

575914

RANK XEROX LIMITED
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 1991

COMPANIES HOUSE
7 MAY 1992
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DIRECTORS
OF
RANK XEROX LIMITED

P.A. Allaire
Chairman

B.D. Fournier
Managing Director

M.B. Gifford
L. Gonzalez-Camino
W.R. Goode
O.P.M. Grouès
L.L. Haddon
W.R. Hicks
J.R. Milligan
R.T. Orrico
A.Z. Senter
Dr. M. Smith
S.L. Tierney
N.V. Turnbull
D.M. Yates

Secretary
C.J. Payne

Bankers
National Westminster Bank Plc

Registered Office
Parkway, Marlow
Buckinghamshire
SL7 1YL

Auditors
KPMG Peat Marwick

Registered Number
575914

DIRECTORS' REPORT

FINANCIAL STATEMENTS

The Directors present the balance sheet of the Parent Company, Rank Xerox Limited ('the Company') and the consolidated balance sheet as at 31 October 1991, together with the consolidated profit and loss account and consolidated statement of source and application of funds for the year ended on that date, for the Company and its subsidiary undertakings ('the Group').

The profit of the Group on ordinary activities after taxation and minority interests was £115.2m.

Interim dividends of £55.4m were proposed and paid during the financial year on the 'A', 'B' and 'D' shares of the Company (note 10 to the Financial Statements).

A final dividend of £0.1m is proposed on the 'A', 'B' and 'E' shares of the Company.

Retained profits for the year were £59.7m. Transfers to non-distributable reserves in the year were £34.1m (note 19 to the Financial Statements).

PRINCIPAL ACTIVITIES

The business of the Group and its associates consists primarily of research, development, manufacture, marketing and maintenance of document processing systems and equipment. To support its marketing strategies the Group also engages in financing activities through its leasing operations.

Document processing systems incorporate a wide range of equipment including copiers and duplicators, electronic laser printers, scanners, electronic typewriters, facsimile transceivers and the software related to all of these products.

Other principal activities include the marketing of paper and the manufacture and marketing of toner and related supplies.

BUSINESS REVIEW

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

CHAIRMAN AND DIRECTORS

The Directors shown on page 38 are in office at the date of this Report. Mr D.T. Kearns resigned as Chairman and a Director on 28 May 1991 and Mr P.A. Allaire was appointed Chairman on 26 July 1991. Mr D.A. Thompson resigned from the Board on 16 April 1991. Mr W.C. Lowe resigned on 31 May 1991 and Mr H.C. Debuissier resigned on 31 October 1991. Mr A.Z. Senter was appointed a Director on 18 January 1991, Mr O.P.M. Grouès on 1 July 1991, Mr R.T. Orrico on 1 November 1991 and Mr W. R. Goode on 16 December 1991. The remaining Directors served throughout the year under review.

The Directors and Officers are covered by a Directors' and Officers' Liability Insurance taken out and maintained by Xerox Corporation.

TANGIBLE FIXED ASSETS

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

The Directors are of the opinion that at 31 October 1991 the aggregate of the open market values of land and buildings exceeded net book values by approximately £69m for the Group, and by approximately £9m for the Company.

RESEARCH AND DEVELOPMENT

In October 1991 an investment of £30 million in a new research centre for Europe was announced. Its primary mission will be to enhance the understanding of document intensive work processes in a multilingual and multinational environment and to undertake collaborative research with European universities, commercial undertakings and State organisations.

In addition the Welwyn Garden City site is being redeveloped, at a cost of £45 million, into a Rank Xerox Systems Centre for customer support and software and hardware development.

The new research laboratory will work closely with Rank Xerox EuroPARC in Cambridge, England. EuroPARC's primary focus is the study of human-computer interaction in order to make office systems more user-friendly. The activities of EuroPARC and the new research centre will be closely coordinated with those of Xerox' Palo Alto Research Centre (PARC) in northern California.

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the Group made charitable donations of £0.4m, including £0.1m made within the United Kingdom. No political contributions were made by the Group during the year.

EMPLOYMENT POLICIES

(a) Employee Involvement

During 1991 the Group has continued its policy of keeping employees informed about the state of the business and involving them in issues that affect their working environment. Information is given to all employees through regular communication meetings and in-house magazines and reports. Communication meetings are based on senior management briefings from the Managing Director of the Company and his key executives. Each attendee of these briefings is required to cascade the information through the team meeting process to all his/her staff. During these meetings employees are encouraged to ask questions and provide feedback.

'Leadership through Quality' remains a cornerstone in focussing employees' efforts towards meeting customer requirements and reducing cost of non-conformance. Problem-solving techniques and benchmarking remain key features of the quality improvement process. This process has also been used to improve employee motivation and satisfaction. Rank Xerox has initiated a closed loop management process across all Rank Xerox operations to assist the Company achieve its desired status as 'Employer

of Choice' in the relevant industry sector. Employees have their opinions sought, via an attitude survey, on a range of subjects concerning their workplace and employment with the Company: the collective results are subsequently published to all employees. Employees are then involved in analysing the root causes of any dissatisfaction and helping to plan improvement. The process then starts again, twelve months after the initial survey.

(b) Equality of Opportunity in the United Kingdom

Rank Xerox recognises the critical importance of its human resources and that the Company's success is dependent on the quality of the contributions of all its employees. It is committed to equality of opportunity for all employees and applicants for employment. Within the United Kingdom, Rank Xerox has introduced a number of policies and initiatives to strengthen the Company's approach to equal opportunities and to provide a framework that fosters innovative solutions to employment needs. The introduction of an enhanced Maternity Absence scheme and a Career Break policy has helped the Company in attracting and retaining women employees. Initiatives have been taken to widen the scope for flexible working and Rank Xerox now operates home-working, job sharing, job splitting and term-time working. In parallel, the Rank Xerox Pension Scheme has been updated to accommodate all forms of flexible working contracts for permanent staff.

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

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

The Company is a member of the Employers' Forum on Disability which seeks new ways of encouraging the employment of people with a disability.

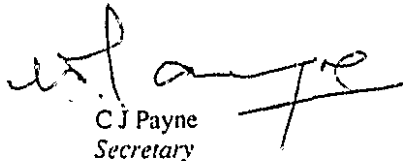
MONOPOLIES AND MERGERS COMMISSION

On 30 October 1991, the Secretary of State for Trade and Industry published the Monopolies and Mergers Commission report on 'Indirect Electrostatic Photocopiers' which the Commission had submitted after a 12-month investigation of the supply by manufacturers and importers of photocopiers in the United Kingdom. The Commission found that a scale monopoly and certain 'complex' monopoly situations existed in favour of the Company but that, given the high level of competition and consumer choice in the photocopier market, such monopolies did not operate against the public interest. The Secretary of State accepted the conclusions of the Commission that no action need be taken and agreed that the Company should be released from undertakings relating to the supply of toner, imposed as a result of the 1976 report by the Commission.

AUDITORS

On 1 October 1991 our auditors changed the name under which they practise to KPMG Peat Marwick and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, KPMG Peat Marwick have signified their willingness to continue in office, and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

By order of the Board


C J Payne
Secretary

20 January 1992

RANK XEROX LIMITED AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 1991

	<i>Note</i>	1991 £m	1990 £m
Turnover	3	2571.0	2742.2
Cost of revenue	4	(1651.0)	(1783.0)
Gross profit		920.0	959.2
Distribution costs	5	(507.2)	(517.6)
Administrative expenses	5	(278.9)	(261.9)
Income from interests in associated undertakings	12	101.9	110.2
Interest receivable and similar income	6	186.2	164.9
Interest payable and similar charges	6	(113.9)	(118.7)
Xerox Corporation charges	7	(102.0)	(94.3)
Profit on ordinary activities before taxation		206.1	241.8
Tax on profit on ordinary activities	8	(88.9)	(118.7)
Profit on ordinary activities after taxation		117.2	123.1
Minority interests		(2.0)	(2.4)
Extraordinary profit after taxation	9	-	58.8
Profit for the financial year		115.2	179.5
Dividends paid and proposed	10	(55.5)	(142.6)
Retained profit for the year	19	59.7	36.9

The notes on pages 48 to 72 form part of these financial statements.

RANK XEROX LIMITED AND SUBSIDIARY UNDERTAKINGS


BALANCE SHEETS

AT 31 OCTOBER 1991

	Note	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Fixed assets					
Tangible assets	11	309.3	307.6	74.3	76.6
Investments	12	416.6	338.3	115.8	103.5
		725.9	645.9	190.1	180.1
Current Assets					
Stocks	13	336.8	298.7	163.5	133.3
Debtors	14	2102.2	1953.7	376.6	420.5
Cash at bank and in hand		45.0	72.4	2.1	24.9
		2484.0	2324.8	542.2	578.7
Creditors					
Amounts falling due within one year	15	1098.0	1020.0	385.0	460.3
Net current assets		1386.0	1304.8	157.2	118.4
Total assets less current liabilities					
		2111.9	1950.7	347.3	298.5
Creditors					
Amounts falling due after more than one year	16	612.2	572.8	8.5	12.0
Provisions for liabilities and charges	17	128.9	115.3	14.9	7.0
		1370.8	1262.6	323.9	279.5
Capital and reserves					
Called up share capital	18	29.9	29.9	29.9	29.9
Share premium account	18	3.0	3.0	3.0	3.0
Other reserves	19	505.1	422.7	(1.6)	(1.4)
Profit and loss account	19	823.1	797.5	292.6	248.0
		1361.1	1253.1	323.9	279.5
Minority interests					
		9.7	9.5	-	-
		1370.8	1262.6	323.9	279.5

Approved by the Board of Directors on 20 January 1992 and signed on its behalf by:


 B D Fournier
 Managing Director


 W R Goode
 Director, Finance & Control

RANK XEROX LIMITED AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31 OCTOBER 1991

SOURCE OF FUNDS	1991 £m	1990 £m
Funds from Operations:		
Profit on ordinary activities before taxation	206.1	241.8
Extraordinary profit after taxation	-	58.8
Less: Profit before taxation retained by associated undertakings	(87.3)	(97.2)
	118.8	203.4
Add: Depreciation and other items not involving the movement of funds (net)	88.7	147.9
Total Funds from Operations	207.5	351.3
Other Sources:		
Disposal of fixed assets at net book value	10.3	59.4
Increase in creditors falling due in more than one year	39.4	17.1
Total Source of Funds	257.2	427.8
APPLICATION OF FUNDS		
Additions to fixed assets	88.1	106.7
Taxation paid	53.3	12.8
Dividends paid	139.5	63.4
	280.9	182.9
(Decrease)/Increase in working capital (analysed opposite)	(23.7)	244.9
Total Application of Funds	257.2	427.8

RANK XEROX LIMITED AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31 OCTOBER 1991

	1991 £m	1990 £m
ANALYSIS OF CHANGE IN WORKING CAPITAL		
(Decrease)/Increase in net liquid funds:		
Cash at bank and in hand	(27.4)	19.8
Bank overdrafts and acceptances	(59.2)	65.9
	(86.6)	85.7
Increase/(Decrease) in stocks	38.1	(108.7)
Increase/(Decrease) in debtors	239.8	141.1
- finance lease receivables	(91.3)	(30.0)
- other debtors	(123.7)	(3.2)
(Increase) in creditors falling due within one year	---	---
(Decrease)/Increase in Working Capital	(23.7)	244.9

NOTES TO FINANCIAL STATEMENTS

I PRINCIPLES OF CONSOLIDATION AND ACCOUNTING POLICIES

The Group's major accounting policies are summarised below.

a Accounting convention

The financial statements are prepared under the historical cost accounting convention and in accordance with applicable United Kingdom Statements of Standard Accounting Practice.

b Basis of consolidation

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

c Translation of foreign currencies

On consolidation, balance sheets of individual undertakings that are denominated in foreign currencies are translated into Sterling at the rates ruling at the balance sheet date. Profit and loss items are translated at rates approximating to the rates ruling when the transactions occurred and unrealised profits on intra-group transactions are eliminated at the rates ruling when such profits arose. Translation differences, which principally represent the gain or loss arising on overseas net assets as a result of changes in exchange rates during the year, are dealt with in the currency translation account (note 19) and reported on the Balance Sheet within 'Other Reserves'. Gains and losses arising from foreign currency transactions are dealt with in the profit and loss account of the undertaking concerned (note 5).

d Deferred Taxation

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

Provision for such differences is made to the extent that it is probable that a liability or asset will crystallise. No provision is made where it is probable that an asset or liability will not crystallise (note 17).

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

e Tangible fixed assets

These are carried at cost and 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 as follows

Freehold land	Not depreciated.
Freehold buildings	40 - 100 years
Leasehold land and buildings	Term of lease
Plant and machinery	5 - 13 years
Fixtures and fittings	10 - 20 years
Vehicles	3 - 5 years
Rental equipment	2 - 5 years

f Pension costs

The actuarial cost and the pension expense for defined benefit plans are calculated in accordance with the United States Statement of Financial Accounting Standards No. 87. So far as the Group's Financial Statements are concerned, there is no material difference between the requirements of this Statement and those of the United Kingdom Statement of Standard Accounting Practice No. 24.

Prepayments relating to funded defined benefit pension schemes are included within Debtors (note 14).

Provisions relating to unfunded pension schemes in certain overseas subsidiaries are included within Provisions for Liabilities and Charges (note 17).

The pension cost of the Group's defined contribution schemes represents contributions paid to these schemes during the year.

Further information on the Group's pension schemes can be found in note 21.

g Unrealised intra-group profits

Profits arising on the sale of equipment and supplies between Group undertakings, and on similar sales to associated undertakings, are deferred in the consolidated balance sheet along with the related taxation, until realised. The unrealised element of profit is deducted from the carrying value of equipment and supplies, while the related taxation is included within the deferred taxation balance (note 17c).

h Research and development expenditure

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

i Stocks

Stocks are stated at the lower of cost and net realisable value (note 13).

j Leasing arrangements

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

Lease interest income is allocated to accounting periods so as to provide a constant rate of return on the net investment in the leases (note 20). The net investment in leases is included in Debtors (note 14).

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

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

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

2 CONSOLIDATED FINANCIAL STATEMENTS

These statements include the results of a significant volume of transactions, covering equipment, goods and services, with the Rank Xerox Holding BV Group, which is owned directly by Xerox Corporation and a subsidiary of The Rank Organisation Plc. As a result of these transactions, the turnover of Rank Xerox Limited and Subsidiary Undertakings exceeds that of the Proforma Group since, for the Proforma Group, these transactions are intra-group and therefore eliminated.

As provided for by section 230 of the Companies Act 1985, no profit and loss account for Rank Xerox Limited is presented in these statements.

3 TURNOVER

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

b Turnover is analysed by geographic markets as follows:

	1991 £m	1990 £m
Europe	2465.7	2525.7
Other	105.3	216.5
Total	2571.0	2742.2

Other turnover in 1990 includes £143.5m for the Group's South Pacific Operation, which was transferred to the associated undertaking, Fuji Xerox Co., Ltd., on 31 October 1990. In 1991 this category primarily represents activities in Africa.

c In accordance with the exemption allowed under Statement of Standard Accounting Practice No. 25 - Segmental Reporting, no further disclosure of segmental information is included in these Financial Statements as, in the opinion of the Directors, such disclosure would be seriously prejudicial to the interests of the Group.

4 COST OF REVENUE

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

5 DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

Distribution costs of £507.2m (1990 - £517.6m) include staff costs and overheads attributable to distribution centres in the Group's manufacturing locations, and salaries, commissions, support costs and other marketing expenses related to the Group's salesforce.

Administrative expenses of £278.9m (1990 - £261.9m) include the following (profit)/loss items:

	Note	1991 £m	1990 £m
Research and development expenditure incurred in the year		20.3	18.5
Redundancy programmes		12.2	13.6
Foreign exchange impacts on transactions	1c	(2.0)	1.1
Auditors remuneration for audit work (Company £0.3m (1990 - £0.3m))		1.2	1.4
Sale of surplus facilities		(13.2)	(34.0)

6 INTEREST	Note	1991 £m	1990 £m
a Interest receivable and similar income :			
Finance leases and credit sale agreements		175.3	154.8
Short term deposits and loans to banks		6.8	8.2
Fellow subsidiary undertakings (net)		2.1	-
Other sources		2.0	1.9
		186.2	164.9
b Interest payable and similar charges :			
Bank loans and other loans repayable within five years		111.0	111.2
Loans, other than from banks, not fully repayable within five years		1.3	1.7
Fellow subsidiary undertakings (net)		-	4.1
Capital leases		1.6	1.7
		113.9	118.7

7 XEROX CORPORATION CHARGES

The Group is charged with a proportion of research and development and corporate overhead expenses incurred by its ultimate parent company, Xerox Corporation. These charges reflect the benefits that the Group receives from these activities, and amounted to £102.0m for the year ended 31 October 1991 (1990 - £94.3m).

8 TAXATION

a Tax on profit on ordinary activities :

Rank Xerox Limited and subsidiary undertakings	<i>8b</i>	35.0	57.5
Associated undertakings (predominantly Fuji Xerox Co., Ltd)	<i>12d</i>	53.9	61.2
		88.9	118.7

	1991	1990
	£m	£m
b The Group tax charge for the year is calculated as follows:		
United Kingdom corporation tax:		
Current tax at 33.4% (1990 - 35%)	32.4	32.2
Double tax relief	(32.0)	(34.1)
Total current tax	0.4	(1.9)
Deferred tax	(0.9)	2.8
Total United Kingdom corporation tax	(0.5)	0.9
Overseas taxation :		
current	37.9	53.1
deferred	1.5	19.2
Prior year adjustments :		
current	(4.3)	(2.2)
deferred	0.4	(13.5)
	35.0	57.5

During 1991, unrelieved overseas tax in respect of dividends amounted to £7.9m (1990 - £17.6m).

9 EXTRAORDINARY ITEM

The extraordinary profit in 1990 arose on the transfer of the South Pacific Operation to the associated undertaking, Fuji Xerox Co., Ltd.

10 DIVIDENDS PAID AND PROPOSED

Interim - paid	55.4	58.5
Interim proposed, arising from the transfer of the South Pacific Operation	-	79.7
Final - proposed	0.1	4.4
	55.5	142.6

11 FIXED ASSETS - TANGIBLE ASSETS

a Group

	Land and Buildings	Plant and Machinery	Fixtures Fittings Tools and Equipment	Assets in Course of Construction	Rental Equipment	Total £m
Cost:						
At 1 November 1990	173.0	83.1	276.5	5.1	159.7	697.4
Additions	11.6	6.1	29.9	2.2	38.3	88.1
Disposals	(7.6)	(1.9)	(18.2)	(4.6)	(62.0)	(94.3)
Net stock transfers	-	-	2.2	-	-	2.2
Currency translation	0.9	0.3	0.6	-	1.4	3.2
At 31 October 1991	177.9	87.6	291.0	2.7	137.4	696.6

Depreciation Provision:

At 1 November 1990	49.4	52.4	177.8	-	110.2	389.8
Charge for period	6.6	5.8	40.7	-	42.9	96.0
Disposals	(5.4)	(1.3)	(15.7)	-	(61.6)	(84.0)
Net stock transfers	-	-	(16.3)	-	-	(16.3)
Currency translation	0.3	0.2	0.4	-	0.9	1.8
At 31 October 1991	50.9	57.1	186.9	-	92.4	387.3

Net book value:

At 31 October 1991	127.0	30.5	104.1	2.7	45.0	309.3
At 31 October 1990	123.6	30.7	98.7	5.1	49.5	307.6

b Land and buildings comprise the following amounts at net book value:

	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Freehold	93.8	90.4	29.8	30.2
Short leasehold	23.8	26.9	4.6	8.1
Long leasehold *	9.4	6.3	3.4	0.3
	127.0	123.6	37.8	38.6

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

c Company

	Land and Buildings	Plant and Machinery	Fixtures Fittings Tools and Equipment	Assets in Course of Construction	Rental Equipment	Total £m
Cost:						
At 1 November 1990	44.7	39.0	66.0	-	0.3	150.0
Additions	0.4	2.7	10.7	-	-	13.8
Disposals	(0.8)	(1.0)	(5.3)	-	(0.2)	(7.3)
At 31 October 1991	44.3	40.7	71.4	-	0.1	156.5
Depreciation Provision:						
At 1 November 1990	6.1	26.5	40.5	-	0.3	73.4
Charge for period	0.9	2.8	10.5	-	-	14.2
Disposals	(0.5)	(0.2)	(4.5)	-	(0.2)	(5.4)
At 31 October 1991	6.5	29.1	46.5	-	0.1	82.2
Net book value:						
At 31 October 1991	37.8	11.6	24.9	-	-	74.3
At 31 October 1990	38.6	12.5	25.5	-	-	76.6

- d i Rental equipment consists of document processing equipment on rental to customers under operating leases.
- ii The cost of fixed assets includes £5.4m (1990 - £5.4m) in respect of interest capitalised on completed long term construction projects.
- iii Land and buildings of the Group includes £20.6m (1990 - £20.9m) of land which is not depreciated.

12 FIXED ASSETS - INVESTMENTS

a These comprise:

	<i>Note</i>	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Shares in Group undertakings	12f	-	-	103.6	91.2
Interests in associated undertakings	12c	413.9	335.5	9.5	9.5
Other loans	12b	2.7	2.8	2.7	2.8
		416.6	338.3	115.8	103.5

b Other loans consist of advances from the Group to the trustees of the Rank Xerox Share Purchase Scheme to enable them to acquire 'E' shares in the Company and do not currently bear interest.

c Interests in associated undertakings:

	<i>Note</i>	Group 1991 £m	Group 1990 £m
At 1 November		335.5	389.4
Transfers	12d	33.4	36.0
Elimination of goodwill*		-	(46.1)
Effect of currency translation and additions on Group's share of net assets in associated undertakings		45.0	(43.8)
At 31 October		413.9	335.5

d Income from interests in associated undertakings within the Group profit and loss account:

Income before tax		101.9	110.2
Taxation	8a	(53.9)	(61.2)
Income after tax		48.0	49.0
Dividends receivable		(14.6)	(13.0)
Transfer to non-distributable reserves	19bii	33.4	36.0

* This represents the elimination of inter-company non-purchased goodwill which arose on the transfer of the South Pacific Operation to the associated undertaking Fuji Xerox Co., Ltd in 1990. The amount is being amortised to the profit and loss account over 40 years to match the period of amortisation of the goodwill arising in the financial statements of Fuji Xerox Co., Ltd on the acquisition of the South Pacific Operation.

e Associated undertakings

The Company's balance sheet reflects its investment in associated undertakings at cost. The Group's share of the net assets of associated undertakings is reflected in the consolidated balance sheet and is 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 associated undertakings were disposed of at their balance sheet values, or if their retained profits, treated as non-distributable reserves in note 19, were subject to distribution.

The principal associated undertaking is Fuji Xerox Co., Ltd, incorporated in Japan, in which the Company owns 50 per cent of the issued ordinary share capital. Fuji Xerox Co., Ltd manufactures and markets document processing equipment and related supplies in Japan, the Far East and in the South Pacific region, and prepares its accounts to 20 October in each financial year. Transactions between 20 October and 31 October 1991, the Group's balance sheet date, are not material.

The summarised financial information set out below is based on the audited consolidated financial statements of Fuji Xerox Co., Ltd for the years ended 20 October 1991 and 20 October 1990:

	1991 £m	1990 £m
Profit and Loss Account		
Turnover	2572.4	2131.2
Depreciation and amortisation	200.8	164.5
Profit on ordinary activities before taxation	197.7	211.3
Balance Sheet		
Fixed assets	1184.8	808.7
Net current assets	143.5	174.6
	1328.3	983.3
Capital and reserves	923.7	765.4
Creditors falling due after more than one year	404.6	217.9
	1328.3	983.3

f Subsidiary undertakings

The principal subsidiary undertakings of Rank Xerox Limited at 31 October 1991 were as follows

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

- i All of the principal subsidiary undertakings, as defined by section 258 of the Companies Act 1985, are included in the Group consolidation.
- ii The principal activities of the above subsidiary undertakings are the development, manufacture, marketing, maintenance and financing of document processing equipment. Subsidiary undertakings marked * are involved solely with the financing of document processing equipment.
- iii Rank Xerox (Ireland) Limited operates in the Republic of Ireland.
- iv The indirect 26% in Rank Xerox Portugal Equipamentos de Escritorio Limitada is held by Sergeants' Inn Nominees Limited, as nominee of the company.

13 STOCKS

	Note	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Finished goods and goods for resale:					
Equipment		174.5	144.4	97.7	70.5
Consumables, spares and paper		125.5	128.9	44.7	45.4
Raw materials and consumables		35.8	14.5	20.7	6.8
Work in progress		1.0	10.9	0.4	10.6
	<i>11</i>	336.8	298.7	163.5	133.3

14 DEBTORS

Due within one year:

Trade debtors		342.0	335.2	14.2	13.8
Finance lease receivables	<i>20b</i>	437.4	373.9	-	-
Amounts owed by:					
Fellow subsidiary undertakings		77.0	30.0	37.2	1.9
Xerox Corporation and subsidiary undertakings		29.6	17.0	25.6	3.2
Group undertakings - dividends		-	-	30.1	40.4
Group undertakings - other		-	-	169.2	108.3*
Associated undertakings		32.6	37.9	21.4	16.9
South Pacific Operation transfer proceeds		-	162.0	-	162.0
Other debtors		7.6	11.6	2.9	6.0
Prepayments and accrued income		155.7	154.6	21.9	20.2
		1081.9	1122.2	322.5	372.7

Due in more than one year:

Finance lease receivables	<i>20b</i>	884.3	708.0	-	-
Pension prepayments	<i>21</i>	110.7	92.5	48.5	40.4
Other debtors		25.3	31.0	5.6	7.4
		1020.3	831.5	54.1	47.8
		2102.2	1953.7	376.6	420.5

Other debtors due in more than one year include a loan of £20,000 (1990 - £20,000) to an officer of the Company.

* The 1990 comparative figure has been restated following the reclassification of certain Group loans from Fixed assets - investments.

15 CREDITORS - amounts falling due within one year

a These comprise:

	Note	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Bank loans and overdrafts:					
Overdrafts and acceptances		184.8	125.6	41.3	24.9
Long term loans due within one year		322.0	180.0	14.5	6.0
Trade creditors		124.0	118.2	40.9	39.4
Amounts owed to:					
Xerox Corporation and subsidiary undertakings		63.3	54.3	42.1	31.4
Fellow subsidiary undertakings		48.2	102.4	40.8	6.8
Group undertakings		-	-	150.7	109.7
Associated undertakings		1.3	0.4	0.1	0.8
Other creditors including taxation and social security	15b	62.0	89.6	15.3	34.1
Dividends payable relating to the South Pacific Operation transfer		-	79.7	-	79.7
Accruals and deferred income		292.4	269.8	39.3	37.5
		1098.0	1020.0	385.0	460.3

b Other creditors including taxation and social security includes dividends payable of £0.1m (1990 - £4.4m) for both the Group and the Company, and current taxation payable of £31.9m for the Group (1990 - £52.8m) and £12.0m for the Company (1990 - £25.8m).

16 CREDITORS - amounts falling due after more than one year

a These comprise:

Long term loans:					
Bank loans and overdrafts	16c	534.2	452.7	-	-
Debenture loans		58.8	94.4	-	-
Other loans	16d	19.2	25.7	8.5	12.0
	16e	612.2	572.8	8.5	12.0

b Long term loans include £9.1m (1990 - £16.3m) and £2.2m (1990 - £11.4m) for the Group and the Company respectively, of amounts not fully repayable within five years, all of which are repayable by instalments. Aggregate instalments due after more than five years total £8.5m (1990 - £7.4m) for the Group and £2.2m (1990 - £3.0m) for the Company.

c Certain amounts repayable within one year, which are supported by committed bank facilities extending between one and five years under which the loans can be refinanced on a continuing basis, have been included in bank loans and overdrafts falling due after more than one year: £263.1m (1990 - £248.2m) of debt supported by committed facilities has been classified in this way.

d The aggregate amount of secured loans was £4.1m (1990 - £4.5m) for the Group. There were no secured loans to the Company. Such loans to the Group are generally secured on land and buildings. The category 'Other loans' includes non-current capital lease obligations (note 20a) which are specifically secured on the leased assets involved.

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

		Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Falling due within one year:		322.0	180.0	14.5	6.0
Falling due after more than one year					
Second year		248.8	217.9	1.6	2.5
Third year		234.6	194.6	1.8	2.7
Fourth year		90.9	139.2	2.0	1.8
Fifth year		29.4	13.7	0.9	2.0
Sixth to tenth years		5.3	4.2	-	0.9
Thereafter		3.2	3.2	2.2	2.1
Due after more than one year	<i>16a</i>	612.2	572.8	8.5	12.0
		934.2	752.8	23.0	18.0

f Loans are denominated in the following currencies:

	Group interest rate*	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Loans and capitalised leases not fully repayable within five years:					
All currencies	9.4%	9.1	16.3	2.2	11.4
Loans and capitalised leases fully repayable within five years:					
French francs	9.4%	309.9	240.5	-	-
Sterling	11.3%	247.0	200.4	20.8	6.6
German marks	8.5%	158.0	130.3	-	-
Dutch guilders	8.5%	102.1	77.8	-	-
Other currencies	7.6%	108.1	87.5	-	-
		934.2	752.8	23.0	18.0

* Based on rates ruling at 31 October 1991.

17 PROVISIONS FOR LIABILITIES AND CHARGES

a These comprise.

	Vote	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Pensions and similar obligations	21	97.0	85.9	-	-
Other provisions	17b	22.3	22.4	2.9	2.9
Deferred taxation	17c,d,e	9.6	7.0	12.0	4.1
		128.9	115.3	14.9	7.0

b The utilisation of other provisions in the year was solely for the purposes for which the provisions were originally established.

c Deferred taxation shown above comprises:

Deferred taxation	17d	23.1	23.2	12.0	4.1
Less: Taxation on unrealised intra-Group profits on stocks and rental equipment.	1g	(13.5)	(16.2)	-	-
		9.6	7.0	12.0	4.1

d The deferred taxation balance at 31 October comprises:

	1991 Potential liability £m	1991 Provision in accounts £m	1990 Potential liability £m	1990 Provision in accounts £m
Group				
Timing Differences:				
Fixed Assets	(119.3)	-	(95.4)	-
Finance leases	171.0	85.6	148.8	60.1
Other	49.8	(62.5)	41.4	(36.9)
Balance at 31 October	101.5	23.1	94.8	23.2
Company				
Timing Differences:				
Fixed Assets	1.9	-	(1.8)	-
Finance leases	-	-	1.8	-
Other	9.5	12.0	6.9	4.1
Balance at 31 October	11.4	12.0	6.9	4.1

e Movements on the deferred taxation provision were as follows

	Group £m	Company £m
Balance at 1 November 1990	7.0	4.1
Profit and loss account	1.0	5.6
Currency translation	1.6	2.3
Balance at 31 October 1991	9.6	12.0

18 CALLED UP SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

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

	Authorised	Issued and fully paid	
	£m	1991 £m	1990 £m
'A' Shares	7.6	7.4	7.4
'B' Shares	7.6	7.4	7.4
'C' Shares	7.8	7.5	7.5
'D' Shares	7.6	7.5	7.5
'E' Shares	0.1	0.1	0.1
	30.7	29.9	29.9

b The share premium account of £3.0m (1990 - £3.0m) is wholly attributable to the 'E' Shareholders in the event of a winding up of the Company.

19 OTHER RESERVES AND PROFIT AND LOSS ACCOUNT

a Other reserves in the balance sheet comprise:

	Note	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Non-distributable reserves:					
Group undertakings	19b ii	65.6	64.9	-	-
Associated undertakings	19b ii	323.7	290.3	-	-
Currency translation account	19b i	115.8	67.5	(1.6)	(1.4)
		505.1	422.7	(1.6)	(1.4)

b Movements in reserves during the year were as follows:

i Currency translation account

At 1 November	67.5	117.7	(1.4)	(1.4)
Movement in year	48.3	(50.2)	(0.2)	-
At 31 October	115.8	67.5	(1.6)	(1.4)

ii Other reserves and profit and loss account

	Profit and loss account		Non-distributable reserves	
	Group	Company	Group	Associates
At 1 November 1990	797.5	248.0	64.9	290.3
Retained profit for the year	59.7	44.6	-	-
Transfers	12d (34.1)	-	0.7	33.4
At 31 October 1991	823.1	292.6	65.6	323.7

20 LEASING ARRANGEMENTS

a As lessee

i Future minimum lease payments under capital and operating leases are payable as follows:

Year ending 31 October	Group Capital Leases £m	Company Capital Leases £m	Group Operating Leases £m	Company Operating Leases £m
1992	8.0	4.5	58.1	10.6
1993	5.3	2.4	44.0	7.7
1994	4.5	2.4	28.4	4.6
1995	2.8	2.4	30.5	2.1
1996	1.4	1.1	15.7	1.5
Later years	14.8	13.5	106.1	10.4
Total minimum lease payments	36.8	26.3	272.8	36.9
<i>Less:</i> Interest element	16.6	14.5		
Present value of net minimum payments	20.2	11.8		

Group capital and operating leases expire over periods up to 2062.

ii The commitment at 31 October 1991 to make operating lease payments in the year to 31 October 1992 relates to leases which expire as follows:

	Group Operating Leases		Company Operating Leases	
	Land and Buildings £m	Other £m	Land and Buildings £m	Other £m
Leases expiring in one year	2.7	3.8	-	-
Leases expiring in two to five years	14.9	24.1	1.4	7.6
Leases expiring in more than five years	12.4	0.2	1.6	-
	30.0	28.1	3.0	7.6

iii Rentals under operating leases charged against profits amounted to £68.6m (1990 - £63.4m) for the Group and £9.9m (1990 - £7.4m) for the Company. Of this, hire of plant and machinery amounted to £5.5m (1990 - £6.4m) for the Group and £4.0m (1990 - £5.7m) for the Company.

b As lessor

The Group leases equipment to customers under both operating leases and finance leases. Rentals receivable under operating leases normally include maintenance, service and parts, and may also include the provision of supplies such as toner and paper. Total operating lease rentals receivable in 1991 amounted to £128.6m (1990 - £168.3m) of which £61.8m (1990 - £77.4m) represented contingent rentals for equipment usage in excess of the contractual minimum.

The net investment in finance leases at 31 October 1991 consisted of minimum lease payments due in the following years after the balance sheet date:

	Note	Group 1991 £m	Group 1990 £m
First year		590.2	497.9
Second year		448.2	374.9
Third year		324.8	267.3
Fourth year		188.5	155.1
Fifth year		73.9	56.8
Thereafter		35.6	14.4
Total minimum lease payments receivable		1661.2	1366.4
Unguaranteed residual values		42.0	15.5
		1703.2	1381.9
Less: Deferred interest income		358.9	282.8
Allowance for doubtful debts		22.6	17.2
		381.5	300.0
Net investment in finance leases	14	1321.7	1081.9

Note : There are no finance leases in the Company

21 Pensions

The Group operates various pension schemes consisting of both defined benefit plans and state sponsored schemes of a defined contribution nature. The net pension credit for the defined benefit schemes of the Group was £1.5m (1990 - £21.1m). The net pension cost for the defined contribution schemes and other schemes operated in accordance with local practice and legislation was £9.1m (1990 - £5.6m).

The majority of the defined benefit schemes are self administered and the schemes' assets are held independently of the Group's finances. Valuations of the defined benefit schemes operated by the Group are undertaken by qualified actuaries at least every three years, using the projected unit method and the annual contributions are paid in accordance with their recommendations.

Included in pension prepayments of £110.7m (1990 - £92.5m), within Debtors (note 14), is £101.4m (1990 - £89.7m) relating to the United Kingdom scheme which is the Group's principal funded defined benefit pension scheme. This scheme provides benefits based on final pensionable pay and the results of the most recent valuations were:

	1991	1990
Date of most recent valuation or review:	1 October 1991	1 October 1990
Main assumptions:		
Discount rate	10%	10%
Return on assets	12%	12%
Increase in salaries	7%	7%
Market value of investments at last valuation date	£596.3m	£497.1m
Level of funding being the market value of assets expressed as a percentage of the accrued service liabilities	146%	128%

Acting on the advice of the actuaries no further contributions by the Group are currently required to the United Kingdom scheme and none are likely to be required during the next financial year.

Included in pensions and similar obligations of £97.0m (1990 - £85.9m), within Provision for liabilities and charges (note 17a), is £69.0m (1990 - £57.6m) relating to the German scheme, which is the Group's principal unfunded defined benefit plan.

22 DIRECTORS AND EMPLOYEES

a The average number of persons employed by the Group (including Directors) during the year was:	1991 Number	1990 Number
Marketing operations	23,159	24,564
Manufacturing operations	2,172	2,821
	25,331	27,385

The aggregate payroll costs of these persons were as follows:	1991 £m	1990 £m
Wages and salaries	541.0	550.1
Social security costs	83.6	79.9
Other pension costs	14.5	15.4
	639.1	645.4

b Remuneration of Directors:

i Remuneration of Directors of Rank Xerox Limited:

	1991 £000's	1990 £000's
Emoluments for services as executives	4,848*	2,701
* Includes £1.7m pension contributions, which relate primarily to prior years' services of certain Directors.		
Emoluments of individual Directors:		
Highest paid Director	589	524
Chairman - P.A. Allaire	5	-
- D.T. Kearns	230**	30
** Includes £204,000 retirement allowance.		

ii Remuneration of Chairman and Directors of Rank Xerox Limited:

	1991 Number	1990 Number
Nil	5	4
£1 - £5,000	-	1
£25,001 - £30,000	3	4
£30,001 - £35,000	-	-
£85,001 - £90,000	1	-
£125,001 - £130,000	-	1
£135,001 - £140,000	-	1
£140,001 - £145,000	-	2
£145,001 - £150,000	1	-
£165,001 - £170,000	-	1
£205,001 - £210,000	1	-
£230,001 - £235,000	-	-
£275,001 - £280,000	1	-
£280,001 - £285,000	2	1
£325,001 - £330,000	1	-
£330,001 - £335,000	-	-
£440,001 - £445,000	-	1
£460,001 - £465,000	1	1
£515,001 - £520,000	-	-
£520,001 - £525,000	-	1
£585,001 - £590,000	1	-

c Directors' interests:

The interests of the Directors of Rank Xerox Limited in office as at 31 October 1991 (including family interests) in the shares or debentures of Xerox Corporation are as follows:

		Common stock par value \$1.00 holding (units)	Common stock par value \$1.00 options (units)	Series 'B' convertible preferred stock (units)
P.A. Allaire	a	17,244	152,266	74,401
	b	10,239	134,940	10,907
B.D. Fournier	a	-	29,600	-
	b	-	19,600	-
L. Gonzalez-Camino	a	-	11,500	-
	b	-	7,500	-
O.P.M. Grouès	a	-	10,400	-
	c	-	10,400	-
L.L. Haddon	a	900	16,240	-
	b	900	14,780	-
W.R. Hicks	a	9,516	73,916	74,401
	b	6,450	54,120	10,907
J.R. Milligan	a	3,627	12,200	74,401
	b	3,574	14,735	10,907
A. Z. Senter	a	1,248	32,951	74,401
	c	500	20,280	10,907
M. Smith	a	783	15,693	4,259
	b	-	11,235	4,259
S.L. Tierney	a	-	17,080	61,711
	b	-	10,580	8,972

- a Holding at 31 October 1991
b Holding at 1 November 1990
c Holding at date of appointment

M. Smith also has a holding of 600 (1990 - 600) units of Class 'B' stock, par value \$1.00.

Apart from the interests set out above, no Director in office at 31 October 1991 had any interest in the shares or debentures of the Company, Xerox Corporation or other Group undertakings during the year under review.

23 CAPITAL EXPENDITURE

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

	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Contracted expenditure	5.6	2.4	2.7	0.2
Expenditure authorised but not committed	46.1	4.6	10.9	0.8
	51.7	7.0	13.6	1.0

In addition, the Group has recently announced a £165m investment programme for research, development and manufacturing operations in Europe for which specific funding arrangements are yet to be finalised.

24 CONTINGENT LIABILITIES

a The Group

There are contingent liabilities, arising from the ordinary activities of the Group, which amount to approximately £34.4m (1990 - £33.2m) in respect of bills discounted, guarantees and other liabilities. Of this, £5.8m (1990 - £2.6m) relates to guarantees of loans and bank overdrafts of fellow subsidiary undertakings.

b The Company

Loans and bank overdrafts of Group undertakings and fellow subsidiary undertakings have been guaranteed by the Company: at 31 October 1991 £187.2m (1990 - £145.3m) was outstanding.

25 ULTIMATE PARENT COMPANY

The Company's ultimate parent company is Xerox Corporation, which is incorporated in the United States of America. Copies of the Xerox Corporation Annual Report and Accounts may be obtained from The Investor Relations Department, Xerox Corporation, P O Box 1600, Stamford, Connecticut 06904, U.S.A.

RANK XEROX LIMITED AND SUBSIDIARY UNDERTAKINGS

REPORT OF THE AUDITORS

TO THE MEMBERS OF RANK XEROX LIMITED

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

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 October 1991 and of the profit and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG Peat Marwick
Chartered Accountants
Registered Auditor

London
20 January 1992

BANK XEROX LIMITED AND SUBSIDIARY UNDERTAKINGS

FIVE YEAR FINANCIAL SUMMARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	1991 £m	1990 £m	1989 £m	1988 £m	1987 £m
Turnover	2571.0	2742.2	2635.6	2363.2	2280.3
Profit from ordinary activities other than associates	206.2	225.9	221.4	225.5	160.6
Income from associated undertakings	101.9	110.2	117.9	168.8	78.4
Profit on ordinary activities before Xerox charges and taxation	308.1	336.1	339.3	334.3	239.0
Xerox Corporation charges	(102.0)	(94.3)	(100.5)	(80.2)	(55.4)
Profit on ordinary activities before taxation	206.1	241.8	238.8	254.1	183.6
Tax on profit on ordinary activities	(88.9)	(118.7)	(110.4)	(115.2)	(83.6)
Profit after taxation	117.2	123.1	128.4	138.9	100.0
Minority interests	(2.0)	(2.4)	(1.0)	(1.0)	(0.7)
Extraordinary profit after taxation	-	58.8	-	-	-
Profit for the financial year	115.2	179.5	127.4	137.9	99.3
Dividends paid and proposed	(55.5)	(142.6)	(58.1)	(0.1)	(34.3)
Retained profit for the year	59.7	36.9	69.3	137.8	65.0

CONSOLIDATED BALANCE SHEET

Fixed assets	725.9	645.9	772.2	756.8	686.9
Net current assets	1386.0	1304.8*	1157.8	870.7	759.2
	2111.9	1950.7	1930.0	1627.5	1446.1
Creditors falling due after more than one year	612.2	572.8	555.7	366.3	316.4
Provisions for liabilities and charges	128.9	115.3*	100.4	94.8	94.4
	1370.8	1262.6	1273.9	1166.4	1035.3
Share capital and premium	32.9	32.9	32.9	32.9	32.9
Other reserves	505.1	422.7	434.7	358.0	322.4
Profit and loss account	823.1	797.5	798.8	768.4	673.4
	1361.1	1253.1	1266.4	1159.3	1028.7
Minority interests	9.7	9.5	7.5	7.1	6.6
	1370.8	1262.6	1273.9	1166.4	1035.3

* Deferred tax, previously categorised as creditors within net current assets, is now shown within provision for liabilities and charges.