Subsidiary No 541295

GWRUK Acquisition Corp Limited

Annual report and consolidated financial statements

Registered number 6503311

For the year ended 31 December 2016

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Strategic Report

The directors present their strategic report on the Group for the year ended 31 December 2016.

Principal activities

GWRUK Acquisition Corp Limited Group ("the Group") is comprised of GWRUK Acquisition Corp Limited, Guinness World Records Limited, Ripley Entertainment Limited, Guinness World Records Japan KK, Guinness World Records Consulting (Beijing) Limited and GWR (Branch Operations) Ltd. The Group is engaged in the publication and licensing of intellectual property created through the adjudication of world records. These activities relate primarily to the publishing, merchandising and television licensing of the main brand, the "Guinness World Records" book.

The Group also operates in the attractions business and provides management services to the Ripley's Believe It or Not! Museum in London. The Group provides management services to its franchisee but the contract runs until 30 September 2017 and will not be extended for any significant term. As a result, the Group will cease active operations in this line of business and the corresponding results from operations have been presented as discounted operations. However, the Group is still operating its world record adjudication business.

The Group has previously been engaged in providing services to a fellow subsidiary of Jim Pattison Limited, Ripley Entertainment Inc., in relation to the publication of their books. These activities related primarily to the publishing of their main brand, Ripley books, in the United States. In April 2014, the Company's affiliate, Ripley Entertainment Inc., communicated its decision to have its own publishing business in Orlando, Florida. As a result of such decision, the Company began the wind down of its publishing operations. The wind down was completed at the end of June 2015 and all appropriate provisions have been recorded in the statements. The results from the publishing business have been presented as discontinued operations.

Substantially all of the Group's turnover and profit is earned from Guinness World Records and it remains the dominant business in the Group. The attractions business is a much smaller component of the Group's financial results.

Business review

The loss for the year ended 31 December 2016 from continuing operations was £1.2 million (2015: profit of £0.8 million). The loss also includes trademark amortisation of £4.7 million (2015: £4.7 million). Turnover for the year was £24.5 million (2015: £24.3 million) giving an operating margin/profit of 9.2%/£2.3 million (2015: 13.2%/£3.2 million); a gross margin of 75.8%/£18.6 million (2015: 72.2%/£17.5 million); and days sales outstanding of 36 days (2015: 45 days).The movement in days sales outstanding was primarily due to timing of payments of amounts owed by fellow undertakings.

The loss for the year was caused primarily by an unrealized foreign exchange loss on intercompany balances as the British Pound weakened significantly during 2016. The loss also includes trademark amortization of £4.7 million (2015: £4.7 million). Cash flow from operations for the year was £5.1 million (2015: £9.3 million) which covered all capital expenditure and debt repayment needs, so cash flow and liquidity remain strong despite the loss recorded in 2016.

These key performance indicators are in line with directors' expectation.

Business environment

The Group owns a trademark (Guinness World Records) that has a strong history dating back to 1954. Sales of the Guinness World Records book continue to be strong and it is regularly the No.1 bestseller during the Christmas selling period. The main book sells almost 3 million copies worldwide in 25 languages. The publishing market has been challenged in the past due to the closure of several book retailers and distributors, as well as by the introduction of electronic books. There have been no major high street book retailer closures over the last couple of years and the electronic books have had less of an impact than originally anticipated such that the Group has been able to maintain its publishing sales over the last couple of years. The Company has focused on broadening its product line to offer new books that appeal to different target markets and can generate revenue outside of the Christmas selling season.

Strategic Report *(continued)*

Business environment *(continued)*

The Group also generates revenue from adjudicating record attempts and this part of the business continues to perform strongly year on year. Guinness World Records is the global leader in collecting, confirming and presenting World Records.

In addition to publishing and records adjudications, the Group licenses the Guinness World Records brand and content via traditional trademark deals or via television programming and these business streams continue to perform successfully. The Company also provides consulting services to help clients develop marketing and public relations campaigns that leverage world record attempts and achievements.

Principal risks and uncertainties

The Group distributes the main Guinness World Records book through traditional bookstores and the closure of stores remains a primary risk to the Publishing business. Electronic books have not had the expected negative impact on sales as their success has been mainly in the fiction market to date, however the Group acknowledges that over the longer term this remains a potential threat. Guinness World Records has produced electronic books in the past and continues to actively research electronic publishing to find the best commercial solution. Following the Brexit referendum, (the decision by the UK to exit the European economic union), the UK economy and Sterling is once again weak. This creates additional uncertainty as Guinness World Records enters into transactions in multiple currencies.

Guinness World Records Limited, a subsidiary company, has been involved in a litigation case in India for many years and despite the strong evidence in the company's favour, any outcome cannot be ascertained, and therefore the potential financial impact is unknown. A judgment is due to be made in the case early next year, but it is expected that this will be appealed and the case is unlikely to be concluded in the near future.

Guinness World Records Limited has successfully expanded its business geographically over the last few years and now has offices in Japan, China, and the Middle East, in addition to the United Kingdom and the United States of America.

Strategy

The main challenge for the Group is to seek ways to diversify. The majority of revenue still comes from Publishing, and the Group has put a renewed effort into expanding its publishing business by producing more titles that can be sold at different times during the year. The expanded offering allows the Group to reach a broader audience and it reduces the reliance on the Christmas selling season.

The Group is also focused on growing the Records & Licensing businesses. The approach that the Group has taken is to restructure internally to put more resources behind Records & Licensing and by expanding geographically.

Over the last few years, the UK economy has been weak and Sterling has suffered as a result but this has benefitted the Group in its overseas markets. The approach that the Group has taken to currency risk over this period is via natural hedging, seeking to cover its foreign debts by bringing in cash in the same currency from foreign debtors. The weak Sterling may be a benefit as foreign currency sales will be worth more to the Group. The Group will continue to monitor foreign exchange risk using a combination of natural hedging and forward contracts.

Strategic Report *(continued)*

Future Outlook

The Group's future results should remain positive as the Guinness World Records brand is strong and the operations continue to grow throughout the world. Although the Group was no longer providing publishing services to its fellow undertaking, Ripley Entertainment Inc., this change has a minor impact as Guinness World Records provides substantially all of the Group's turnover and profit.

The Group replaced the Ripley publishing income with management services revenue from the operation of the London Ripley museum. Ripley Entertainment Limited assumed temporary responsibility for managing and operating the location in April 2014 and has earned management fees for doing so. Attendance declined in 2016 which resulted in an operating loss and the operations continued to be a challenge. The Group has a management services contract that runs until September 30, 2017 but has decided not to renew the contract. As a result, Ripley Entertainment Limited will cease active operations in this line of business.

The directors feel that by adopting the strategies described, the Group will continue to retain and grow its market share. Costs increased in the prior year as the Group increased its infrastructure to support new business lines and new geographic areas, and the benefits will be realized in future years. The economic environment, although improving, continues to be challenging, however the directors are optimistic about the Group's ability to meets its future growth targets.

By order of the board

Alison Ozanne
Director

Date: 26/09/17

12TH Floor South Quay Building, 189 Marsh Wall,
London E14 9SH

Directors' report

The directors present their directors' report and consolidated financial statements for the year ended 31 December 2016.

Dividends

On 28 April 2016 the Company paid interim dividends to its parent, Jim Pattison Entertainment Ltd., of £2.5 million.

Directors

The directors who held office during the year and at the date of this report were as follows:

A. Ozanne
J. Paddock
R. Barrington-Foote

Change of business

The directors have reported on the change in the Group's business in the Strategic Report. The Group has decided to exit its management services contract with its franchisee that operates the Ripley Museum in London.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year (2015: £nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 1-3.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Alison Ozanne

Alison Ozanne
Director

Date: 26/09/17

12th Floor South Quay Building, 189 Marsh Wall,
London E14 9SH

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of GWRUK Acquisition Corp Limited

We have audited the financial statements of GWRUK Acquisition Corp Limited for the year ended 31 December 2016 set out on pages 8 to 30. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:
• give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2016 and of the Group's loss for the year then ended;
• have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:
• we have not identified material misstatements in those reports; and
• in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of GWRUK Acquisition Corp Limited
(continued)

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
• adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
• the Parent Company financial statements are not in agreement with the accounting records and returns; or
• certain disclosures of directors' remuneration specified by law are not made; or
• we have not received all the information and explanations we require for our audit.

M. Smith

Mark Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP , Statutory Auditor
Chartered Accountants

15 Canada Square
London, E14 5GL
United Kingdom

28 September 2017

Consolidated Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2016

	Note			**2016**			2015
		Continuing £000	**Discontinued £000**	**Total £000**	Continuing £000 (Restated)	Discontinued £000 (Restated)	Total £000 (Restated)
Group Turnover	*2,26*	**24,498**	**-**	**24,498**	24,291	89	24,380
Cost of sales		**(5,934)**	**-**	**(5,934)**	(6,762)	-	(6,762)
Gross profit		**18,564**	**-**	**18,564**	17,529	89	17,618
Selling, marketing and distribution costs		**(1,431)**	**(1,928)**	**(3,359)**	(1,118)	(496)	(1,614)
Administrative expenses		**(14,887)**	**(6)**	**(14,893)**	(13,200)	(74)	(13,274)
Group operating profit/(loss)		**2,246**	**(1,934)**	**312**	3,211	(481)	2,730
Interest receivable and similar income	*6*	**4**	**-**	**4**	4	-	4
Interest payable and similar expenses	*7*	**(2,713)**	**(1)**	**(2,714)**	(1,136)	(2)	(1,138)
Profit/(loss) before taxation	*3*	**(463)**	**(1,935)**	**(2,398)**	2,079	(483)	1,596
Tax on profit/(loss)	*8*	**(743)**	**227**	**(516)**	(1,290)	1	(1,289)
Profit/(loss) after taxation		**(1,206)**	**(1,708)**	**(2,914)**	789	(482)	307

There are no recognised gains or losses other than those stated above, therefore no separate statement of other comprehensive income has been presented.

There is no difference between profit and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 15 to 30 form part of these financial statements.

Consolidated Balance Sheet
As at 31 December 2016

	Note		**2016**		2015
		£000	**£000**	£000	£000
Fixed assets					
Intangible assets	*10*		**32,826**		37,516
Tangible fixed assets	*11*		**600**		326
			33,426		37,842
Current assets					
Stocks	*13*	**483**		245	
Debtors	*14*	**3,481**		3,418	
Cash at bank and in hand		**17,750**		16,864	
		21,714		20,527	
Creditors: amounts falling due within one year	*16*	**(11,960)**		(8,708)	
Net current assets			**9,754**		11,819
Total assets less current liabilities			**43,180**		49,661
Creditors: amounts falling due after more than one year	*17,18*		**(26,607)**		(27,607)
Provisions for liabilities	*19*		**(3,598)**		(3,765)
Net assets			**12,975**		18,289
Capital and reserves					
Called up share capital	*20*		**29,217**		29,217
Share premium			**108**		*108*
Foreign exchange reserve			**80**		(20)
Profit and loss account			**(16,430)**		(11,016)
Shareholders' funds			**12,975**		18,289

The notes on pages 15 to 30 form part of these financial statements.

These financial statements were approved by the board of directors on 26/04/ 2017 and were signed on its behalf by:

Alison Ozanne

Alison Ozanne
Director

Company Balance Sheet
As at 31 December 2016

	Note	**2016** **£000**	2015 £000
Fixed assets			
Investments	*12*	**58,214**	58,214
Current assets			
Cash at bank and in hand		**1,223**	654
Creditors: amounts falling due within one year	*16*	**(1,000)**	(1,000)
Net current assets/(liabilities)		**223**	(346)
Total assets		**58,437**	57,868
Creditors: *amounts falling due after more than one* year	*17,18*	**(26,607)**	(27,607)
Net assets		**31,830**	30,261
Capital and reserves			
Called up share capital	*20*	**29,217**	29,217
Share premium		**108**	108
Profit and loss account		**2,505**	936
Shareholders' funds		**31,830**	30,261

The notes on pages 15 to 30 form part of these financial statements.

These financial statements were approved by the board of directors on and were signed on its behalf by:

Alison Ozanne

Alison Ozanne
Director

Date: 26/09/17

Consolidated Statement of Changes in Equity

for the year ended 31 December 2016

	Called up Share capital	Share premium	Foreign exchange reserve	Profit and loss account	Total Equity
Balance at 1 January 2015	**29,217**	**108**	**(32)**	**(8,323)**	**20,970**
Profit for the year	-	-	-	307	307
Dividends paid	-	-	-	(3,000)	(3,000)
Foreign currency translation on consolidation	-	-	12	-	12
Balance at 31 December 2015	**29,217**	**108**	**(20)**	**(11,016)**	**18,289**
Loss for the year	-	-	-	(2,914)	(2,914)
Dividends paid	-	-	-	(2,500)	(2,500)
Foreign currency translation on consolidation	-	-	100	-	100
Balance at 31 December 2016	**29,217**	**108**	**80**	**(16,430)**	**12,975**

The notes on pages 15 to 30 form part of these financial statements.

Company Statement of Changes in Equity
for the year ended 31 December 2016

	Called up Share capital	Share premium	Profit and loss account	Total Equity
Balance at 1 January 2015	**29,217**	**108**	**54**	**29,379**
Profit for the year	-	-	3,882	3,882
Dividends paid	-	-	(3,000)	(3,000)
Balance at 31 December 2015	**29,217**	**108**	**936**	**30,261**
Profit for the year	-	-	4,069	4,069
Dividends paid	-	-	(2,500)	(2,500)
Balance at 31 December 2016	**29,217**	**108**	**2,505**	**31,830**

The notes on pages 15 to 30 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2016

	Note			**2016**			2015
		Continuing £000	**Discontinued £000**	**Total £000**	Continuing £000 (Restated)	Discontinued £000 (Restated)	Total £000 (Restated)
Cash flows from operating activities							
Profit/(loss) for the financial year		**(1,206)**	**(1,708)**	**(2,914)**	789	(482)	307
Adjustments for:							
Depreciation of property, plant and equipment	*11*	**350**	**-**	**350**	359	3	362
Amortization of intangible assets	*10*	**4,690**	**-**	**4,690**	4,690	-	4,690
Interest receivable and similar income	*6*	**(4)**	**-**	**(4)**	(4)	-	(4)
Interest payable and similar expenses	*7*	**2,713**	**1**	**2,714**	1,136	2	1,138
Taxation	*8*	**743**	**(227)**	**516**	1,289	-	1,289
Decrease/(increase) in trade and other receivables		**227**	**364**	**591**	693	548	1,241
Decrease in inventories	*13*	**(238)**	**-**	**(238)**	16	-	16
Increase/(decrease) in trade and other payables		**1,884**	**1,571**	**3,455**	2,978	(80)	2,898
Cash from operations		**9,159**	**1**	**9,160**	11,946	(9)	11,937
Interest received		**4**	**-**	**4**	4	-	4
Interest paid		**(2,713)**	**(1)**	**(2,714)**	(1,136)	(2)	(1,138)
Income taxes paid		**(1,373)**	**-**	**(1,373)**	(1,473)	-	(1,473)
Net cash generated from operating activities		**5,077**	**-**	**5,077**	9,341	(11)	9,330
Cash flows from investing activities							
Purchases of property, plant and equipment, net	*11*			**(616)**			(77)
Net cash used in investing activities				**(616)**			(77)
Cash flows from financing activities							
Change in provision for liabilities	*19*			**(167)**			(413)
Change in creditors (long-term)	*17*			**(1,000)**			(1,500)
Dividends paid	*21*			**(2,500)**			(3,000)
Cumulative translation adjustment				**92**			12
Net cash used in financing activities				**(3,575)**			(4,901)

Consolidated Cash Flow Statement *(continued)*
for the year ended 31 December 2016

	Note	2016	2015
		£000	£000
Net increase in cash and cash equivalents		**886**	4,352
Cash and cash equivalents, beginning of year		**16,864**	12,512
Cash and cash equivalents, end of year		**17,750**	16,864
Components of cash and cash equivalents			
Cash		**17,750**	16,864
Overdraft		**-**	-
Cash equivalents		**-**	-
		17,750	16,864

The notes on pages 15 to 30 form part of these financial statements.

Notes

1 Principal accounting policies

The company is a company limited by shares and incorporated and domiciled in England. These Group and Parent Company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")* as issued in August 2014. The amendments to FRS102 issued in July 2015 and effective immediately have been applied.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of accounting

The Group and Parent Company financial statements are prepared on a going concern basis, under historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards.

A summary of the significant accounting policies which have been applied is set out below.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1-3. The Group has considerable financial resources together with a diverse customer base across different geographic areas. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

The Company financial statements have been prepared on a going concern basis in view of the fact that the ultimate Parent Company, Jim Pattison Limited, has formally indicated that it will provide sufficient funding to the Company, to enable it to meet its liabilities as they fall due, for at least twelve months from the date of approval of these financial statements. The directors have no reason to believe that the Parent Company will not be in a position to provide the support referred to above and, accordingly, they have prepared the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to December 31, 2016.

The Company has provided a statement of guarantee that its subsidiary undertakings listed below are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Companies Act 2006.

Guinness World Records Limited

GWR (Branch Operations) Limited

Ripley Entertainment Limited

The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired in the year are included in the consolidated profit and loss account from the date of acquisition.

Notes *(continued)*

1 Principal accounting policies *(continued)*

The Parent Company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the Parent Company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time; and
- No separate Parent Company Cash Flow Statement with related notes is included.

Significant estimates and assumptions

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

Turnover

Turnover is measured at fair value of consideration received or receivable and represents amounts receivable for good and services provided by the Group in the normal course of business net of discounts, returns and value added tax. Revenue from the sale of publications is recognised as goods are shipped to customers. Turnover is stated net of deductions and expected returns are based on management judgement and historical experience. Revenues from television programme sales, royalty revenues from licenses granting publication, trademark usage and other rights and net fees from exhibition are recognized on a receivable basis. Licence fees earned from programme content are recognised on the later of the start date or delivery of the associated programme. Revenue from adjudication services provided is recognized as it is earned. Revenues from ticket sales are recognized at the time of sale. Revenues from sales of combined attraction tickets, sales to third party ticket vendors and sales of seasonal passes are recognized when earned.

Provision for returns

The provision for returns represents management's estimates for future returns of publications and merchandise and is based on historical return rates and current market conditions.

Stocks

Stocks are stated at the lower of cost and estimated selling prices less costs to sell and complete and valued on a first-in, first-out basis. Cost includes raw materials, direct labour and directly attributable expenses. Expenditure on books not yet published is included in work-in-progress and reclassified as cost of finished goods on publication.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis. The expected useful lives of the assets to the business are reassessed periodically.

Asset	**Estimated useful life**
Fixtures, fittings and equipment	3-10 years
Computer equipment	3 years

Computer equipment includes certain website development costs capitalised to the extent that they lead to an enduring asset delivering benefits at least as great as the amount capitalised.

Notes *(continued)*

1 Principal accounting policies *(continued)*

Intangible fixed assets and amortisation

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Trademarks are amortised to nil by equal annual instalments over their useful economic life of 10 years in accordance with FRS 102.

Investments

Investments in subsidiary undertakings are stated at cost.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Interest bearing borrowings

Immediately after issue, debt is stated at the fair value of the consideration received on the issue of the capital instrument after the deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease. The Group has no finance leases.

Employee benefits

One of the group's subsidiaries operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand less overdrafts payable on demand.

Discontinued operations

Discontinued operations are components of the Group that have been disposed of at the reporting date and previously represented a separate major line of business.

They are included in the profit and loss account in a separate column for the current and comparative periods.

Comparative information

Certain of the information presented for comparative purposes has been reclassified to conform to the financial statement presentation adopted for the current year.

Notes *(continued)*

2 Analysis of turnover

	2016	2015
	£000	£000
By geographical market:		
United Kingdom	**6,129**	5,802
Rest of Europe	**5,181**	5,343
Rest of World	**2,762**	2,413
United States	**5,036**	6,347
Japan	**2,069**	1,715
China	**2,362**	1,996
Middle East	**959**	675
	24,498	24,291

	2016	2015
By class of business:		
Publishing and other	**15,634**	16,724
Licensing	**8,470**	6,826
Television	**394**	741
	24,498	24,291

3 Expenses and auditors' remuneration

	2016	2015
	£000	£000
Included in profit and loss before taxation are the following:		
Amortisation of trademark	**4,690**	4,690
Depreciation and other amounts written off owned tangible fixed assets	**350**	362
Operating lease rentals	**750**	504

Auditors' remuneration:		
	£000	£000
Audit of these financial statements	**110**	102
Other services relating to taxation	**45**	53

Notes *(continued)*

4 Remuneration of directors

	2016	2015
	£000	£000
Directors' emoluments	**867**	707
Company contributions to money purchase pension schemes	**41**	36

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £604,000 (2015: £483,000), and Company pension contributions of £34,000 (2015: £30,000) were made to a money purchase scheme on his behalf.

Two directors did not receive any remuneration in respect of their services to the Group in the current period or prior year. None of the directors have any shares or options in the Group.

5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2016	2015
Publishing	**21**	21
Television	**3**	3
Records Management	**22**	27
Licensing	**41**	32
Other – support	**42**	35
Total	**129**	118

The aggregate payroll costs of these persons were as follows:

	2016	2015
	£000	£000
Wages and salaries	**6,113**	5,582
Social security costs	**762**	542
Pension costs	**287**	238
	7,162	6,362

The 2015 payroll costs stated above included £23,000 which relate to the publishing operations and were included in the results of discontinued operations in the profit and loss account.

The amounts charged for pension costs represent the contributions paid to the defined contribution scheme in respect of the accounting period.

Notes *(continued)*

6 Interest receivable and similar income

	2016	2015
	£000	£000
Bank interest received	**4**	4
	4	4

7 Interest payable and similar charges

	2016	2015
	£000	£000
Interest paid to fellow undertakings	**1,132**	960
Bank fees, foreign exchange and other charges	**1,582**	178
	2,714	1,138

Notes *(continued)*

8 Taxation

	2016	2015
	£000	£000
Current tax		
Current tax on income for the year	**645**	1,290
Adjustment in respect of previous years	**39**	11
Foreign taxes suffered	**7**	29
Total current tax	**691**	1,330
Deferred tax		
Origination and reversal of timing differences	**(184)**	(43)
Change in tax rates	**4**	2
Adjustment in respect of previous years	**5**	-
Total deferred tax (note 15)	**(175)**	(41)
Total tax	**516**	1,289

Total tax analysed as:

		2016			2015	
	Current tax	**Deferred tax**	**Total tax**	Current tax	Deferred tax	Total tax
	£000	**£000**	**£000**	£000	£000	£000
Recognised in Profit and loss account	**691**	**(175)**	**516**	1,330	(41)	1,289

Notes *(continued)*

8 Taxation *(continued)*

The current tax charge for the year is higher *(2015: higher)* than the standard rate of corporation tax in the UK effective for the year 20.00% *(2015: 20.25%)*. The differences are explained below.

	2016 £000	2015 £000
Profit/(loss) before tax	**(2,398)**	1,596
Profit/(loss) multiplied by the rate of 20.00% *(2015: 20.25 %)*	**(480)**	323
Effects of:		
Capital allowances for year less than (in excess of) depreciation	**(43)**	48
Expenses not deductible for tax purposes (income not taxable)	**(56)**	1
Expenses not deductible until future periods	**236**	-
Other permanent differences	**938**	947
Rate differences in other jurisdictions	**58**	34
Allocation of losses for group relief	**437**	323
Losses surrendered by other group companies for nil payment	**(437)**	(323)
Adjustment in respect of previous years	**38**	(23)
Total tax expense included in profit (see above)	**691**	1,330

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

9 Profit of the Company

Under section 408 of the Companies Act 2006 the Company is exempt from the requirements to present its own profit and loss account. The Company's profit for the year amounted to £4,069,000 (2015: £3,882,000), after receiving dividends of £5,500,000 (2015: £5,000,000) from its subsidiary Guinness World Records Limited.

Notes *(continued)*

10 Intangible assets

The Group	**Trademarks £000**	**Total £000**
Cost at beginning and end of year	**55,172**	**55,172**
Amortisation		
At beginning of year	**17,656**	**17,656**
Charge for year	**4,690**	**4,690**
At end of year	**22,346**	**22,346**
Net book value		
At 31 December 2016	**32,826**	**32,826**
At 31 December 2015	37,516	37,516

Trademarks represent the value attributed to the Guinness World Records brand and arose when GWRUK Acquisition Corp. acquired Guinness World Records Limited. The trademarks have 7 years remaining of useful economic life.

11 Tangible fixed assets

The Group	**Fixtures, fittings and equipment £000**	**Total £000**
Cost		
At 1 January 2016	**1,876**	**1,876**
Additions	***616***	***616***
Disposals	-	-
FX translation	**42**	**42**
At 31 December 2016	**2,534**	**2,534**
Depreciation		
At 1 January 2016	**1,550**	**1,550**
Charge for year	**350**	**350**
Disposals	-	-
FX translation	**34**	**34**
At 31 December 2016	**1,934**	**1,934**
Net book value		
At 31 December 2016	***600***	***600***
At 31 December 2015	326	326

Notes *(continued)*

12 Investments

The Company

	Shares in group undertakings £000	Total £000
Cost		
At beginning and end of year	**58,214**	**58,214**

	Registered address	Principal activity	Class and percentage of shares held
Guinness World Records Limited	12th Floor South Quay Building, 189 Marsh Wall, London, E149SH, United Kingdom	Publication and licensing of intellectual property	Ordinary 100%
Ripley Entertainment Limited	12th Floor South Quay Building, 189 Marsh Wall, London, E149SH, United Kingdom	Management and operation of a museum-attraction	Ordinary 100%
Guinness World Records Japan KK	DT Gaien bldg., 2-4-12, Jingumae, Shibuya-ku, Tokyo, Japan	Sales	Ordinary 100%
Guinness World Records Consulting (Beijing) Limited	B621, Gehua Tower No. 1, Qinglong Hutong, Dongcheng District, Beijing, 100007 China	Sales	Ordinary 100%
GWR (Branch Operations) Ltd.	12th Floor South Quay Building, 189 Marsh Wall, London, E149SH, United Kingdom	Sales	Ordinary 100%

Notes *(continued)*

12 Investments *(continued)*

The closing reserves of Guinness World Records Limited at 31 December 2016 are £5,042,000 (2015: £6,632,000) and the profit for the year ended 31 December 2016 is £3,910,000 (2015: £5,774,000).

The closing deficit of Ripley Entertainment Limited at 31 December 2016 is £1,218,000 (2015: reserves of £490,000) and the loss for the year ended 31 December 2016 is £1,708,000 (2015: £482,000).

The closing reserves of Guinness World Records Japan KK at 31 December 2016 are £239,000 (2015: £155,000) and the profit for the year ended 31 December 2016 is £84,000 (2015: loss of £5,000).

The closing reserves of Guinness World Records Consulting (Beijing) Limited at 31 December 2016 are £937,000 (2015: £549,000) and the profit for the year ended 31 December 2016 is £388,000 (2015: £442,000).

The closing reserves of GWR (Branch Operations) Ltd. at 31 December 2016 are £1,444,000 (2015: £907,000) and the profit for the year ended 31 December 2016 is £537,000 (2015: £387,000).

13 Stocks

The Group	**2016**	2015
	£000	£000
Work in progress	**203**	93
Finished goods and goods for resale	**280**	152
	483	245

Included in cost of sales for the year ended 31 December 2016 are amounts relating to stocks of £4,509,000 (2015: £5,542,000).

14 Debtors

The Group	**2016**	2015
	£000	£000
Trade debtors	**2,167**	2,731
Other debtors	**160**	137
Amounts owed by fellow undertakings	**88**	91
Prepayments and accrued income	**239**	286
Corporation tax	**479**	-
Deferred tax asset (note 15)	**348**	173
	3,481	3,418

The amounts owed by fellow undertakings represent balances owed by Ripley Entertainment Inc. Amounts owed by group companies are repayable on demand and no interest is charged on these amounts.

Notes *(continued)*

15 Deferred tax

The Group

Deferred tax assets are attributable to the following:

	2016	2015
	£000	£000
Accelerated capital allowances	**(47)**	5
Short-term timing differences	**395**	168
	348	173

16 Creditors: amounts falling due within one year

The Group

	2016	2015
	£000	£000
Trade creditors	**1,946**	472
Other creditors	**132**	175
Amounts owed to fellow undertakings	**5,018**	3,243
Corporation tax	**-**	203
Accruals and deferred income	**4,864**	4,615
	11,960	8,708

The amounts owed to fellow undertakings represent balances owed to Guinness World Records North America Inc. and Great Pacific Switzerland GmbH. Amounts owed to Guinness World Records North America Inc. are repayable on demand and no interest is charged on these amounts. Amounts owed to Great Pacific Switzerland GmbH represent the current portion of long-term non-revolving loan (notes 17 and 18).

The Company

	2016	2015
	£000	£000
Amounts owed to fellow undertakings	**1,000**	1,000

The amounts owed to fellow undertakings represent the current portion of long-term non-revolving loan owed to Great Pacific Switzerland GmbH (notes 17 and 18).

Notes *(continued)*

17 Creditors: amounts falling due after more than one year

The Group & Company

	2016	2015
	£000	£000
Amounts owed to fellow undertakings	**27,607**	28,607
Less: amounts falling due within one year (note 16)	**(1,000)**	(1,000)
	26,607	27,607

The amounts owed to fellow undertakings represent a non-revolving term loan owed to Great Pacific Switzerland GmbH, fellow subsidiary undertaking of Jim Pattison Ltd. The term loan is repayable in quarterly instalments of £250,000, secured by a promissory note, bearing interest at 4%, and maturing on June 30, 2020.

18 Interest bearing loans and borrowings

	2016	2015
	£000	£000
The Group & Company		
Creditors falling due after more than one year	**26,607**	27,607

	2016	2015
	£000	£000
The Group & Company		
Creditors falling due within one year	**1,000**	1,000

Notes *(continued)*

19 Provisions for liabilities

The Group

	Returns provisions	Other provisions	Total
	£000	£000	£000
At 1 January 2016	1,803	1,962	3,765
Utilised during period	(1,803)	(91)	(1,894)
Additional amounts provided	1,727	-	1,727
At 31 December 2016	**1,727**	**1,871**	**3,598**

The provision for returns represents management's estimates for future returns of sold publications and merchandise and is based on historical sales and return rates, as well as current market conditions. The majority of the other provisions relate to a litigation case in India referred to in the Strategic Report.

20 Called up share capital

The Group & Company

	2016	2015
	£000	£000
Allotted, called up and fully paid		
29,217 Ordinary shares of £1,000 each	**29,217**	29,217

21 Dividends

The aggregate amount of dividends comprises:

	2016	2015
	£000	£000
Interim dividends paid in respect of the current year	**2,500**	3,000
	2,500	3,000

On 28 April 2016 a cash dividend of £2.5 million was approved and paid to Jim Pattison Entertainment Ltd.

The aggregate amount of dividends proposed and not recognised as liabilities as at the year-end is £nil (2015: £nil).

Notes *(continued)*

22 Operating Lease Commitments

At 31 December 2016, the Group had total commitments under non-cancellable operating leases as follows:

	2016 Land and Buildings £000	2015 Land and Buildings £000
Within one year	**501**	255
Between one and five years	**1,724**	91
More than five years	**1,242**	-
	3,467	346

23 Related Party Transactions

The Group

The Group is a wholly owned subsidiary of Jim Pattison Entertainment Ltd.

During the year, the Group received £5,036,000 in sales included in turnover *(2015: £6,347,000)* from Guinness World Records North America, Inc. and Ripley Entertainment Inc., fellow subsidiaries undertaking of Jim Pattison Ltd.

During the year, the Group paid £1,945,000 in marketing and sales services included in cost of sales *(2015: £1,676,000)* to Guinness World Records North America, Inc., fellow subsidiary undertaking of Jim Pattison Ltd.

During the year, the Group paid £1,132,000 *(2015: £960,000)* in interest included in interest payable and similar charges to Great Pacific Switzerland GmbH, fellow subsidiary undertaking of Jim Pattison Ltd.

During the year, the Group paid £282,000 in management fees included in administrative expenses (2015: £106,000) to Great Pacific Capital Corp., fellow subsidiary undertaking of Jim Pattison Ltd.

During the year, the Group paid £931,000 (2015: £998,000) in key management compensation included in administrative expenses.

During the 2015, the Group received £89,000 in sales included in profit on discontinued operations from Ripley Entertainment Inc., a fellow subsidiary undertaking of Jim Pattison Ltd.

At 31 December 2016, the Group owed £4,018,000 included in creditors, (2015: £2,243,000) to Guinness World Records North America Inc., fellow subsidiary undertaking of Jim Pattison Ltd. (note 16).

At 31 December 2016, the Group owed £27,607,000 included in creditors, (2015: £28,607,000) to Great Pacific Switzerland GmbH, fellow subsidiary undertaking of Jim Pattison Ltd. (note 17).

At 31 December 2016, the Group was owed £88,000 included in debtors, *(2015: £91,000)* from Ripley Entertainment Inc., fellow subsidiary undertaking of Jim Pattison Ltd. (note 14).

Notes *(continued)*

23 Related Party Transactions *(continued)*

The Company

The Company is a wholly owned subsidiary of Jim Pattison Entertainment Ltd.

During the year, the Company paid £1,132,000 in interest (2015: £960,000) to Great Pacific Switzerland GmbH, fellow subsidiary undertaking of Jim Pattison Ltd.

During the year, the Company paid £282,000 in management fees (2015: £106,000) to Great Pacific Capital Corp., fellow subsidiary undertaking of Jim Pattison Ltd.

The Company has taken advantage of the exemption available under FRS 102 from disclosing transactions with other group undertakings that form part of the wholly owned Group.

24 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Jim Pattison Entertainment Ltd. which is the immediate parent company. The ultimate parent company is Jim Pattison Ltd. whose registered office is situated at 18th Floor, 1067 West Cordova Street, Vancouver, British Columbia, Canada V6C 1C7.

The largest group in which the results of the Company and its group are consolidated is that headed by Jim Pattison Entertainment Ltd, whose registered office is situated at 18th Floor, 1067 West Cordova Street, Vancouver, British Columbia, Canada V6C 1C7. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are not available to the public.

25 Subsequent events

On 24 April 2017 the Company paid a dividend to its parent Jim Pattison Entertainment Ltd. of £2,000,000.

26 Discontinued operations

In May 2014, the Company notified its employees that the publishing operations would be terminated no later than 31 March 2015, as a fellow subsidiary of Jim Pattison Ltd., Ripley Entertainment Inc., would be setting up its own publishing operations in Orlando, Florida. The employees were guaranteed employment until the end of 2014. The results of operation of the publishing services have been presented as discontinued operations in the profit and loss account.

The Company has also decided not to extend its management services agreement ending in September 2017 which relates to the operation of the Ripley museum in London. The results of operation from this line of business have been presented in discontinued operations.