

WILEY

John Wiley & Sons A/S

Rosenørns Alle 1

1970 Frederiksberg

CVR no 24 20 78 54

Annual Report 2015/16

Approved at the Company's annual general meeting on 21 June 2016

As chairman:



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Miriam Maus

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of John Wiley & Sons A/S for the financial year 1 May 2015 - 30 April 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

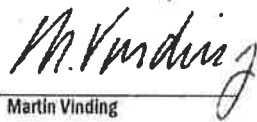
It is our opinion that the financial statements give a true and fair view of the Company's financial position at 30 April 2016 and of the results of the Company's operations for the financial year 1 May 2015 - 30 April 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

21 June 2016

Executive Board:



Martin Vinding

Board of Directors:



Miriam Maus
Chairman



Martin Vinding

Independent auditors' report

To the shareholders of John Wiley & Sons A/S

Independent auditors' report on the financial statements

We have audited the financial statements of John Wiley & Sons A/S for the financial year 1 May 2015 – 30 April 2016, which comprise income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 April 2016 and of the results of its operations for the financial year 1 May 2015 – 30 April 2016 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 21 June 2016

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Claus Tanggaard Jacobsen
State Authorized Public Accountant

Management's review

Company details

Name	John Wiley & Sons A/S
Address, zip code, city	Rosenørns Alle 1, 1970 Frederiksberg
CVR no.	24 20 78 54
Established	1951-03-28
Registered office	Copenhagen
Financial year	1 May – 30 April
Website	www.wiley.com
Telephone	+45 77 33 33 33
Board of Directors	Miriam Maus, Chairman Martin Vinding
Executive Board	Martin Vinding
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Oswald Helmuths Vej 4, 2000 Frederiksberg CVR: 30 70 02 28

Management's review

Operating review

Principal activities of the Company

The company's principal activities are to publish scientific and medical journals that are either owned by the company or published on behalf of learned societies, and to provide information solutions to the pharmaceutical industry. We deliver high quality publishing services, and not least our Scandinavian and European customers and partners benefit from the company's expertise and international contacts and network. We strive to realize the full potential of our journals portfolio and various partnerships by creating the optimal framework for internal and external stakeholders to engage and perform at their best, as well as pursuing new business opportunities related to journal publishing.

Uncertainty regarding recognition and measurement

None

Unusual circumstances

None

Development in activities and financial matters

During the year the company's employees have been successfully integrated into a new structure for Wiley's journals business. We have been involved in the renewal of 6 society contracts and contributed to Wiley's strategically important shift from print to digital publishing. At the beginning of calendar year 2016, 46% of the journals we manage had transitioned to online-only publication.

The company's success depends largely on the commitment of the employees. Early in the year the company added two new staff, both members of Wiley's Educational Sales team. We have employed an average of 11 FTE employees this year while at the year end the company has 12 employees, 2 more than at the end of 2014/15.

The company's turnover decreased by 8.6% compared to last year due to a 14.7% decline in our license fees while our service fee grew by 4.5%. Due to the increased number of employees our staff costs increased by 6.6%. However, the total costs grew by only 0.6% mainly due to a full year's impact of a new sublease contract that reduced working space in the office by 33%. The net result is 16 million for the year, an 11.8% drop compared to last year.

Key factors behind the declining license fees and the resulting lower net profit are: a) 13 months of licence fees were recognised in the 2014/15 financial statements whereas this year's statements include the normal 12 months of license fees, and b) from January 2016 the company started calculating the license fees based on actual number of months and no longer taking into account the actual number of journal issues published which means that the revenues from license fees are more evenly spread out during the year instead of a historic tendency to lump in January and April.

In it proposed at the Annual General Meeting that the profit for the period 1 May 2015 to 30 April 2016 is distributed as follows (DKK'000):

Dividend to capital owners:	4,000
Increase in retained profit:	11,952
Total:	15,952

The total share capital is held by Blackwell Science (Overseas Holdings) Ltd., Chichester UK, being a wholly owned subsidiary of John Wiley & Sons Inc., Hoboken USA.

Events after the balance sheet date

No significant events have occurred subsequent to the financial year.

Financial statements for the period 1 May 2015 – 30 April 2016

Income statement

Note	DKK'000	2015/2016	2014/2015
2	Revenue		
	License Fee	18,871	22,136
	Service Fee	11,041	10,561
	Copyrights	70	97
	Gross profit	<u>29,983</u>	<u>32,794</u>
3	Staff costs	6,690	6,276
7	Depreciation, amortisation and Impalment losses	51	80
	Administrations costs	2,020	2,513
	Other operating costs	718	556
	Operating profit	<u>20,504</u>	<u>23,369</u>
4	Financial income	186	316
5	Financial expenses	233	14
	Profit before tax	<u>20,457</u>	<u>23,671</u>
6	Tax on profit for the year	4,506	5,590
	Profit for the year	<u>15,952</u>	<u>18,081</u>
	Proposed profit appropriation		
	Proposed dividend	4,000	-
	Retained earnings	11,952	18,081
		<u>15,952</u>	<u>18,081</u>

Financial statements for the period 1 May 2015 – 30 April 2016

Balance sheet

Note	DKK'000	2015/2016	2014/2015
	Assets		
7	Property, plant and equipment		
	Fixtures and fittings, tools and equipment	152	202
		<u>152</u>	<u>202</u>
	Receivables		
	Deposit	408	400
		<u>408</u>	<u>400</u>
	Total non-current assets	<u>560</u>	<u>602</u>
	Current assets		
	Receivables		
	Amounts owed by affiliated companies, UK	3,831	4,761
	Amounts owed by affiliated companies, US	30	-
	Deferred tax	34	34
	Other receivables	51	8
	Prepayments	38	237
		<u>3,983</u>	<u>5,040</u>
	Cash at hand and in bank	<u>17,708</u>	<u>50,619</u>
	Total current assets	<u>21,691</u>	<u>55,659</u>
	TOTAL ASSETS	<u>22,251</u>	<u>56,261</u>

Financial statements for the period 1 May 2015 – 30 April 2016

Balance sheet

Note	DKK'000	2015/2016	2014/2015
	Equity and liabilities		
8	Equity		
	Share capital	12,000	12,000
	Retained earnings	720	35,768
	Proposed dividend	4,000	-
	Total equity	<u>16,720</u>	<u>47,768</u>
	Current liabilities other than provisions		
	Trade payables	13	171
	Payables to group enterprises	-	46
	Corporation tax	3,504	6,932
	Other payables	2,015	1,344
		<u>5,531</u>	<u>8,493</u>
	Total liabilities	<u>5,531</u>	<u>8,493</u>
	Total equity and liabilities	<u>22,251</u>	<u>56,261</u>

- 1 Accounting policies
- 9 Contractual obligations and contingencies, etc.
- 10 Contingent Liabilities
- 11 Related party disclosures

Financial statements for the period 1 May 2015 – 30 April 2016

Notes to the financial statements

1 Accounting policies

The annual report of John Wiley & Sons A/S for 2016 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are measured at the exchange rate at the transactions date.

Income statement

Revenue

Incomes from License Fee and Service Fee as well as Copyrights are recognised in revenue.

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes.

Service Fee is calculated as a mark-up for the total cost of the Copenhagen office.

Other operating costs

Other external costs include the year's expenses relating to the entity's core activities, including expenses relating to administration, travelling, premises etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Financial statements for the period 1 May 2015 – 30 April 2016

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, charges, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are subsequently measured at cost less accumulated depreciation.

The basis of depreciation is cost less expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

Financial statements for the period 1 May 2015 – 30 April 2016

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at actual value on balance date. Write-down is made for bad debt losses when there is objective evidence that a receivable has been impaired. Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity – dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

The Company is jointly taxed with Wiley ApS and Discover A/S as Danish subsidiaries to John Wiley & Sons Inc. The Company act as the administrative Company. The current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. The jointly taxed companies are taxed under the on-account tax scheme.

Liabilities

Financial liabilities comprising amounts owed to credit institutions, trade payables.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 May 2015 – 30 April 2016

Notes to the financial statements

2 Revenue

DKK	2015/2016			2014/2015		
	UK	USA	Total	UK	USA	Total
License Fee	18,302	570	18,871	21,062	1,074	22,136
Service Fee	11,041	-	11,041	10,561	-	10,561
Copyrights	-	-	70	-	-	97
	<u>29,343</u>	<u>570</u>	<u>29,983</u>	<u>31,623</u>	<u>1,074</u>	<u>32,794</u>

DKK'000	2015/2016	2014/2015
3 Staff costs		
Wages and salaries	6,096	5,713
Pensions	506	460
Other social security costs	88	102
	<u>6,690</u>	<u>6,276</u>
Average number of full-time employees	<u>11</u>	<u>11</u>

By reference to section 98b (3), (ii), of the danish Financial Statement Act remuneration to Management is not disclosed. No remuneration was paid to the Board of Directors in the year.

4 Financial Income

Other interest income	117	-
Foreign exchange adjustments	69	316
	<u>186</u>	<u>316</u>

5	Financial expenses		
	Interest expense, banks	98	2
	Interest supplement surcharge, corporation tax	135	12
		<u>233</u>	<u>14</u>

6	Tax on profit for the year		
	Computed tax on the taxable income for the year	4,341	5,577
	Adjustment of deferred tax for the year	2	3
	Adjustment to tax relating to previous years	163	10
		<u>4,506</u>	<u>5,590</u>

7	Property, plant and equipment	
	DKK	Fixtures and fittings, tools and equipment
	Cost at 1 May 2015	1,073
	Additions	-
	Disposals	<u>-</u>
	Cost at 30 April 2016	<u>1,073</u>
	Impairment and depreciation at 1 May 2015	871
	Depreciation	51
	Depreciation, assets disposed of	<u>-</u>
	Impairment and depreciation at 30 April 2016	<u>922</u>
	Carrying amount at 30 April 2016	<u><u>151</u></u>

Notes to the financial statements

8 Equity

DKK	Share capital	Retained earnings	Proposed dividends	Total
Balance at 1 May 2015	12,000	35,768		47,768
Proposed dividends	-	-	- 47,000	- 47,000
Dividends paid	-	- 47,000	47,000	-
Transferred; see profit appropriation	-	11,952	4,000	15,952
Balance at 30 April 2016	12,000	720	4,000	16,720

Changes in share capital for the past five years can be specified as follows:

DKK	2016	2015	2014	2013	2012
Balance at 1 May	12,000	12,000	12,000	12,000	12,000
Cash capital increase	-	-	-	-	-
	12,000	12,000	12,000	12,000	12,000

DKK	2015/2016	2014/2015
Share capital		
The share capital consists of the following:		
1 share of DKK 1,000,000	1,000	1,000
20 shares of DKK 500,000	10,000	10,000
1 share of DKK 200,000	200	200
3 shares of DKK 100,000	300	300
123 shares of DKK 4,000	492	492
4 shares of DKK 2,000	8	8
	12,000	12,000

9 Contractual obligations and contingencies, etc.

Operating leases

Rent liabilities totalling DKK 786 thousand (2014/15: DKK 761 thousand) relating to contract that is non-cancellable for 6 months.

10 Contingent Liabilities

The Company is jointly taxed with Danish entities Wiley ApS and Discover A/S as Danish subsidiaries to John Wiley & Sons Inc. As the administrative company, the Company has joint and several unlimited liability for Danish corporation taxes. Any subsequent corrections of the taxable income subject to joint taxation may entail that the Company's liability will increase

Notes to the financial statement

11 Related party disclosures

John Wiley & Sons A/S' related parties comprise the following:

Parties exercising control

Blackwell Science (Overseas Holdings) Ltd

John Wiley & Sons Ltd

Executive board

Board of Directors

Other related parties transactions

Transactions with related parties consist of service and license fee to affiliated companies in UK and US

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

John Wiley & Sons, Inc. is the ultimate shareholder

The Groups Statutory Account can be required at the following address:

Corporate Headquarters

111, River Street

Hoboken

07030 New Jersey

USA