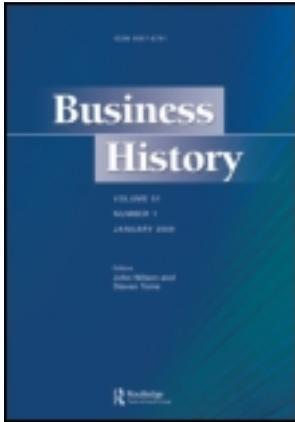


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## Mecca and the birth of commercial bingo 1958–70: A case study

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The game of bingo has become synonymous with women of a certain age and class and has been stigmatised as a dead-end use of leisure. However, the development of commercial bingo in the wake of the Betting and Gaming Act (1961) offered the leisure industry access to a new and lucrative market. While many major players in the leisure industry of the early 1960s adopted commercial bingo as an adjunct to their offerings the Mecca dancing group adopted a strategy that made bingo so particularly their own that the brand rapidly became known as the bingo and dancing group with Eric Morley of Mecca referred to in the popular press as ‘Mr Bingo’. This paper provides a case study of the Mecca group as it moved into commercial gambling, rapidly increased its size and profitability, saw off competition in commercial gambling from larger companies and finally succumbed to a lucrative takeover in 1970.

**Keywords:** Mecca; corporate strategy; branding; leisure industry; gambling

### Introduction

Whilst there is a widespread acknowledgement amongst those who write about gambling that the activity has an extraordinarily long history, there has been little investigation of the significance of the similarly lengthy history of commercially organised gambling. The commercialisation of gambling over the period 1800–1960 was hampered by prohibitive legislation that made commercial gambling a lucrative feature of the black economy.<sup>1</sup> However the development of an early leisure industry, exemplified by the nationwide spread of music hall chains from the middle of the nineteenth century, and mirrored by small-scale but lucrative commercial gambling, developed apace and can be seen to have accelerated in the period after 1850 (Chinn, 1991; Clapson, 1991; Downs, 2009; Golby & Purdue, 1984; Kift, 1991).

It has been noted that there is a relationship between the demand for leisure time and the growth of commercial leisure (Jackson & Weed, 2003; Owen, 1969, 1971; Tribe, 1999). However, commercial leisure in industrial society was not seen as a serious topic for academic study until Pimlott’s pioneering *The Englishman’s Holiday* (1947) which documented the changing relationship between the seaside, holidays and social class in Britain. This juxtaposition of social history and commercial leisure was further developed by John Walton with his seminal study *The Blackpool*

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*landlady: A social history* (1978), followed by his several major contributions to the place of holiday and leisure in the lives of the working classes. A serious consideration of the history of gambling as leisure (always quasi-commercial even when largely illegal) was first attempted by Ross McKibbin (1979, 1998) who clearly articulated the class-based nature of betting in the inter-war period, with Roger Munting (1988, 1996), Mark Clapson (1991) and Carl Chinn (1991) adding to the canon with accounts that mainly concentrated on aspects of betting in a class-based context, although Munting does provide a short overview of bingo as a numbers game successfully commercialised. Bingo has not figured largely in social histories of leisure, perhaps because it is seen as a minority pursuit. However, the British Gambling Prevalence Survey (Gambling Commission, 2007) found 10% of women who gambled played bingo, and the numbers appear to have been much higher in the period 1950–75, with a large proportion of players from social classes C2, D and E (Dixey, 1996). Given the attraction of the game to significant numbers of women it is perhaps surprising that sociologists have been sparing in their attention. The exceptions are Rachel Dixey and Margaret Talbot's study *Women, Leisure and Bingo* (1982) and Faith Freestone's short monograph on the future of the licensed bingo industry post 1993 (after the National Lottery) and the impacts of bingo on the lives of players and staff in licensed bingo clubs. These important works do not provide any account of the rise of commercial bingo in the 1960s or the place of bingo as part of a diverse leisure industry in the UK though, nor of the particular place of Mecca in the process of developing and codifying this element of the commercial gambling.

Commercial mass leisure is an interesting topic for the business historian, offering the opportunity to juxtapose the social history of the working classes with the development of business models based upon the discretionary spending power of the masses with their pennies and shillings. Recent scholarship on the music hall (Kift, 1991), the pub (Clark, 1983), dance halls (Nott, 2002) the seaside (Walton, 1978, 1983, 1992, 1994, 1998, 2000, 2004, 2007) have developed social histories that are *inter alia* business histories. This account of an enterprise that began as a sub-section of the Mecca entertainment brand but rapidly developed to become an activity synonymous for the company is an attempt to develop further and make explicit the relationship between business history and the development of popular commercial leisure.

In inter-war Britain there was a huge growth in demand; both for leisure time and for activities to fill that leisure time, met by an increased range of commercially provided products and facilities. New or expanded forms of commercialised leisure included the cinema, football pools, dance halls, bowling, greyhound racing and the holiday camp, all of which were incredibly popular with the masses. During this period existing forms of mass leisure such as the working class seaside holiday were further developed with the advent of holidays with pay allowing increasing numbers of the working classes to access a week away (Walton, 1994, p. 25) and making investment in the business of pleasure for the masses an increasingly attractive proposition (Walton, 1983, pp. 178–179). In the post-war boom years increasing disposable incomes accelerated the development of commercial leisure at resorts and also in urban areas. Although contemporary commentators largely disapproved of the increasing commercialisation of leisure (Labour Party Manifesto, 1959; Rowntree & Lavers, 1941) the masses voted with their money and increasingly bought into the idea of leisure as a commodity. This led to a range of new opportunities for entrepreneurs of leisure and helped consolidate the position of

brands such as Mecca, Butlins, Rank, Littlewoods and Forte that remain household names after seven decades in the leisure industry.

### Commercial gambling

Gambling as a form of commercial leisure offers a leisure experience that has the potential to provide a real thrill; giving punters the feeling that they are taking part in an activity that is out of the routine and potentially life-changing (Downs, 2008; Reith, 1999). At the same time it is also a commercial opportunity and one that Mecca was well-placed to exploit when the legislative restrictions surrounding commercial gambling were relaxed on 1 January 1961. However, the domination of commercial bingo by the Mecca brand was not a foregone conclusion. The leisure industry landscape in the 1950s had many significant players. A number of these could have provided competition to Mecca; with Littlewoods or Butlins the leisure companies most likely to have been picked out as potential commercial gambling operators.

The attraction of gambling is such that even when gambling was largely illegal in the UK participation rates were substantial (Kemsley & Ginsberg, 1951). In the decades since Kemsley and Ginsberg calculated a past year gambling rate of around 70% many new forms of leisure have developed. However, the most recent UK study returned a prevalence rate of 68% (Gambling Commission, 2007). This figure is not too dissimilar to that established in the work of Kemsley and Ginsberg; suggesting a strong cultural attachment to the pursuit. Given the popularity and profitability of gambling, the commercialisation of the pursuit has not attracted much academic attention from business historians, perhaps reflecting Walton's assertion that 'business history seems not to engage much with popular culture' (Walton, 2010, p. 10). Commercial bingo, though, has from its very first appearance on the mass leisure market caused moral panic, seeming to epitomise the 'dead-end use of leisure' (Downes, 1976, p. 46). *The Times* castigated bingo as 'that cretinous pastime' (*The Times*, 14 September 1961) and for many commentators the sight of queues of mainly women in town centres, waiting to gamble represented what Walton has eloquently described as:

Crowded, noisy, vulgar, unbuttoned, uninhibited enjoyment, for better or worse. They epitomised carnival, saturnalia, the temporary triumph of the periphery over the core, the world turned upside down, the suspension of dignity and inhibitions, the temporary reversal of the civilising process, the reign of gluttony, extravagance and licentiousness. (Walton, 2004, p. 51)

The level of press condemnation of bingo may in fact be behind the decision of the companies with established gambling interests not to exploit the opportunity to move into commercial bingo. In the case of bingo, although a number of football pools companies had national brands from the mid-1920s, even in the 1960s they were concerned to highlight the respectability of the pursuit (Downs, 2009). Similarly, although some significant leisure providers had operated quasi-commercial bingo from 1947, including Butlins, these companies also signally failed to exploit their experience in the area after the legalisation of commercial gambling, simply continuing their existing games for holidaymakers with the bonus that they could keep the substantial profits instead of donating them to charity. However, although casinos and bingo became an important element of the portfolio of interests of several national commercial leisure providers (ABC Cinemas, Rank Group, Essoldo Cinemas) after

the Betting and Gaming Act (1960), it is the speed and effectiveness of Mecca's move from non-involvement in commercial gambling to leading provider of commercial gambling, ahead of experienced rivals and larger competitors, that is instructive in considering how businesses can exploit new opportunities effectively.

### **Mecca management impact**

It is acknowledged that companies with effective management teams that actively seek to capitalise on openings in the market immediately after they appear are those most likely to expand; in 1961 Mecca fitted this description (Child, 1974; Ramón Rodríguez, 2002; Tribe, 1999). The leisure industry is peculiar for experiencing both rapid growth and concentration of ownership; a pattern seen in music halls, cinemas and dance halls before commercial bingo was developed and that continues to be apparent in the development of theme pubs and package holidays (Baum & Mudambi, 1994; Kift, 1996; Lafferty & von Fossen, 2001). Despite concentration of ownership, leisure is a far less predictable industry than other industries. The novelty effect of a new activity boosts demand to unprecedented levels and companies that hope to succeed have to be aware of the trends and have the capacity to respond rapidly (Taylor, 1992). Leisure is a sector that suits market domination by large groups. The larger the group the greater the degree of diversity possible, and this in turn both offers the company a chance to respond rapidly to new leisure demands and protects the company from the inevitable and rapid declines in demand as tastes change. In many ways the leisure industry is similar to other sectors; companies in the leisure industry want profitability and growth, positive cash flow and increasing dividends. In other ways though the leisure industry operates in a significantly different type of marketplace; demand is extraordinarily variable across sectors of the leisure industry and also, as a service industry, it is particularly vulnerable to decline during periods of economic recession.

It was not gambling but dancing that provided the foundations of the Mecca group of companies. Mecca established a chain of dance halls with attached catering interests during the 1930s, and continued to expand provision even through the war, becoming the largest group involved in the provision of commercial dance venues. During this period Mecca diversified (maximising the benefits of vertical integration) buying companies that provided amongst a range of products and services, musicians, music publishing, dance floors and dance hall fittings, catering and catering supplies (Nott, 2002). In addition Mecca developed a range of different leisure venues including dance halls, ice rinks, ten-pin bowling and banqueting suites (Nott, 2002, p. 161). There was a concentration on ensuring that for every major element of the supply chain required for operating the venues Mecca owned that another part of the Mecca family of companies could offer goods or services. There is nothing to indicate that left to their own devices, and with a successful and expanding chain of ballrooms, ice rinks, music and catering interests, Mecca would have shifted into the slightly raffish world of commercial gaming. The catalyst for the commercial exploitation of the public desire to gamble was the fortuitous combination of Mecca, Eric Morley (1918–2000) and the Betting and Gaming Act (1960).

### **Eric Morley**

From the very start of commercial bingo in 1961 press reports refer to Eric Morley and Mecca as leading the bingo boom, with Morley rapidly being given the title

'Mr Bingo' by the popular papers. Morley had seen how popular the game could be when he served as an entertainments officer in the army during World War II and had organised many housey-housey games (also known as tombola and lotto in the services). After being de-mobilised in 1946 Eric Morley took charge of publicity at Mecca; rapidly gaining a reputation as a man with commercial vision and a knack for predicting the next big thing. Morley got on well with the self-made joint-chairman of Mecca, Carl Heimann. Heimann had arrived in Britain in the 1920s as an almost penniless immigrant from Denmark. He had tremendous *chutzpah*, wearing a smart coat and mingling with first class passengers as he disembarked in London so as to avoid questioning by officials on his immigration status and lack of funds with which to support himself. The Mecca brand that Heimann successfully established and maintained through the difficult war years was pushed into the limelight in 1949. It was then that Morley instigated the popular television show, *Come Dancing*, in partnership with the BBC. He insisted that the amateur status of the competitors was paramount to the success of the programme. This ensured that the audience identified with the programme as something any Saturday dancer might aspire to. Morley's understanding of what the public wanted as entertainment was uncanny; in 1951 he launched the first Miss World competition, which survives to this day and in 1961 he led Mecca into commercial bingo,

### **Mecca, Morley and bingo**

As with his astuteness in spotting that Mecca dancing could be exploited on the BBC (episodes were broadcast from Mecca ballrooms and thus provided Mecca with free publicity), Morley had also noticed the massive popularity of the 'tombola clubs' at Butlins holiday camps (Gibbs, 1999). As a Mecca board member, when the contentious Betting and Gaming bill was published in 1959 Eric Morley seems to have spotted that government assertions that commercial gaming would not be profitable under the provisions of the bill were incorrect. In moving Mecca into commercial bingo Morley may have benefited from his close association with the Chairman of Mecca, Carl Heimann, who had a longstanding friendship with Billy Butlin, chair of the Butlins holiday camps:

When he went round the dance halls, I was always with him; no matter what he said, I was always free. The rows I had behind the scenes with girlfriends, breaking dates because of this, I would not like to repeat. I was always free for Carl Heimann and thus it was that in a five-year apprenticeship I learned more about the business than I would have done in twenty years under normal conditions. (Gibbs, 1999)

Butlins campers played tombola (bingo) with the proceeds going to charity. This was not a small-scale activity. Camps had to provide marquees capable of seating up to 500 players at a time and would run two three-hour sessions daily (Gibbs, 1999; Butlins Memories, <http://www.butlinsmemories.com/entertainment.htm>). The commercial potential of the tombola played by the patrons of holiday camps was evident from the proceeds of the games, some £50,000 annually, that Butlins donated to charity.<sup>2</sup> While there is no surviving evidence that Mecca was actively seeking changes to the gaming laws in the period before the 1960 Betting and Gaming Act, both Butlins and Warners holiday companies were engaged in lobbying of some MPs and the Home Office as they were keen to benefit from the

proceeds of the game and wanted to be sure that bingo could be played in clubs that were an adjunct to their holiday camps. Committee sessions and one vote were delayed so that Billy Butlin could meet with the Secretary of State<sup>3</sup> and his concerns were brought to the committee by the Under-Secretary of State who was piloting the legislation through the Commons. It seems likely that the board of Mecca were aware of what was going on between the holiday camp companies and the government<sup>4</sup> and as Morley took charge of the bingo operations from the start, in a very hands-on way, his interest in this new venture seems to have been based on a hunch that it would be a success.

During this period the far larger Rank Group was the main competitor and threat to Mecca, and made aggressive attempts to take over the company. Rank was far slower than Mecca in exploiting bingo, even though the company's leisure interests were largely concentrated in cinemas and audiences were declining (Spraos, 1962). Rank group had a more diverse portfolio, with engineering and reprographics alongside cinema and film interests and perhaps this delayed and slowed the group's adoption of bingo. However, it seems reasonable to consider the personal impact on Lord Rank of the move by the company he chaired into commercial gambling, as it sits in some contrast to the flamboyant determination to entertain the masses demonstrated by Eric Morley and supported by the board of Mecca. Lord Rank was a leading lay Methodist and Treasurer of the Home Mission Department who had described bingo as 'a rather dreary game that does no real harm' (*The Times*, 5 July 1962, p. 6). This was not the view of senior Methodists who said that far from being a matter of little significance it was a real concern to their members and, 'we have conveyed this concern to the Home Mission Department and to Lord Rank'. The Home Mission Department of the Methodist church defended Lord Rank vigorously in a press release:

The department is fully convinced of Lord Rank's integrity and that his opinion that bingo is a harmless amusement is a sincere conviction. The department moreover agrees that the guidance given on such questions is a matter for personal decision and should not be regarded as in any way a condition of membership of the church ... Mainly because of the eminence of the person concerned the particular question has caused real anxiety, but we should be prepared to defend the right of any individual to act according to his conscience. (*The Times*, 28 June 1962)

Dr Donald Soper led those Methodists who did not agree with the Home Mission Board that individuals had a right to act according to their conscience, providing they exhibited an ardent faith in God:

I am not being flippant. I hope we shall not involve ourselves in an attitude of acceptance of the theology which lies behind what I believe to be the delinquency of Lord Rank. (*The Times*, 5 July 1962)

While the anxiety of the Methodists over an individual's actions was not a widespread feature of the debate on the social ills caused or exacerbated by gaming, it is noticeable that despite adequate liquidity for expansion the Rank group concentrated on less contentious leisure areas and relegated bingo largely to spare capacity in its cinemas, giving the impression that the 'bingo and dance' chain *soubriquet* enjoyed by Mecca was not sought by Rank. Nevertheless, Mecca's bingo-led profits were attractive to Rank, and led Rank to make two attempts in the 1960s

to purchase the smaller group. Certainly there appeared to be a very real enmity between the board of Mecca and Rank, with the flamboyance of Carl Heimann and Eric Morley standing in sharp contrast to the sobriety of Lord Rank. Annual General Meetings of Mecca were often enlivened by digs at the Rank group; 'the cinema people. I never hear that they are doing all that well with their wonderful cinemas', with such comments applauded by attending shareholders (*Economist*, 27 June 1964, p. 1510).

### **Strategic vision and the Mecca brand**

That Mecca was preparing to expand shortly after the Betting and Gaming Bill was presented in parliament can be surmised from the announcement in early 1960 of a substantial rights issue. This would allow the company freedom to invest new capital quickly without resorting to the banks and financial institutions that might restrict their freedom and slow down their progress. The rights issue would increase the authorised capital available to the company to £3 million, a substantial sum in 1960. Leisure firms often grow through takeover, vertical integration within a market sector, or through diversification. While Mecca had followed these strategies since the 1920s the move into gaming moved the company's diversification and takeover onto a new scale.<sup>5</sup>

Some leisure industries offer superb cash-flow opportunities, bingo being a case in point. Players do not buy bingo cards on credit and the nature of gambling encourages both return visits and re-staking of winnings; thus once bingo was introduced to the Mecca group it rapidly became central to the group's ability to expand by supporting both cash-flow and profitability. Thus in a diverse group cash-flow from cash-rich areas of the company can be used to support less cash-rich areas of the group. Mecca's slow but steady growth in the period up to 1959 had been mainly achieved through diversification into related catering, dance industry supplies and music management businesses, with takeovers being of less significance in the growth of the group. After the passage of the Betting and Gaming Act (1960) and the concomitant move by Mecca into bingo acquisition of venues and conversion to bingo became the main focus of the company's strategy and the pace of growth increased dramatically.

Whilst the acquisition of substantial amounts of new capital by Mecca indicated that expansion was planned, their move into bingo in January 1961 was at first confined to afternoon games in existing dance facilities, and not to wholesale conversion of properties into what were described by Mecca as bingo casinos. As property prices were relatively low during this period, and the purchase and conversion of a substantial cinema into a bingo casino generally cost considerably less than £20,000, the additional £3m of capital would allow rapid and extensive expansion into this field of operation.<sup>6</sup> The change in the law also encouraged existing mass-market leisure entrepreneurs such as Rank, ABC, Mecca and Essoldo into rapid development of gaming activities; this in turn increased the respectability of gambling, and encouraged the rapid development of national gaming brands as pioneered by Mecca.

### **Glamour and glitz**

The key selling point of Mecca dancing was affordable glamour. Mecca halls were renowned for having the best musicians, the best facilities and the most up-to-date

tunes. Mecca dance halls were part of mass popular culture; places that attracted people by bringing the glitz of Hollywood to small towns like Harlesden. This strategy had worked well for Mecca and the move to bingo was not seen as a move downmarket. Until 1966 all Mecca bingo venues were styled, 'Mecca Casinos', while the group's casino gaming was run by Mecca's Craywood Club subsidiary. Mecca offered a wide range of attractions to highlight the glamorous and casino-like elements of spending time and money playing bingo. Callers and staff wore evening dress or suits and venues were stylish and comfortable. Mecca regularly recruited the best-known celebrities to call games of bingo. These included Diana Dors (who was paid £300 cash per appearance), Cassius Clay, Tommy Steele, Lulu, Cilla Black, Frankie Howard and even Miss World.

Until the law changed in 1968 there were well-publicised glamorous additional prizes such as diamond necklaces, mink stoles and cruises along the French Riviera. Until 1968 the regulation of commercial gaming was almost non-existent but providers were not allowed to advertise and this restriction was strictly enforced. Mecca did not need to advertise. Local and even national press were keen to cover appearances by celebrities and access was guaranteed to reporters. Recent analysis of promotions within casinos has largely concluded that these are ineffective in terms of short-term profitability and in failing to improve consumer brand loyalty (Browne, 2001). However, given the rapid increases in profitability after turning to bingo and the number of members Mecca bingo had in the early 1960s it does appear that Mecca's marketing techniques were satisfying 'hedonic consumer needs' (Lucas & Bowen, 2002, p. 191). They achieved this through providing opportunities both to be near celebrities and also offering the chance to access celebrity lifestyles through the types of special prizes they offered which contrasted with the more mundane offerings available from other providers (Sunday roast dinner, kitchen equipment and vacuum cleaners) and it may be this element of their branding that made the company so much more successful than competitors. Contemporary press reports suggest that the Mecca name remained synonymous with quality entertainment even as less salubrious operators of bingo were receiving adverse publicity for running crooked games in dangerous facilities and with poor-quality prizes (Downs, 2009, pp. 232–235). The Mecca name and reputation for honest dealing later gave the company an undoubted advantage in the fight to prevent commercial bingo being banned under the provisions of the 1968 Gaming Bill.

### **Strategy for maximising profitability**

Despite starting bingo only in existing dance halls, as an adjunct to dancing Mecca was considered by commentators in the financial press to be the market leader in the provision of commercial bingo, and the rise in profits over the first 26 weeks of 1961, probably as a result of seizing the opportunities offered by bingo, were a spectacular £179,000 (32% over the year) compared with a rise of only £62,000 for the same trading period before the introduction of bingo (*The Times*, 29 August 1961, p. 18). This increase is striking since in 1959 Mecca's profits only increased by 8% over the previous year and in 1960 by 14%. The jump to a profit increase of 32% in 1961 signifies expansion of business of a magnitude not seen in the previous two years and contemporary commentators noted that similar rates of increase were not being seen in similar-sized competitor companies such as the Forte group (*The Times*, 29 August 1961, p. 18). In the second half of 1961 the large-scale expansion into the

conversion of buildings into bingo casinos was started by Mecca. Although Mecca had introduced bingo into most of its venues by June 1961 and was by that stage acquiring buildings for conversion into bingo casinos, the advertisement of company results, published in June 1961 did not trumpet this widespread introduction of bingo, merely stating, 'we have started bingo in our premises' (*Economist*, 3 June 1961, p. 1038). This laconic announcement somewhat belies the impact of the introduction of bingo to the profitability of the company.

The leaders of the bingo boom have been the Rank Organisation and Mecca, but it seems to have influenced the results of Mecca more than those of Rank ... Mecca's prospects still beckon ... The news at the Rank Organisation is less encouraging [the directors] forecast a fall in profits before tax from 6,451,000 to 6,000,000 in the year. (*Economist*, 19 May 1962, p. 717)

By the end of 1961 Mecca had opened four purpose-built Mecca Casinos, carrying the trusted Mecca brand image into commercial gambling; although casino is something of a misnomer, the main type of gaming carried out on the premises was bingo, with slot machines a supplementary attraction (*Economist*, 30 June 1962, p. 1381).

The move to legal gaming, and the immediate adoption of bingo in particular, by some mass leisure providers led to a product that was rapidly organised and codified in terms of a mass market, where companies spent money on market research and on introducing new technologies in order to produce efficiencies. The economies of scale that had radically altered the supply of food and the mass catering run in the Mecca ballrooms were applied to gambling, and the emergence of the Mecca chain of gambling venues, with rapidly growing market share over the period 1961 to 1968 transformed an activity that had previously been extremely popular but of a local nature into a national pastime. Even contemporary commentators were surprised at the speed with which large chains established control over the commercial bingo industry.

An interesting feature of the industry is the concentration of ownership into a relatively few large groups, especially as this happened extremely early on in the development of the bingo industry. (*The Times*, 23 October 1961, p. 16)

The game increased rapidly in popularity so that Mecca was using 50,000 books of bingo cards a week (five cards per book and sold at about two shillings per book) by the middle of February 1961, a mere six weeks after the change in the law allowed commercial bingo to be established. The popularity and spread of the game through the Mecca outlets can be illustrated by rising numbers of bingo books used, for by June 1961 Mecca was selling 500,000 books per week and the average attendance at Mecca bingo games was 150,000 players a day. *The Economist* (24 June 1961, p. 1347) estimated that the gross profit to a promoter like Mecca might be £2m per annum. The slower start of the far larger leisure conglomerate, Rank, which had introduced bingo to only 14 of its venues over the same period that Mecca had established 40 outlets was reflected in Rank's call for investment capital more than 12 months after Mecca had signalled a period of extremely rapid, capital intensive, growth (*Economist*, 15 April 1960, p. 832).

The immediate commercial success of the game is indicative of a widespread popular base that existed across the country before the changes in the law.

The probable extent and popularity of housey-housey (tombola or lotto) before 1961 makes the rapid move into commercial bingo by large leisure groups a logical business decision.<sup>7</sup> Commercial bingo built on an existing player base. That base appears to have been fairly evenly split between the genders (Cornish, 1978, pp. 112–115). However, apart from holiday camps different non-commercial venues appear to have attracted one gender over another. The CIU clubs (ex-services and workingmen) were bastions of male bingo, often with a vulgar repartee accompanying the games. The Catholic social clubs and other charitable games were dominated by women players. The arrival of commercial bingo was at first an afternoon-filler for venues such as cinemas and dance halls with spare capacity. Women were more likely than men to have free time in the afternoon and this factor rapidly made commercial bingo a predominantly feminine pursuit.

The clubs formed by Mecca Limited and the Rank Organisation, each of which has premises, management, catering and capital to spare, lead the field ... The problem of expensive establishments left idle during the day is solved; Bingo has come to succour them. (*Economist*, 24 June 1961, p. 1346)

As there was already a market for the game and the large leisure groups had a client base likely to be familiar with the game from National Service, holidays at Butlins or Warners, playing fund-raising games at Catholic social clubs or at workingmen's clubs, bingo made sound business sense. Furthermore, bingo had the three components that have been identified as essential to making any gaming product successful in the market for commercial leisure. These are that it has to be simple to play and easy to understand. There must be a significant jackpot, of which the public is aware, and there must also be a realistic chance of winning one of a large number of smaller prizes; bingo fitted the bill, in a way that traditional betting did not and it may be this that is the reason why betting seems not to have increased after legalisation while commercial bingo found a ready market.<sup>8</sup>

### Market domination

While dancing remained Mecca's core business in the early 1960s Mecca was concerned with providing mass entertainment as profitably as possible, and the significance of bingo to such endeavour was rapidly apparent to both the board of the company and to financial analysts:

New types of entertainment in this country can bring a fast return to companies aware of the change in public tastes. Mecca, one of the first to introduce bingo into its dance halls has reported an increase in group trading profits for the first 26 weeks of the current year ... Bingo is the unknown quantity in the groups profits ... Without doubt there is enormous potential in bingo today, not only for the organisers but also for the printers. (*The Times*, 29 September 1961, p. 18)

That commercial bingo provision expanded swiftly is illustrated by government figures showing that there were over 12,000 commercial bingo clubs within two years of the Betting and Gaming Act with 14,324,081 members and annual revenue of £11.7m. This figure is likely to be only part of a larger total as the government made no attempt to calculate how many games of bingo were being played in pre-existing clubs and institutes, or as fund-raising activities.<sup>9</sup>

As Mecca continued its expansion it was also increasingly competing with the similarly sized Forte group of companies. The Forte group offered both a threat and an opportunity to Mecca. The threat was of a hostile bid from Forte, while the opportunity was the chance to acquire a ready-made addition to the Mecca portfolio that dovetailed with the group's current interests and expansionary plans. The battle between Forte and Mecca, both major players in the leisure industry, offers a model of the takeovers in the commercial leisure industry that ensured market concentration in the provision of commercial leisure. In 1961 the tantalising prospect of a merger between the privately owned Forte group and Mecca set up a surge in the share prices but the deal came to nothing. Charles Forte wanted cash, not Mecca 'A' shares for his empire, and Mecca's accountants found it difficult to agree a value for an unlisted company.<sup>10</sup> While the bid for the Forte Group failed, Mecca had clearly signalled its intention to increase profits through growth, by acquiring companies whose holdings fitted in with Mecca's portfolio of interests. The pace of acquisitions over 1961 pushed up the value of fixed assets owned by Mecca by 51%, pointing to the speed with which the company was expanding. The growth of Mecca in the early 1960s was almost entirely due to the concentration on expanding into bingo. However, this rapid growth and its allied increase in profits had the potential to be rather a house of cards as it was built on increasing the size of the group very rapidly and was not necessarily the result of economies of scale being achieved in any sustained way as would be expected from mergers and acquisitions announced in the latter part of the twentieth century.

The company was clearly using the popularity of bingo as a means of underpinning its dance and leisure interests. Bingo fitted well with the Mecca market position, offering a glamorous brand of mass entertainment and Mecca rapidly positioned itself as the dominant force amongst providers of commercial bingo, with Rank, Essoldo and ABC following. This top-down domination of commercial gambling by large conglomerates at such an early stage in a new industry is the opposite of the way businesses usually develop. The pattern of rapid expansion into bingo by large organisations strongly suggests that there was a degree of forward planning by the existing leisure groups either before the law changed or immediately after they realised the potential of the Betting and Gaming Act (1960). Mecca and the holiday camp providers, whose lobbying activities in 1959 and 1960 indicate that they were clearly aware of the commercial potential of bingo, seem to have spotted the opportunities offered by the change in the law before it occurred and were ready to move rapidly. Other leisure groups, including Rank, seem to have seen the trend as it started and moved into bingo immediately but less comprehensively than Mecca, increasing their capitalisation as 1961 progressed to allow for more rapid expansion into this new area of business.

### **Profits**

According to the Chairman's annual report to shareholders Mecca's business improved generally in 1963, but most of the improvement in profitability was concentrated in the dance hall and casino area of the group. The significance of the continuing rise in profits remained important to the market and assured investors of the underlying strength of the company. In an advertisement in the financial press Mecca revealed that it was to revalue its portfolio of assets. This statement was the precursor to an announcement of a rights or debenture issue that would provide the

company with additional capital. The market would have understood these statements as indicative of Mecca's increased expansion aims and would have been looking for a big merger to be on the cards, either in the form of hostile bids for Mecca or by Mecca. Rank was also expanding its interests rapidly but unlike Mecca was not concentrating on core competencies in the leisure sector. The sheer scale and diversity of Rank in the early 1960s may be the reason that the company was slower to exploit the potential of commercial bingo. The strength of Rank was a real threat to the smaller but aggressive Mecca Group. It was to be expected that Rank would attempt to acquire Mecca; both groups were growing and the Rank organisation was cash rich as well as the most powerful leisure group in the country. Rank bid £30 million for Mecca, which easily saw off the attempted coup. The Mecca directors 'Refused to part with the information Rank were seeking . . . as they thought it was not in the company's interests to do so' (*The Times*, 9 June 1964, p. 16).

The Rank offer was generous and illustrates just how successful Mecca was. Its pace of expansion made Mecca a real threat to Rank in some areas, especially in the mass-market entertainment business. By the early 1960s cinema attendances were declining rapidly (Spraos, 1962) and Rank's leisure interests were heavily concentrated on its chain of cinemas. That Mecca was considered a prize by Rank is indicated by the offer of 25% above the market price for Mecca; valuing the ordinary shares at 78s. as opposed to the stock market price of 54s. 6d (*Economist*, 13 June 1964, p. 1276). Had the bid been accepted the board of Mecca would have benefited to the tune of £4 million each, a substantial sum upon which to retire in 1964. What other features Rank included in the bid are not known but are likely to have been generous. There may have been sweeteners for the individual directors of Mecca, with senior positions in the Rank organisation available, but the downside of accepting the bid was that Mecca directors would not have the power over the direction of the business that they had while Mecca remained an independent group. The chairman of Mecca, Carl Heimann, described the Rank bid as 'impertinent'; he 'foresaw the danger of recommending to our shareholders something that 90% were not likely to accept' (*Economist*, 27 June 1964, p. 1510). There was much applause at his comments, especially at his jibes at Rank, 'the cinema people. I never hear that they are doing all that well with their wonderful cinemas' (*Economist*, 27 June 1964, p. 1510). That there might be other predators after Mecca was also of concern to the board; Chairman Carl Heimann insisted that:

If this jewel is to be sold it must be paid for in money. Not in paper money that can change value in the Stock Exchange in a matter of hours. If I am to gamble in shares I prefer to gamble in Mecca shares. (*The Times*, 23 June 1964, p. 18)

This is an interesting attitude, as Mecca made all of its acquisitions through the transfer of non-voting Mecca 'A' shares to the owners of the businesses they acquired.

### **Vertical integration**

While Mecca was expanding its empire through bingo, the game was also having an effect on other industrial sectors. The printers who were producing books of bingo tickets were booming, and were reporting the need to increase production as demand for their products soared. The need to produce sufficient bingo cards to satisfy

demand led to the creation of new jobs, mainly for women. Most of the bingo cards were produced at 10 plants in the north-west and the plants were not keeping up with demand despite overtime being worked. The solution was to introduce a housewives' shift. At one Manchester plant there was a four-ton backlog which new workers, all part-time female employees, would clear by assembling the sets and packing them for despatch (*The Times*, 25 August 1961, p. 5). Demand for bingo books continued to rise, to such an extent that a year later the President of the Board of Trade praised the efforts of bingo book printers in assisting the manufacturing sector. In response, Labour MP Mr Boyden, pointed out during Parliamentary questions to the President of the Board of Trade that, 'A large body of opinion is disturbed by the Government encouraging gambling' (*The Times*, 27 July 1962, p. 8). Mecca may have suffered from interruptions to its supply of bingo books due to increasing demands made on printers, or it may simply have been following its established strategy as in December 1964 it acquired a 51% stake in the largest printer of bingo tickets in the United Kingdom, thus ensuring that it could always guarantee delivery on time and at a good price whilst inconveniencing rival bingo operators. As well as controlling supplies of bingo tickets Mecca was investing in the development of 'sophisticated new bingo equipment' (*The Times*, 16 June 1965, p. 18). The type of equipment being developed and acquired allowed fast, mechanised games to be played during the intervals of standard games. Because of the rapid rate of play and as different rules applied to the distribution of prizes during such games, the profits to the company were greater. Mecca was also interested in the development of systems that allowed the main games to be called faster, as the quicker the game the more games per session, the more exciting the product to the consumer. These were typical Mecca solutions to the problems of expansion: seeking to control suppliers through acquisition and encouraging innovation so that the company remained ahead of competitors. Mecca had used just such tactics in establishing domination over commercial dancing.<sup>11</sup>

### Regulation and repression

It is clear that by 1965 bingo was both a popular pastime and an equally popular investment opportunity. However, there was no regulatory framework in place to control bingo clubs, casinos or the myriad of smaller gaming clubs operating across Britain in the period 1961 to 1968. This regulatory shortfall allowed organised crime to move into gaming, running protection rackets and using clubs as a means of laundering money (Downs, 2009, pp. 124–125). Mecca itself was not immune to threats from protection racketeers and Mecca employees were found to be running lucrative scams in some establishments. The existence of criminal activity within Mecca was something that the company downplayed; insisting that there was no problem at large, well managed clubs and that any new legislation should be directed at the smaller clubs.

By 1965 Mecca was producing better results than its competitors in the mass leisure market, largely because its dominance of commercial bingo gave the group an advantage over competitors.<sup>12</sup> Mecca bingo clubs had 2.5 million members, and the group had a presence in most provincial towns. Certainly by 1965 Mecca needed to make the most of any opportunities for profit from its gambling operations as the Labour government was prepared both to tax and to legislate against the gaming free-for-all that had developed in the wake of the 1960 Betting and Gaming Act.

Despite the legislative change in the offing Mecca continued to have ambitious expansion plans, and apart from detailing new bingo casinos, gaming clubs, skating rinks and other leisure venues that the company planned to open in 1966 Mecca announced a move into mail order, holiday travel and personal insurance markets. The optimism of Mecca in the face of changes to its operating environment was in large part due to the certainty of the board that society was changing and that commercially provided leisure would be required fill the free time of the mass of the people.

Surely more and more people will enjoy greater prosperity together with shorter working hours, and this will give us even greater opportunities to cater for their leisure time, as well as, in many of our branches, during their working hours. (*Economist*, 9 July 1966, p. 188)

The attraction of commercial gaming as a leisure opportunity to large sections of the population was perhaps that the majority felt that they were not threatened with the loss of jobs and security, and they were therefore now at liberty to challenge old boundaries and adopt a new way of living and leisure. As far as Mecca was concerned, offering gambling amongst its leisure activities was extremely profitable; by 1966 bingo was contributing 28% (£827,639) of the profits of the group (*Economist*, 9 July 1966, p. 188).

### Declining profits

By 1967 it was becoming clear that tax changes were leading to results that were significantly worse for the group; there was an actual loss; group profits fell by £15,000. The significance of the figure is not the relatively small amount of the loss, but the impact such a loss had on the image of the company as a vehicle for growth. However, the figures reflect a full year's impact of Selective Employment Tax and Bingo Gaming Licence Duty, which in the case of Mecca amounted to £400,000. Despite the necessarily upbeat nature of the Chairman's review the dividend was reduced to 18%, plus scrip shares, a move not appreciated by the financial press.

The carrot from Mecca of a one-for-twenty scrip issue was not enough to stop the 'A' shares sliding 1s. to 15s. 7½d. after yesterday's results ... Trading profits, in fact, inched ahead, even after absorbing some £400,000 SET and bingo and gaming licence duties.<sup>13</sup> With Mecca's formidable gearing, any sizable profit upturn shows through sharply in earnings, but the other side of the coin is the heavy interest burden.<sup>[14]</sup> ... At present the 5.8% yield is some consolation but with a P/E ration of around 15½ the shares are hardly alluring. (*The Times*, 11 May 1968, p. 12)

The losses were made despite the fact acknowledged by the press that, 'Bingo is still, of course, profitable. Mecca, which gets nearly thirty per cent of its profits from bingo, appears to make over £10,000 profit per hall' (*Economist*, 1 July 1967).

The loss of investment allowance relief and higher interest and depreciation charges reduced the amount available for shareholders, as Mecca had not passed on most of the company's increased costs to the punters (*Economist*, 6 July 1968). The group made the best of a difficult trading situation, and properties were revalued at the end of 1967, giving the group an unearned £1.5m bonus, while it reported a first quarter increase in profits for 1968, which despite the pending Gaming Bill seemed

set to be a good year. In the ability to revalue properties Mecca was helped by its longstanding strategy of vertical integration and the more recent decision to expand rapidly into the development of bingo casinos as the company had acquired an extensive portfolio in a wide range of locations. Mecca's property holdings included prime high street sites and industrial buildings and its manufacturing and supply outlets were less affected than its leisure and service operations by the tax changes. Mecca remained upbeat because it would have been aware by the summer of 1968 when it reported the 1967 results to shareholders that the legislative changes appeared to be potentially less damaging than feared to the company's long-term viability, whilst almost certainly making life far more difficult for independent operators. The independent bingo operators were less likely to have the resources necessary to cope with new taxes, the potential demands of the proposed Gaming Board of Great Britain or of additional safety regulations local councils were increasingly imposing on bingo clubs as part of planning conditions.

### Commercial bingo under threat

Mecca had profited more than any other commercial bingo operator during the bingo boom of 1961 to 1964 and was praised by commentators for having survived a period of difficult trading conditions brought about through changes to employment tax, the introduction of gambling tax and the ending of investment allowances and the threat of the introduction of stringent controls on gaming as a result of its vision and diversity (*The Times*, 27 September 1968). By 1968 England was considered to be a gambling paradise, with more than 1000 casinos legally operating nationwide. However, later that same year, the Gaming Act (1968) was passed. It was designed to rid the country of the majority of casinos, while heavily taxing the ones that continued running. Mecca, along with all commercial gaming operators, entered a new era in 1968, facing legislation that was designed to severely limit its freedom to exploit the desire of the masses for a bit of a flutter.

Eric Morley was central in rebranding Mecca to ensure that it survived the legislative changes. As soon as the Labour government announced its intention to legislate to bring commercial gaming under control Mecca took rapid and effective action. The Mecca-owned newspaper, *Dance and Bingo News*, carried listings of each Mecca venue; Mecca Casinos vanished to be replaced with Mecca Social and Bingo Clubs. The idea of bingo as a mainly social activity was heavily pushed by Eric Morley, and as he had control of the bingo operators' trade body his stance that bingo was played as an adjunct to socialising rapidly became the accepted line of all operators. In October 1967 the formal campaign began, reported as 'Council of War as bingo owners fear Government Restrictions' (*The Times*, 11 October 1967). Although the meeting was organised by the National Association of Bingo Clubs, they had the astuteness to invite and involve non-affiliated clubs in their campaign. This allowed them to present a united front to the government. The main concern was that Roy Jenkins (then Home Secretary) would bring forward legislation of a nature that would severely restrict the clubs. The owners wanted to: 'Impress on the Government that bingo clubs represent a social service ... it is in the National interest that bingo is recognised as performing a social function' (*The Times*, 11 October 1967).

This reference includes the now common notion that bingo is an activity with a primarily social function. The great majority of previous press reports refer to bingo

as first and foremost a gambling activity, undertaken for the thrill of winning, and although Mecca had included the social function of its clubs in press releases before this date, it had always emphasised the name 'Mecca Casino' and highlighted the glamour of spending time in a Mecca venue. Before 1966 such sources as press releases to local papers were used by the bingo clubs as a means of publicising large wins and emphasising the thrills of the gamble. There was serious concern amongst bingo club proprietors about the new gaming laws; particularly as the proposals originally circulated by the Home Office appeared to outlaw most types of commercial bingo. Owners of large halls were 'preparing a joint defence of their interests' and set about transforming public and parliamentary opinion of bingo (*The Times*, 11 October 1967). The aim of a unified defence of bingo interests was undoubtedly protection of the annual turnover of commercial bingo, amounting to £335m per annum in 1967 (*The Times*, 11 October 1967). The bingo clubs cited the strength of the opposition from the churches and Labour government to bingo as a prime reason for the need to unite in its defence: 'There are a lot of lobbies who may endeavour to make legislation highly restrictive' (*The Times*, 11 October 1967). The bingo clubs were particularly aware of the strength of the Churches Council on Gambling, which they viewed as their principal adversary in the lobbying process.

Undoubtedly, a leading figure in the concerted response of the gambling industry to the proposals of Harold Wilson's government to control commercial gambling was Eric Morley. He co-ordinated the unified approach of the bingo industry and tried hard to persuade the casino operators to work with the bingo industry. At first the gaming industry (bingo and casinos) stood together against the government. Eric Morley was one-half of a partnership representing the gaming industry to the government with specific responsibility for bingo. However, casino operators were not keen to be associated with bingo:

Bingo players are the kind of people who have to get up early in the morning and get to work or get someone else off to work – and usually go straight home when the bingo ends. (*The Times*, 21 May 1966)

The casino operators decided to fight for casino gambling without bingo, leaving Eric Morley to represent both members of the National Association of Bingo Clubs and non-aligned bingo operators whom the NABC allowed a voice on its board during the crisis over the survival of commercial bingo. Morley's publicity initiative, involving a punishing schedule of travel around the country promoting bingo to MPs, was almost certainly responsible for the creation of an image of bingo as a 'neighbourly game played for modest stakes' (Sir Stanley Raymond, chair of the Gaming Board of Great Britain, *The Times*, 12 December 1969). Mecca had invested millions in establishing commercial bingo and with an estimated annual profit of £10,000 per site at stake Mecca had no desire for the game to be regulated out of existence as a result of concerns about excessive gambling amongst women or links between bingo and organised crime (*Economist*, 1 July 1967, p. 63). When the Gaming Bill was first published it was drafted in such a way that commercial bingo could not have continued.

Morley co-ordinated a lobbying campaign of ministers, standing committee members and the press that emphasised the difference of bingo and the bingo industry to other forms of gaming. His success resulted in government concessions to bingo that allowed commercial bingo to remain profitable although somewhat emasculated by the loss of the majority of the profitable and popular link games.

The casinos were hard hit by the 1968 legislation, sometimes described as the most draconian gaming legislation in the world (Dickerson, 1984, p. 16). Only 121 casinos survived from the more than 1000 running before the Gaming Act (1968) came into force and casino operators may have been left regretting their attitude towards bingo and its players in light of the more favourable treatment meted out to that game.

The main impact on bingo was the advent of an intrusive and powerful regulator and that the large link games that had become a hugely popular feature of bingo were banned. The Gaming Board for Great Britain was created as a result of the 1968 Act, its remit being the apparently benign one of keeping under review 'The extent and character of gaming' (Moody, 1974, p. 6). However others see the checks and controls instituted by James Callaghan and the Home Office in 1968 as 'The British Gaming Board under the 1968 Act constitutes the most autocratic British institution since the Star Chamber' (Skolnik, 1978, p. 340).

After the 1968 Gaming Act came into force Mecca bingo concentrated on re-branding itself as a social activity, far removed from gambling. Mecca's position as market leader and reputation for honest dealing helped the Mecca brand of bingo survive the attention of the newly-created regulatory body, the Gaming Board for Great Britain (GBGB) with relative ease. The board of Mecca continued optimistic about the opportunities available for the company despite the difficulties imposed by the new legislation and accompanying regulator:

The first quarter's trading results for 1969 fortify our belief that we can overcome these taxation difficulties this year and look forward to the future with confidence. The keynote is expansion, not only in our existing premises and additional establishments, but also, and in the main, by the acquisition of other businesses in our industry. (*Economist*, 21 June 1969, p. 76)

Mecca remained vulnerable to takeover though, and having benefited from the opportunities available during the virtually unregulated 'Golden Age' of commercial bingo, gave in gracefully when in 1970 Grand Met paid £33m for the company.

## Conclusion

It has been noted that leisure companies that moved into commercial gaming were aware of the moral difficulties of selling gambling:

A characteristic feature of the approach of these providers to gambling is the emphasis on developing it as a social leisure experience. They aim to change its image from that of a downmarket, somewhat disreputable activity, to that of a respectable and socially rewarding one. (Haywood et al., 1989, p. 137)

Mecca in fact did not adopt this strategy at first. The company instead concentrated on moving part of its existing customer base to bingo, selling Mecca glamour through gambling. In this Mecca was hugely successful, and became the leading commercial bingo operator as a result. However, by 1965 it was clear that maintaining this strategy would result in damage to the Mecca group and it was at this stage Mecca adopted the idea that bingo was a social activity first with gambling as a supplementary activity. The election of a Labour government in 1964 and realisation that the Churches Council on Gambling was heavily influencing Labour policy on commercial gaming clearly influenced Mecca in changing the name of its venues from 'Mecca Casinos' to 'Mecca Social and Bingo clubs'. Since then a large

part of the development of commercial bingo has been tied to controlling the image of the game in order to persuade the public, regulators and legislators that the product on offer is socially acceptable; the responsible face of gambling.

Mecca was in some ways very similar to other leisure companies of the era, but while competitors had similar core competencies Mecca had additional competitive competence that allowed it to become the leading provider of commercial bingo. Mecca was able to reduce operational costs and the effectiveness of its bureaucratic procedures through vertical integration. Having obtained a source of capital prior to the opportunity for expansion Mecca could rapidly increase market share while competitors played catch-up. Mecca also benefited from a loyal customer base, good employee relations and innovative research and innovation strategy which also added to its competitive edge.

The importance of Mecca to the development of a commercial bingo industry that filled a demand previously serviced by the piecemeal availability of ostensibly charitable bingo games should not be under-estimated. Rank was a far larger company, but followed where Mecca led. Eric Morley saw an opportunity and the board of Mecca were prepared to follow his hunch. Eric Morley's claim that he brought commercial bingo to Britain in 1961 cannot be gainsaid (*The Sun*, 23 February 1974). Had commercial bingo not been developed so rapidly by the Mecca group, with its desire to bring affordable glamour to the masses, then the type of commercial bingo that was stifled by Mecca might have dominated the market. That is, commercial bingo operated by single entrepreneurs or small chains, in venues that were lacking in facilities and devoid of glamour, with loose canvas seating and nicotine-stained walls and described as 'a captive market for gaming and bargain pushing' (Report of the GBGB, 1969, p. 27). Walton (1978, 1983, 1992, 1994, 1998, 2000, 2004, 2007), writing on Blackpool, has shown that the working classes were not passive consumers of leisure; they made demands that resulted in pleasure palaces by the sea, for fairground-type customary leisure to travel to the seaside, and these demands were met by entrepreneurs of popular leisure. The mass leisure market was, in some part, created by the masses; they exerted a degree of popular control over the type of leisure available. The commercialisation of bingo is an aspect of this development of mass, commercial leisure; driven by demand from below but, by the post-war era, increasingly managed by and profitable for, large, national organisations. A popular, customary pursuit, that was part of working class leisure life, was legalised by the Betting and Gaming Act (1960) leading to successful commercialisation of a product that is surviving and adapting into the twenty-first century, with the Mecca brand still a leading player.

## Notes

1. Legislation to control and contain off-course betting, lotteries and sweepstakes was passed in 1823, 1845, 1856 and 1906.
2. HC Deb. 1959–60, 623, no 109, col. 2253.
3. PP Sessional Papers 1959–60, I–XV, 1075, col. 1149.
4. Stg Co Deb 1959–60 Betting and Gaming Bill, I–XV, 1075, col. 1149.
5. Vertical integration is the term used to describe the degree to which a company owns its suppliers/buyers. This can have a significant impact on a business with regard to costs and differentiation as well as having strategic implications. Achieving as much vertical integration as possible is an important management strategy for growing a company.
6. During the period of rapid expansion Mecca never paid more than £35,000 for a property, and always paid in equity not cash, and when the company altered its accounting procedures to allow it to write off conversion costs, the amount spent on

- conversions was generally less than £10,000 per site, although for some large properties it could be as much as £50,000.
7. As the result of an enquiry made in 1960 it is known that tombola was played regularly in the 3500 Working Men's Clubs registered with the Clubs and Institutes Union (CIU) and that of the 2,200,000 members of working men's clubs 80% regularly played tombola. Tombola (housey-housey) was a popular fund-raiser in Conservative clubs. They had about 400,000 members and 50% of these were reported to regularly play tombola. There were also 1146 British Legion clubs in 1960, accounting for 250,000 members and all of these clubs ran regular tombola sessions (*Payne and Others vs Bradley, The Times Law Reports*, 17 February 1961, p. 22, column d).
  8. This definition was established by the Henley Centre for Forecasting and GAH Partnership Strategy in 1994.
  9. CMND 2275 Report on Enquiry into Gaming Under Section 2 of the Finance Act 1963, p. 6.
  10. 'A' shares are shares without the voting rights that come with ordinary shares. In 1961 Mecca was estimated to be worth about £15 million.
  11. By 1938 Mecca had control of 300 dance bands, as well as owning an agency that dealt with all aspects of the dance hall business and commissioning and publicising new and simpler dances that the masses would dance (Nott, 2002, p. 157).
  12. Mecca 'A' shares were 21s. with a dividend yield of 6% and a P/E ratio of 18.5. The pre-tax return on capital was 12.8% and although most of the increased profits were due to takeovers and were not necessarily the result of growth with firm foundations (*The Times*, 16 June 1965, p. 18, column d).
  13. Selective Employment Tax (SET) had increased by 50% in 1966.
  14. 'Gearing is concerned with the relationship between the long term liabilities that a business has and its capital employed. The idea is that this relationship ought to be in balance, with the shareholders' funds being significantly larger than the long-term liabilities'. <http://www.bized.ac.uk/compfact/ratios/gearing2.htm>

### Notes on contributor

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