Marwick, Mitchell Co.*

23 January 1984

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