

John Wiley & Sons A/S

Holbergsgade 14, 2 tv, 1057 Copenhagen K

CVR no. 24 20 78 54

Annual report 2020/2021

Approved at the Company's annual general meeting on 17 September 2021

Chairman: Ursula Smith

Ursula Smith

Ursula Smith (Sep 17, 2021 14:41 GMT+1)

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COMPANY INFORMATION

Entity

John Wiley & Sons A/S
Holbergsgade 14, 2 tv
1057 Copenhagen K

Company CVR: 24 20 78 54

Financial year: 2020-05-01 - 2021-04-30

Directors

Ursula Smith
Chairman

Guido Herrmann

Martin Vinding

Executive Board

Martin Vinding

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Alle 36
2000 Frederiksberg
Copenhagen

Telephone number: +45 7323 3000

MANAGEMENT'S REVIEW SUMMARY REPORT

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of John Wiley & Sons A/S for the financial year 1 May 2020 - 30 April 2021.

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

In our opinion, the company financial statements give a true and fair view of the company's financial position at 30 April 2021 and of the results of the company's operations and cash flows for the financial year 1 May 2020 - 30 April 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the company's operations and financial matters and the results of the company's operations and financial position.

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

Signing date: 17 September 2021

Executive Board:


Martin Vinding (Sep 17, 2021 13:57 GMT+2)

Martin Vinding

Board of Directors:


Ursula Smith (Sep 17, 2021 14:41 GMT+1)

Ursula Smith
Chairman



Guido Herrmann


Martin Vinding (Sep 17, 2021 13:57 GMT+2)

Martin Vinding

**Independent auditor's report
To the shareholders of John Wiley & Sons A/S**

Opinion

We have audited the financial statements of John Wiley & Sons A/S for the financial year 1 May 2020-30 April 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 April 2021 and of the results of the Company's operations for the financial year 1 May 2020- 30 April 2021 in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the company's financial position at 30 April 2021, and of the results of the company operations for the financial year 1 May 2020- 30 April 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report To the shareholders of John Wiley & Sons A/S

Auditor's responsibilities for the extended review of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

**Independent auditor's report
To the shareholders of John Wiley & Sons A/S**

Statement on the Management's review (continued)

In connection with our extended review of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

EY Godkendt Revisionspartnerselskab
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus Tanggaard Jacobsen
State Authorised Public Accountant
mne23314


Claus Tanggaard Jacobsen (Sep 22, 2021 19:40 GMT+2)

Morten Weinreich Larsen
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Morten W. Larsen
Morten W. Larsen (Sep 20, 2021 10:07 GMT+2)

MANAGEMENT'S REVIEW

Management commentary

Business review

The company's principal activities are three-fold: to publish scientific and medical journals, to provide editorial as well as sales promotion and marketing services on journals and books published out of the UK or US, and to provide business development services on American HR products. Not least our Scandinavian and European customers and partners benefit from the company's expertise and international contacts and network. The company strives to realize the full potential of our portfolios and various partnerships by creating the optimal framework for internal and external stakeholders to engage and perform at their best.

Financial review

In 2020/21 an average of 19 FTE employees were employed which is a decrease from 23 in 2019/20. At the end of the financial year the company had 19 employees.

The company's turnover decreased by 2.87% compared to last year mainly due to a 11.75% decrease in service fees for the year offset by an increase in license fees of 6.89%. Total costs decreased by 15.2% primarily because of lower staff costs. The net result is 19 million for the year, a 7.18% increase compared to prior year.

Capital resources

It is proposed at the Annual General Meeting that the profit for the period 1 May 2020 to 30 April 2021 is distributed as follows (DKK'000):

Dividend to capital owners: 9,000

Retained profit: 660

Total: 9,660

During the year and extraordinary dividend of DKK 9 million has been paid.

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.

Recognition and measurement uncertainties

None.

Unusual matters

None.

Events after the balance sheet date

The company expects decrease in costs, and therefore service fees, due to effect of Covid-19 however both the short and long-term effect is subject to uncertainty.

STATEMENT OF PROFIT OR LOSS 1/05 - 30/04

	Note	2020/2021 DKK000	2019/2020 DKK000
Revenue			
Service fee		19,793	22,428
Licence fee		21,851	20,442
Copyrights & other revenue		111	117
Gross Margin			
Staff costs	2	(14,545)	(15,609)
Amortisation, depreciation and impairment losses	6	(549)	(513)
Other operating expenses		(2,478)	(4,599)
Operating Profit			
Financial income	3	328	93
Finance expenses	4	(442)	(156)
PROFIT BEFORE TAX			
Income tax expense	5	(5,409)	(4,885)
PROFIT FOR THE YEAR			
		18,660	17,318

STATEMENT OF FINANCIAL POSITION 30/04

	Note	2020/2021 DKK000	2019/2020 DKK000
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Fixtures and fittings, plant and equipment	6	606	1,511
		<u>606</u>	<u>1,511</u>
<i>Other non-current assets</i>			
Deposits, investments		380	380
		<u>380</u>	<u>380</u>
Total non-current assets		<u>986</u>	<u>1,891</u>
<i>Receivables</i>			
Prepayments		313	482
Receivables from associates		14,328	6,255
Corporation tax receivable		59	345
		<u>14,700</u>	<u>7,082</u>
Cash		<u>13,223</u>	<u>30,533</u>
Total current assets		<u>27,923</u>	<u>37,615</u>
TOTAL ASSETS		<u>28,909</u>	<u>39,506</u>
Equity and liabilities			
<i>Equity</i>			
Share capital	7	12,000	12,000
Retained earnings		10,732	1,070
Dividend proposed for the year		0	17,000
Equity holders' share of equity		<u>22,732</u>	<u>30,070</u>
Total equity		<u>22,732</u>	<u>30,070</u>
<i>Non-current liabilities</i>			
Deferred tax		52	52
Other payables		1,626	1,076
Total non-current liabilities		<u>1,678</u>	<u>1,128</u>

STATEMENT OF FINANCIAL POSITION 30/04 (continued)

	Note		
		2020/2021	2019/2020
		DKK000	DKK000
<i>Current liabilities</i>			
Trade payables		176	398
Payables to group enterprises		0	2,990
Other payables		2,590	3,009
Corporation tax payable		1,733	1,911
Total current liabilities		4,499	8,308
Total liabilities		6,177	9,436
Total equity and liabilities		28,909	39,506

STATEMENT OF CHANGE IN EQUITY

30 April

	Note	Share Capital DKK000	Retained earning DKK000	Dividend proposed for the year DKK000	Total DKK000
Equity at 1 May 2020		12,000	1,072	17,000	30,072
Dividend distribution		0	0	(17,000)	(17,000)
Extraordinary dividend		0	(9,000)	0	(9,000)
Transfer, see "Appropriation of profit/loss"	10	0	9,660	9,000	18,660
Equity at 30 April 2021		12,000	1,732	9,000	22,732

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The annual report of John Wiley & Sons A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

1.1 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 rate at the transaction date and the rate 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 closing rates. The difference between the exchange rates at the balance sheet date and 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 currency are measured at the exchange rate at the transaction date.

1.2 Income statement

(a) Revenue

The company has chosen IAS 11/IAS 18 as interpretation for revenue for recognition.

(i) Revenue from the sale of services

Income from licence fee and service fee as well as copyrights and other revenue 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.

(b) 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.

(c) Other operating expenses

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

(d) Financial income and expenses

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(e) Tax 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.

1.3 Balance sheet

(a) Property, plant and equipment

Fixtures and fittings, tools and equipment are 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 determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Scrap values for tangible assets are revised annually.

(b) Impairment of assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

(c) Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down on financial receivables.

Receivables are measured at actual value on the 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.

(d) Prepayments

Prepayments recognised under current assets comprise expenses incurred concerning subsequent financial years.

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies (continued)****(e) Equity***(i) Dividend*

Dividend proposed for the year is recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

(f) Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and 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 base 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 base of tax loss carry-forwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within 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.

(g) Liabilities

Financial liabilities comprising amounts owed to group enterprises and trade payables.

Other liabilities are measured at net realisable value. Non-current liabilities consist of accrued holiday allowance.

1.4 Cash flow statement**(a) Cash and cash equivalents**

Cash and cash equivalents comprises cash, which is subject to only minor risks of changes in value.

2. Staff costs and incentive plans

	2020/2021 DKK000	2019/2020 DKK000
Wages and salaries	13,433	14,056
Pensions	958	1,163
Other social security costs	154	390
	<u>14,545</u>	<u>15,609</u>
Average number of full-time employees	<u>19</u>	<u>23</u>

NOTES TO THE FINANCIAL STATEMENTS

3. Financial income

	2020/2021 DKK000	2019/2020 DKK000
Foreign exchange gains	328	59
Other interest income	0	34
	<u>328</u>	<u>93</u>

4. Financial expenses

	2020/2021 DKK000	2019/2020 DKK000
Foreign exchange losses	14	99
Other interest expenses	428	57
	<u>442</u>	<u>156</u>

5. Tax for the year

	2020/2021 DKK000	2019/2020 DKK000
<i>Tax for the year</i>		
Current tax charge for the year	5,409	4,886
Adjustment of the deferred tax charge for the year	0	(1)
	<u>5,409</u>	<u>4,885</u>

NOTES TO THE FINANCIAL STATEMENTS

6. Property, plant and equipment

30 April

2021

	Fixtures and fittings, plant and equipment DKK000
Cost at 1 May 2020	2,798
Additions	22
Disposals	(592)
Cost at 30 April 2021	<u>2,228</u>
Depreciation and impairment losses at 1 May 2020	1,287
Depreciation	549
Disposals	(214)
Depreciation and impairment losses at 30 April 2021	<u>1,622</u>
Carrying amount at 30 April 2021	<u><u>606</u></u>

7. Share capital

	2020/2021 DKK000	2019/2020 DKK000
<i>The share capital comprises:</i>		
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
	<u>12,000</u>	<u>12,000</u>

8. Contractual obligations and contingencies, etc.

8.1 Operating lease liabilities

Rent liabilities totalling DKK nil (2020: DKK 791 thousand) relating to remaining period of leasehold contract cancelled as of May 1 2021.

9. Related parties

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

NOTES TO THE FINANCIAL STATEMENTS**9. Related parties (continued)****9.1 Parties exercising control**

Blackwell Science Ltd (Overseas Holdings)

John Wiley & Sons Ltd

Executive board

Board of Directors

9.2 Related party transactions

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

9.3 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:

Blackwell Science Ltd is the parent company.

John Wiley & Sons, Inc. is the ultimate shareholder.

John Wiley & Sons, Inc. presents consolidated financial statements for the Group which includes the financial figures for John Wiley & Sons A/S. The consolidated financial statements for the Group can be required at the following address:

Corporate Headquarters

111, River Street
Hoboken
07030 New Jersey
USA

<https://www.wiley.com/en-us/investors>

10. Appropriation of profit/loss

	2020/2021 DKK000	2019/2020 DKK000
<i>Recommended appropriation of profit/loss</i>		
Dividends paid in the year	9,000	0
Dividend proposed for the year	9,000	17,000
Transferred to reserve under equity	660	320
	<u>18,660</u>	<u>17,320</u>









John Wiley & Sons AS Denmark Final unsigned

Final Audit Report

2021-09-22

Created:	2021-09-17
By:	Masa Mirkovic (mmirkovic@wiley.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAhnrkOcVZE8uFZPJxII4XkLEMCPw5qL

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 Agreement completed.

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