

**GUINNESS PUBLISHING LIMITED**  
**(formerly Guinness Superlatives Limited)**

07 MAY 1991

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**DIRECTORS' REPORT AND ACCOUNTS**

**31 DECEMBER 1990**

**COMPANY NO. 541295**

# **GUINNESS PUBLISHING LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1990**

Mr SC Dowling	(Chairman)
Mr DF Hoy	(Resigned 31 December 1990)
Mr ND McWhirter	
Mr F Buxton	
Mr DRM McFarlan	
Mr AR Morris	
Mr MJ Cohen	
Mr PJ Matthews	
Mr WS McBride	(Appointed 28 January 1991)

The directors submit herewith their report and audited accounts for the year ended 31 December 1990.

### **1 CHANGE OF NAME**

The company changed its name from Guinness Superlatives Limited to Guinness Publishing Limited on 17 September 1990.

### **2 PRINCIPAL ACTIVITIES OF THE COMPANY, REVIEW OF OPERATIONS AND FUTURE DEVELOPMENT**

On 1 January 1990 the company took over all trading, and the trading assets and liabilities of Guinness Superlatives Limited (then named Guinness Publishing Limited) and GBR Educational Limited.

The company publishes and receives royalties from the Guinness Book of Records and other publications, and receives other licensed income worldwide and fees from the operations of the Guinness World of Records permanent exhibition in London.

The financial results for the year are encouraging. The company has no immediate plans for significantly extending or reducing its existing business activities.

### **3 RESULTS**

The profit after taxation for the year was £1,038,000 (1989 - £347,000). After paying a dividend of £587,000, the retained profit of £451,000 has been transferred to reserves.

### **4 DIVIDENDS**

A dividend of £587,000 was declared and paid during the year. The directors do not propose any further dividend.

## **GUINNESS PUBLISHING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1990 (Continued)**

#### **5 FIXED ASSETS**

Movements in fixed assets are shown in Note 9 to the accounts.

#### **6 DIRECTORATE**

The names of the directors are shown at the beginning of this report. In accordance with the articles of association, Mr SC Dowling, Mr ND McWhirter and Mr DRM McFarlan will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Mr WS McBride having been appointed a director on 28 January 1991 will retire at the forthcoming Annual General Meeting and offer himself for election.

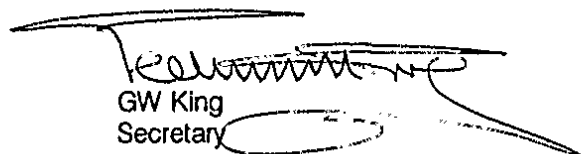
The interests in the shares of Guinness plc of those directors at 31 December 1990 who were not also directors of Guinness plc were as follows:

	<u>31 December 1990</u> Ordinary stock <u>units of 25p</u>	<u>31 December 1989</u> Ordinary stock <u>units of 25p</u>
Mr F Buxton	2,948	2,615
Mr MJ Cohen	123	Nil
Mr ND McWhirter	13	13
Mr DRM McFarlan	749	422
Mr PJ Matthews	2,145	2,145
Mr AR Morris	1,061	717

#### **7 AUDITORS**

The auditors, Price Waterhouse, have expressed their willingness to continue in office and a resolution concerning their re-appointment will be submitted at the forthcoming Annual General Meeting.

By Order of the Board

  
GW King  
Secretary

7 March 1991



We have audited the financial statements on pages 4 to 14 in accordance with Auditing Standards.

The financial statements do not include a statement of source and application of funds as required by Statement of Standard Accounting Practice No 10.

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## Chartered Accountants

7 March 1991

**GUINNESS PUBLISHING LIMITED**  
**(formerly Guinness Superlatives Limited)**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1990**

	<u>Notes</u>	<u>1990</u> £'000s	<u>1989</u> £'000s
<b>TURNOVER</b>	2	6,872	1,522
Net operating costs	3	<u>(5,222)</u>	<u>(993)</u>
<b>OPERATING PROFIT</b>		1,650	529
Interest receivable		-	9
Dividend received		7	-
		<u>      </u>	<u>      </u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,657	538
Taxation	6	<u>(619)</u>	<u>(191)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		1,038	347
Dividend paid	7	<u>(537)</u>	<u>(950)</u>
<b>RETAINED PROFIT/(DEFICIT) FOR YEAR</b>	8	<u>451</u>	<u>(603)</u>

The notes on pages 6 to 14 form part of these accounts.

**GUINNESS PUBLISHING LIMITED**  
(formerly Guinness Superlatives Limited)

**BALANCE SHEET AT 31 DECEMBER 1990**

	<u>Notes</u>	<u>1990</u> £'000s	<u>1989</u> £'000s
<b>FIXED ASSETS</b>			
Tangible assets	9	1,311	895
Shares in group undertakings	10	<u>10</u>	<u>-</u>
		1,321	895
<b>CURRENT ASSETS</b>			
Stocks	11	804	-
Debtors	12	2,730	80
Cash at bank and in hand		<u>746</u>	<u>8</u>
		4,280	88
<b>CREDITORS (amounts falling due within one year)</b>	13	<u>2,827</u>	<u>1,060</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>1,453</u>	<u>(972)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,774	(77)
<b>CREDITORS (amounts falling due after more than one year)</b>			
Deferred taxation	14 15	2,471 <u>39</u>	110 <u>-</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>264</u>	<u>(187)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	-	-
Profit and loss account		<u>264</u>	<u>(187)</u>
		264	(187)

**DIRECTORS**

MJ Cohen

AR Morris

APPROVED BY THE BOARD  
ON 7 MARCH 1991

The notes on pages 6 to 14 form part of these accounts.

**GUINNESS PUBLISHING LIMITED**  
**(formerly Guinness Superlatives Limited)**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 1990**

**1 ACCOUNTING POLICIES**

The accounts have been prepared under the historical cost convention.

**(1) Consolidated accounts**

The company is a wholly-owned subsidiary of Guinness Superlatives Limited and ultimately, Guinness plc. As permitted by section 229(2) of the Companies Act 1985, no consolidated accounts have been prepared.

**(2) Revenue Recognition**

Revenue from the sale of publications is recognised as goods are shipped to customers.

Royalties from licences granting publication and other rights are recognised as received and net fees from exhibitions are recognised on an accruals basis.

Previously, revenue from licences granting publication rights was recognised on an accruals basis, however due to uncertainty surrounding the amount and timing of receipts, the company considers the cash basis more appropriate. Accordingly the prior year amounts have been restated (See note 8).

**(3) Depreciation**

Fixed assets are depreciated on a straight-line basis at annual rates estimated to write off their book value over the term of their useful lives. Details of the depreciation rates used are as follows:

Plant and machinery	- 5% and 12½%
Computer equipment	- 25%
Exhibition permanent structure	- 4%
Exhibition exhibits, fixtures and fittings	- 10%
Motor vehicles	- 20%

**(4) Taxation**

Deferred taxation in respect of capital allowances and other timing differences is provided only to the extent that it is probable that the liability will become payable within the foreseeable future.

**(5) Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the balance sheet date. Exchange gains and losses are charged to the profit and loss account.

**(6) Pensions**

The cost of providing pension benefits is charged to the profit and loss account over the period benefiting from employees' services.

**GUINNESS PUBLISHING LIMITED**  
**(formerly Guinness Superlatives Limited)**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (Continued)**

**1 ACCOUNTING POLICIES (Continued)**

**(7) Pre-publication expenditure**

Expenditure on books not yet published is included as work-in-progress and treated as cost of finished goods on publication.

**2 ANALYSIS OF TURNOVER**

Turnover represents the net sales of publications, net royalties receivable from licences granting publication rights to overseas publishers and fees from the Guinness World of Records.

Operating profit and turnover are as follows:

	<u>Operating profit/(loss)</u>		<u>Turnover</u>	
	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
	£'000s	£'000s	£'000s	£'000s
Publishing and Licences	1,557	644	6,509	1,484
Exhibition	<u>93</u>	<u>(115)</u>	<u>363</u>	<u>38</u>
	<u>1,650</u>	<u>529</u>	<u>6,872</u>	<u>1,522</u>

The geographical analysis of turnover is as follows:

United Kingdom	3,846	60
Republic of Ireland	226	3
Rest of Europe	<u>1,071</u>	<u>705</u>
Total for Europe	5,143	768
Africa	114	3
Asia	602	498
America	487	251
Australia/Asia	<u>526</u>	<u>2</u>
Total turnover	<u>6,872</u>	<u>1,522</u>



**GUINNESS PUBLISHING LIMITED**  
**(formerly Guinness Superlatives Limited)**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (Continued)**

**3 NET OPERATING COSTS**

	<u>1990</u> £'000s	<u>1989</u> £'000s
Raw materials and consumables	2,928	-
Changes in stocks	(639)	-
Staff costs (Note 4)	924	-
Depreciation	311	152
Other operating costs	<u>1,698</u>	<u>841</u>
	5,222	993
Net operating costs are after taking account of:		
Emoluments of directors (Note 5)	183	-
Auditors' remuneration	<u>21</u>	<u>4</u>

**4 STAFF COSTS AND EMPLOYEES**

The staff costs for the year including directors emoluments were as follows:

	<u>1990</u> £'000s	<u>1989</u> £'000s
Salaries and wages	861	-
Social security costs	<u>63</u>	<u>-</u>
	924	-

There were no pension contributions in 1990 or 1989.

The average number of employees, including directors, was 50 (1989 - Nil).

**GUINNESS PUBLISHING LIMITED**  
**(formerly Guinness Superlatives Limited)**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (Continued)**

**5 EMOLUMENTS OF DIRECTORS**

The total emoluments paid to directors of the company are as follows:

	<u>1990</u> £'000s
Fees	3
Salaries and other emoluments	<u>180</u>
	183

The emoluments, including pensions scheme contributions, of the Chairman were £Nil and those of the highest paid director were £48,000.

The numbers of other directors who received emoluments within the following ranges were:

	<u>Number of directors</u> <u>1990</u>
Nil - £5,000	1
£5,001 - £10,000	1
£15,001 - £20,000	1
£35,001 - £40,000	3

In addition, the company made payments of £49,000 to McWhirter Twins Ltd, a company controlled by a director, for editorial and promotional services.

In 1989 all directors' emoluments were paid by Guinness Superlatives Limited (named Guinness Publishing Limited until 17 September 1990) for directors of both companies.

**6 TAXATION**

	<u>1990</u> £'000s	<u>1989</u> £'000s
UK Corporation tax at 35%	538	110
Adjustment to prior year corporation tax	33	-
Overseas taxation	24	67
Deferred taxation	<u>24</u>	<u>14</u>
	619	191

**GUINNESS PUBLISHING LIMITED**  
**(formerly Guinness Superlatives Limited)**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (Continued)**

**7 DIVIDEND PAID**

	<u>1990</u> £'000s	<u>1989</u> £'000s
Dividend on ordinary £1 shares at £5,870 (1989 - £9,500) per share	<u>587</u>	<u>950</u>

**8 RESERVES**

	£'000s
At 1 January 1990	65
As previously stated	<u>(252)</u>
Prior year adjustment	(187)
As restated	
Retained profit for the year	<u>451</u>
At 31 December 1990	<u>264</u>

The prior year adjustment reflects the change in accounting policy described in Note 1(2).

**GUINNESS PUBLISHING LIMITED**  
**(formerly Guinness Superlatives Limited)**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (Continued)**

**9 TANGIBLE ASSETS**

	<u>Exhibition permanent structure and exhibits, fixtures and fittings</u> £'000s	<u>Plant and machinery, computer equipment</u> £'000s	<u>Motor vehicles</u> £'000s	<u>Total</u> £'000s
<u>Cost</u>				
At 31 December 1989	1,633	-	3	1,636
Transfer from Guinness Superlatives Limited	-	870	65	935
Additions	17	122	54	193
Disposals	<u>-</u>	<u>-</u>	<u>(27)</u>	<u>(27)</u>
At 31 December 1990	<u>1,650</u>	<u>992</u>	<u>95</u>	<u>2,737</u>
<u>Depreciation</u>				
At 31 December 1989	740	-	1	741
Transfer from Guinness Superlatives Limited	-	369	15	384
Charge for year	157	141	14	312
Disposals	<u>-</u>	<u>-</u>	<u>(11)</u>	<u>(11)</u>
At 31 December 1990	<u>897</u>	<u>510</u>	<u>19</u>	<u>1,426</u>
<u>Net book amount</u>				
At 31 December 1990	<u>753</u>	<u>482</u>	<u>76</u>	<u>1,311</u>
At 31 December 1989	<u>893</u>	<u>-</u>	<u>2</u>	<u>895</u>

**GUINNESS PUBLISHING LIMITED**  
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**NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (Continued)**

**10 SHARES IN GROUP UNDERTAKINGS**

The investment at cost in the company's wholly-owned subsidiaries is as follows:

	<u>1990</u> £'000s	<u>1989</u> £'000s
GBR Educational Limited (registered in England)	10	10
Guinness Hall of World Records Inc (incorporated in Canada)	<u>-</u>	<u>-</u>
	10	10
Less: Provision	<u>-</u>	<u>(10)</u>
	<u>10</u>	<u>-</u>

**11 STOCKS**

	<u>1990</u> £'000s	<u>1989</u> £'000s
Work in progress	165	-
Finished goods (books for resale)	<u>639</u>	<u>-</u>
	804	-
	<u>804</u>	<u>-</u>

**12 DEBTORS**

	<u>1990</u> £'000s	<u>1989</u> £'000s
Trade debtors	2,135	-
Amounts owed by group undertakings	15	5
Other debtors	333	50
Prepayments and accrued income	<u>247</u>	<u>25</u>
	<u>2,730</u>	<u>80</u>

**GUINNESS PUBLISHING LIMITED**  
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**NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (Continued)**

**13 CREDITORS (amounts falling due within one year)**

	<u>1990</u>	<u>1989</u>
	£'000s	£'000s
Trade creditors	523	-
Amounts owed to group undertakings	989	397
Accruals and deferred income	831	335
Corporation tax	<u>464</u>	<u>328</u>
	2,827	1,060
	<u>          </u>	<u>          </u>

**14 CREDITORS (amounts falling due after more than one year)**

	<u>1990</u>	<u>1989</u>
	£'000s	£'000s
Corporation tax	-	110
Amounts owed to group undertakings	<u>2,471</u>	<u>-</u>
	2,471	110
	<u>          </u>	<u>          </u>

**15 DEFERRED TAXATION**

The deferred tax liability at 31 December 1990 relates principally to accelerated capital allowances. Movements during the year are as follows:

	<u>Provided for</u>	<u>Not provided for</u>
	£'000s	£'000s
At 31 December 1989	-	130
Transfer from Guinness Superlatives Limited	15	50
Charge/(credit) for the year	<u>24</u>	<u>(23)</u>
At 31 December 1990	39	157
	<u>          </u>	<u>          </u>

**16 SHARE CAPITAL**

The company has 100 authorised, allotted and fully paid ordinary shares of £1 each.

**GUINNESS PUBLISHING LIMITED**  
**(formerly Guinness Superlative Limited)**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (Continued)**

**17 PENSIONS**

The Company is a member of a group pension scheme which is operated by its ultimate holding company, Guinness plc. The scheme is a defined benefit type, and is administered by trustees and maintained independently of the finances of Guinness plc and its subsidiaries.

A valuation of the scheme was performed in 1989 by the actuary and particulars of the valuation are contained in the accounts of Guinness plc. It is not expected that there will be a requirement to make contributions before the date of the next valuation of the scheme in 1992.

Pension costs are not determined by the actuary for individual participating group companies. Accordingly, where appropriate, costs have been approximated as the contribution payable. There has been no charge to the profit and loss account in 1990 or 1989.

**18 FUTURE CAPITAL EXPENDITURE**

	<u>1990</u> £'000s	<u>1989</u> £'000s
Contracted for but not provided for in the accounts	20	5
Authorised but not contracted for	<u>66</u>	<u>-</u>
	<u>86</u>	<u>5</u>

**19 ULTIMATE HOLDING COMPANY**

The ultimate holding company of Guinness Publishing Limited is Guinness plc, a company incorporated in Great Britain.