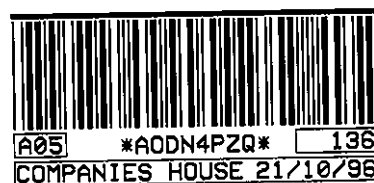


JOHN WILEY & SONS LIMITED

ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1996
TOGETHER WITH DIRECTORS' AND AUDITORS'
REPORTS



THE COMPANY'S REGISTERED NUMBER IS: 641132

JOHN WILEY & SONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 1996

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 30 April 1996.

PRINCIPAL ACTIVITY:

The principal activity of the company continues to be the publishing of scientific, technical and professional books and journals.

BUSINESS REVIEW:

Company turnover and profits for the year were:

	1996 £000s	1995 £000s
Turnover	40,964	36,477
Profit on ordinary activities before taxation	5,482	5,209

Our core STM (scientific, medical, technical) business continued to develop in line with our strategic plans, despite the continuing underfunding of academic libraries around the world. In this regard, our strategy to develop more publications with less dependency on the institutional library and more on professional and industrial markets is proving successful.

This approach was exemplified in our Professional division's performance, which achieved (and in some cases surpassed) very challenging sales and profit targets, while at the same time securing valuable copyrights for future publication.

Newer businesses such as our College group and encyclopaedias performed to plan, and new senior appointments in marketing and copyright licensing have been effective in their contribution.

FUTURE PROSPECTS:

The directors believe the company to be well placed to continue delivering revenue and profit growth in all its major areas of operation.

An additional dimension exists in the coming years following the acquisition by John Wiley & Sons Ltd's ultimate parent company of a leading German chemistry publisher, VCH (Verlag Chemie), making Wiley both the largest worldwide, as well as European, chemistry publisher - an enviable position in one of the core scientific publishing areas, and one that John Wiley & Sons Ltd should benefit from.

DIRECTORS' REPORT (continued)

RESULTS AND DIVIDENDS:

Results for the year are as follows:

	£000s
Retained profit at 1 May 1995	4,066
Profit for the financial year	3,595
Dividend paid	<u>(3,100)</u>
Retained profit at 30 April 1996	<u>4,561</u>

Dividends of £3,100,000 were paid during the year (1995 - £3,100,000).

DIRECTORS AND THEIR INTERESTS:

The directors of the company during the year were:

Dr J H Jarvis (Managing Director)	
C J Dicks	
Dr M Dixon	(Resigned on 31st May 1996)
C R Ellis (USA)	(Resigned on 28th March 1996)
P W Ferris	
R C Long	
R S R Mair	
W J Pesce (USA)	(Appointed on 28th March 1996)

No director has any interests required to be disclosed under the provisions of the Companies Act 1985.

DIRECTORS' RESPONSIBILITIES:

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT (continued)

DIRECTORS' RESPONSIBILITIES (continued):

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FIXED ASSETS:

Information relating to changes in fixed assets is given in Notes 9 and 10 to the accounts.

CHARITABLE DONATIONS:

The company contributed £27,000 (1995 - £17,000) to charities.

DISABLED EMPLOYEES:

Applications for employment of disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

EMPLOYEE CONSULTATION:

The company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

LIABILITY INSURANCE FOR COMPANY OFFICERS:

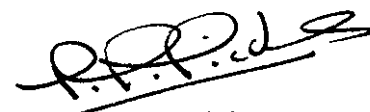
John Wiley & Sons, Inc. has maintained insurance cover which includes cover for the directors of the company against liabilities in relation to the company.

AUDITORS:

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

BY ORDER OF THE BOARD,

Baffins Lane
Chichester
Sussex PO19 1UD



C J Dicks
Secretary

24th June 1996

AUDITORS' REPORT

To the Shareholders of **John Wiley & Sons Limited**:

We have audited the accounts on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS:

As described on pages 2 and 3, the directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

BASIS OF OPINION:

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION:

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors
1 Surrey Street
London WC2R 2PS

24th June 1996

JOHN WILEY & SONS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 1996

	Notes	1996 £000s	1995 £000s
TURNOVER	2	40,964	36,477
Cost of sales		<u>(21,549)</u>	<u>(19,390)</u>
GROSS PROFIT		19,415	17,087
Other operating expenses	3	<u>(14,416)</u>	<u>(12,580)</u>
OPERATING PROFIT		4,999	4,507
Other income (net)	4	<u>483</u>	<u>702</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	5,482	5,209
Tax on profit on ordinary activities	7	<u>(1,887)</u>	<u>(1,867)</u>
PROFIT FOR THE FINANCIAL YEAR		3,595	3,342
Dividend paid	8	<u>(3,100)</u>	<u>(3,100)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		495	242
RETAINED PROFIT, at beginning of year		<u>4,066</u>	<u>3,824</u>
RETAINED PROFIT, at end of year		<u>4,561</u>	<u>4,066</u>

The profits for 1996 and 1995 respectively are reported under the historical cost convention. There are no recognised gains and losses other than those included within the profit for the financial year.


The accompanying notes are an integral part of this profit and loss account.

JOHN WILEY & SONS LIMITED

BALANCE SHEET
AS AT 30 APRIL 1996

	Notes	1996 £000s	1995 £000s
FIXED ASSETS			
Goodwill	9	364	196
Tangible assets	10	<u>3,141</u>	<u>2,753</u>
		<u>3,505</u>	<u>2,949</u>
CURRENT ASSETS			
Stocks	11	5,476	4,663
Debtors	12	13,937	14,498
Cash at bank and in hand		<u>10,353</u>	<u>6,749</u>
		<u>29,766</u>	<u>25,910</u>
CREDITORS: Amounts falling due within one year	14	<u>(26,733)</u>	<u>(22,726)</u>
NET CURRENT ASSETS		<u>3,033</u>	<u>3,184</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,538</u>	<u>6,133</u>
CREDITORS: Amounts falling due after more than one year	15	<u>(1,477)</u>	<u>(1,567)</u>
NET ASSETS		<u>5,061</u>	<u>4,566</u>
CAPITAL AND RESERVES			
Called-up share capital	16	500	500
Profit and loss account		<u>4,561</u>	<u>4,066</u>
SHAREHOLDERS' FUNDS	17	<u>5,061</u>	<u>4,566</u>

SIGNED ON BEHALF OF THE BOARD


 Dr J H Jarvis

Director

24th June 1996

The accompanying notes are an integral part of this balance sheet.

JOHN WILEY & SONS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1996

1. STATEMENT OF ACCOUNTING POLICIES:

The principal accounting policies, all of which have been applied consistently throughout the financial year and the preceding year, are:

a) Basis of accounting:

The accounts have been prepared on the historical cost basis and in accordance with applicable accounting standards.

Under the provisions of Financial Reporting Standard No. 1, the accounts of the company do not include a cashflow statement. The cashflow information is contained in the consolidated accounts of the UK parent company, Wiley Europe Limited (formerly John Wiley (Holdings) Ltd), which is incorporated in England.

b) Turnover:

Turnover represents the invoiced value of goods dispatched to customers, net of value added tax, discounts and returns.

c) Goodwill:

Goodwill, which represents the excess of purchase price over the book value of assets acquired, is shown at cost, and is amortised over a period of 5 to 10 years.

d) Tangible Fixed Assets:

Tangible fixed assets are stated at cost less accumulated depreciation, which is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life as follows:

Leasehold improvements	5-10%
Furniture and fixtures	15%
Plant and equipment	20-33%
Motor cars	25%

e) Stocks:

Stocks comprise work-in-progress and finished goods, which are valued at the lower of first-in, first-out cost and net realisable value.

Net realisable value is based on normal selling price less further costs expected to be incurred to completion and sale. Provision is made for obsolete, slow-moving or defective items where appropriate.

Included within Stock and Work in Progress are composition costs which are charged to the Profit and Loss account over three years on a reducing balance basis.

NOTES TO THE ACCOUNTS (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued):

f) Corporation Tax:

Corporation tax payable is provided on taxable profits at the current rate.

Advance corporation tax on dividends paid in the year is recoverable against corporation tax payable, and is only written off where recoverability cannot be reasonably assured.

g) Deferred taxation:

Deferred taxation (which arises from differences in the timing of the recognition of items in the accounts and by the tax authorities) has been calculated on the liability method. Deferred tax is provided on timing differences, which will probably reverse at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

h) Editorial costs:

Editorial and related costs are expensed as incurred.

i) Royalty expense and advances:

Royalty expense is accrued at the time of sale and included in accruals and deferred income. Royalty advances are included in prepayments and accrued income.

j) Foreign currency translation:

Transactions expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the transaction date and amounts receivable and payable in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Any gain or loss resulting from a change in exchange rates subsequent to the date of the transaction is taken directly to the profit and loss account.

k) Subscription revenues:

Subscription revenues are generally collected in advance. These revenues are deferred and recognised when the related issue is sent to subscribers.

NOTES TO THE ACCOUNTS (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

l) Pension costs:

Retirement benefits for employees are provided by a defined benefit scheme which is funded by contributions from the company. The assets of the pension fund are held independently of the company. The amount charged to the profit and loss account represents the estimated regular cost of providing the benefits accrued in the year adjusted by spreading surpluses across the remaining average service life of employees in accordance with the requirements of the Statement of Standard Accounting Practice No. 24. Any differences between amounts charged to the profit and loss account and contributions is shown as a creditor in the balance sheet.

m) Leases:

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Further information is given in note 18a.

2. SEGMENT INFORMATION:

Contributions to turnover were as follows:

By geographical area -	1996 £000s	1995 £000s
United Kingdom	12,536	11,286
Continental Europe	12,974	10,979
Africa	751	676
United States	6,714	6,265
Rest of the World	<u>7,989</u>	<u>7,271</u>
	<u>40,964</u>	<u>36,477</u>

The company has a single class of business which is the publishing of scientific, technical and professional books and journals.

3. OTHER OPERATING EXPENSES:

	1996 £000s	1995 £000s
Distribution costs	2,001	1,872
Selling and marketing costs	5,636	5,094
Editorial	2,921	2,125
Administrative expenses	<u>3,858</u>	<u>3,489</u>
	<u>14,416</u>	<u>12,580</u>

NOTES TO THE ACCOUNTS (continued)

4. OTHER INCOME (NET):

	1996 £000s	1995 £000s
Interest receivable and similar income	675	493
Interest payable and similar charges on overdrafts and other loans		
- repayable within five years, not by instalments	-	(33)
Foreign exchange (losses)/gains	<u>(192)</u>	<u>242</u>
	<u>483</u>	<u>702</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:

Profit on ordinary activities before taxation is stated after charging/(crediting):

	1996 £000s	1995 £000s
Amortisation of goodwill	97	78
Depreciation	1,123	938
(Profit)/loss on disposal of fixed assets	(25)	13
Operating lease rental -		
• property	670	645
Auditors' remuneration -		
• audit	54	53
• non audit services	39	36
Staff costs (note 6)	<u>8,497</u>	<u>7,271</u>

6. STAFF COSTS

Employee costs during the year amounted to:

	1996 £000s	1995 £000s
Wages and salaries	7,190	6,067
Social security costs	505	444
Other pension costs (note 18c)	<u>802</u>	<u>760</u>
	<u>8,497</u>	<u>7,271</u>

The average number of persons employed by the company during the year was as follows:

	1996 (Number)	1995 (Number)
Production and Editorial	112	96
Marketing and Promotion	79	73
Distribution and Customer Service	93	90
Administration	<u>55</u>	<u>52</u>
	<u>339</u>	<u>311</u>

NOTES TO THE ACCOUNTS (continued)

6. STAFF COSTS (continued):

Directors' remuneration:

The employee costs shown above include the following remuneration in respect of directors of the company:

	1996 £000s	1995 £000s
Fees as directors	-	-
Other emoluments (including pension contributions)	<u>631</u>	<u>542</u>
	<u><u>631</u></u>	<u><u>542</u></u>

The directors' emoluments above (excluding pension contributions) were paid as follows:

	1996 £000s	1995 £000s
Emoluments of the highest paid director	<u>135</u>	<u>130</u>

The directors, including the above, received emoluments (excluding pension contributions) in the following ranges:

	1996 (Number of Directors)	1995 (Number of Directors)
£0 - £5,000	2	1
£35,001 - £40,000	-	1
£75,001 - £80,000	1	3
£85,001 - £90,000	3	1
£95,001 - £100,000	1	-
£125,001 - £130,000	-	1
£135,001 - £140,000	<u>1</u>	<u>-</u>
	<u><u>8</u></u>	<u><u>7</u></u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES:

The tax charge is based on the profit for the year and comprises:

	1996 £000s	1995 £000s
Corporation tax at 33% (1995 - 33%)	1,943	1,889
Over provision in prior year	(73)	-
Deferred taxation (note 13)	<u>17</u>	<u>(22)</u>
	<u><u>1,887</u></u>	<u><u>1,867</u></u>

NOTES TO THE ACCOUNTS (continued)

8. DIVIDENDS PAID:

	1996 £000s	1995 £000s
Dividend paid £6.20 (1995 - £6.20)	<u>3,100</u>	<u>3,100</u>

9. GOODWILL

The movement in the year was as follows:

	£000s
COST -	
Beginning of year	389
Additions	<u>265</u>
End of year	<u>654</u>
AMORTISATION -	
Beginning of year	193
Charge for the year	<u>97</u>
End of year	<u>290</u>
NET BOOK VALUE, beginning of year	<u>196</u>
NET BOOK VALUE, end of year	<u>364</u>

10. TANGIBLE FIXED ASSETS

The movement in the year was as follows:

	Leasehold improvements £000s	Furniture & fixtures £000s	Plant & equipment £000s	Motor cars £000s	Total £000s
COST -					
Beginning of year	1,030	1,938	3,190	1,092	7,250
Additions	1	665	554	320	1,540
Disposals	<u>(4)</u>	<u>-</u>	<u>(94)</u>	<u>(181)</u>	<u>(279)</u>
End of year	1,027	2,603	3,650	1,231	8,511
DEPRECIATION -					
Beginning of year	670	1,329	1,991	507	4,497
Charge for the year	91	173	601	258	1,123
Disposals	<u>(5)</u>	<u>-</u>	<u>(91)</u>	<u>(154)</u>	<u>(250)</u>
End of year	756	1,502	2,501	611	5,370
NET BOOK VALUE, beginning of year	<u>360</u>	<u>609</u>	<u>1,199</u>	<u>585</u>	<u>2,753</u>
NET BOOK VALUE, end of year	<u>271</u>	<u>1,101</u>	<u>1,149</u>	<u>620</u>	<u>3,141</u>

NOTES TO THE ACCOUNTS (continued)

11. STOCKS:

The following are included in the net book value of stocks:

	1996	1995
	£000s	£000s
Work-in-progress and unbound books	2,836	1,869
Finished goods	<u>2,640</u>	<u>2,794</u>
	<u>5,476</u>	<u>4,663</u>

12. DEBTORS:

Amounts falling due within one year:

	1996	1995
	£000s	£000s
Trade debtors	7,845	6,830
Amounts owed by ultimate parent company	1,183	2,784
Amounts owed by parent company	1,019	1,017
Amounts owed by other group undertakings	2,286	2,162
Prepayments and accrued income	<u>1,200</u>	<u>1,284</u>
	13,533	14,077
Amounts falling due after one year:		
Deferred tax asset (note 13)	<u>404</u>	<u>421</u>
	<u>13,937</u>	<u>14,498</u>

13. DEFERRED TAX ASSET:

	1996	1995
	£000s	£000s
Excess of tax allowances over book depreciation of fixed assets	21	40
Other timing differences related to -		
• pensions	388	386
• current assets and liabilities	<u>(5)</u>	<u>(5)</u>
	<u>404</u>	<u>421</u>

The movement on deferred taxation comprises:

	1996	1995
	£000s	£000s
Beginning of year	421	399
(Charged)/credited to profit and loss, in respect of:		
• capital	(20)	68
• pensions	2	8
• other timing differences	<u>1</u>	<u>(54)</u>
End of year	<u>404</u>	<u>421</u>

NOTES TO THE ACCOUNTS (continued)

14. CREDITORS:

Amounts falling due within one year:

	1996 £000s	1995 £000s
Trade creditors	3,975	4,545
Amounts owed to other group undertakings	8,862	5,723
Other creditors -		
• UK corporation tax payable	1,630	1,555
• Social security and PAYE	211	191
Accruals	2,056	1,731
Deferred subscription revenue	<u>9,999</u>	<u>8,981</u>
	<u><u>26,733</u></u>	<u><u>22,726</u></u>

15. CREDITORS:

Amounts falling due after more than one year:

	1996 £000s	1995 £000s
Pension accrual (note 18c)	1,207	1,214
Deferred subscription revenue	<u>270</u>	<u>353</u>
	<u><u>1,477</u></u>	<u><u>1,567</u></u>

16. CALLED-UP SHARE CAPITAL:

	1996 £000s	1995 £000s
Authorised:		
500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>
Allotted, called-up and fully-paid:		
500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>

17. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS:

	1996 £000s	1995 £000s
Profit for the financial year	3,595	3,342
Dividend paid	<u>(3,100)</u>	<u>(3,100)</u>
Retained profit for the year	495	242
Shareholders' funds, beginning of year	<u>4,566</u>	<u>4,324</u>
Shareholders' funds, end of year	<u><u>5,061</u></u>	<u><u>4,566</u></u>

NOTES TO THE ACCOUNTS (continued)

18. GUARANTEES AND OTHER FINANCIAL STATEMENTS:

a) Lease commitments:

The company rents office and warehouse premises with leases expiring between 1996 and 2012 at current annual rentals totalling £737,000 (1995 - £686,000). The rents are subject to renegotiation at various intervals specified in the leases.

	Property £000s
<u>1996:</u>	
Operating leases which expire -	
• within 1 year	22
• within 2-5 years	31
• after 5 years	684
	<u>737</u>
<u>1995:</u>	
Operating leases which expire -	
• within 1 year	30
• within 2-5 years	22
• after 5 years	634
	<u>686</u>

b) Capital commitments:

At 30 April 1996 the company had capital commitments of £41,000 (1995 - £108,000), which were authorised but not contracted for.

c) Pension arrangements:

The majority of the employees of the company participate in the John Wiley & Sons Limited Retirement Benefits Scheme. The pension cost for the year was £797,000 (1995 - £760,000) made up of a regular cost of £757,000 (1995 - £713,000) less variations from the regular cost of £63,000 (1995 - £54,000) and notional interest on the accumulated pension accrual of £103,000 (1995 - £101,000).

The pension cost and related liability are assessed in accordance with the advice of a professionally qualified actuary. The latest actuarial valuation was at 1 May 1993 and used the current unit method for lump sum death benefits and the projected unit method for other benefits. The main actuarial assumptions were that salaries would increase by 7% pa, pensions in payment by 4.5% pa and the return on the scheme investment would be 9% pa.

NOTES TO THE ACCOUNTS (continued)

At the date of the latest actuarial valuation, the market value of the group scheme assets (excluding deposits relating to additional voluntary contributions) was £6,669,294 and the actuarial value of the assets was sufficient to cover 92% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The deficiency should be eliminated over 13 years by increasing the employer's contribution (increase of contribution in the current year amounts to £59,000).

19. ULTIMATE PARENT COMPANY:

The smallest group in which the results of the company are consolidated is that headed by Wiley Europe Limited (formerly John Wiley (Holdings) Ltd), of which the company is a wholly owned subsidiary and whose principal place of business is Baffins Lane, Chichester, West Sussex, where consolidated accounts of the UK group are available. The largest group in which they are also consolidated is that headed by John Wiley & Sons Inc, incorporated in the State of New York, USA, whose principal place of business is at 605 Third Avenue, New York, NY 10158-0012, USA, where consolidated accounts of this group are available to the public.