

**Blackwell Science (Overseas Holdings)  
Limited**

Annual report and financial statements  
Registered number 03162832  
Year ended 30 April 2017



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## Strategic report

The directors present their Strategic Report, Directors' Report and the audited financial statements for Blackwell Science (Overseas Holdings) Limited ("the Company") for the year ended 30 April 2017. The comparatives are for the fiscal year ended 30 April 2016.

### Principal activity

The principal activity of the Company is that of a holding company.

### Business review

The Company holds direct investments in one holding and 4 publishing companies all of which are internationally based. The publishing companies trade in the provision of knowledge and knowledge-enabled services in areas of research, professional practice and education, in the main providing digital and print books and journals.

Results for the year are set out on page 6.

Profit increased by £5.4m against the prior year largely due to increased dividends received of £12.5m (2016: £4.9m), offset by reduced interest receivable from fellow group companies.

During the year cash reserves were loaned to fellow group companies. The net assets now stand at £105.3m versus £92.4m in the prior year.

As the Company is a non-trading company, there are no key performance indicators to report on.

### Principal Risks and Uncertainties

#### Investments

The main risk facing the Company is that its investments do not perform well. This could subsequently impact the investment value held with impairment becoming necessary. At this time, the investment companies are performing to expectation.

#### Future developments

The publishing companies held as investments are transforming part of their business from a traditional publishing model to being providers of content-enabled solutions with a focus on digital products and services. Opportunities to develop new business models and enhancements on efficiency within the organisational structures are actively being implemented and will continue to be explored.

By order of the board:



**R Johnson**  
Director

The Atrium  
Southern Gate  
Chichester  
West Sussex  
PO19 8SQ

26th January 2018

## Director's report

The directors present their Directors' report for Blackwell Science (Overseas Holdings) Limited ("the Company") for the year ended 30 April 2017.

Details of the Company's principal activities and future developments, its principal risks and uncertainties and its key performance can be found in the Strategic Report on page 1.

### Dividends

The directors did not recommend the payment of a dividend (2016: Nil).

### Directors

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

U D'Arcy  
P Kisray  
I Garrard (resigned 31/05/16)  
J Kritzmacher  
R Johnson (appointed 01/07/16)

### Research and development

Research and development costs are not relevant to the Company's activities.

### Financial instruments

The Company does not hold any derivative financial instruments, as disclosed in note 1.

### Other information

Details of the Company's future developments are included in the Strategic report as referenced above. To date, there have been no significant events that have occurred since 30<sup>th</sup> April 2017.

During the year, a share capital reduction took place as part of the Wiley group's broader financing objectives. Details of this are included in note 11.

### Disclosure of information to auditor

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2016: £nil).

### Auditor

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

By order of the board:



**R Johnson**  
Director

The Atrium  
Southern Gate  
Chichester  
West Sussex  
PO19 8SQ

26th January 2018

## **Statement of directors' responsibilities in respect of the Strategic Report, Directors' 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 financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Framework Disclosure Framework.

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 Company and of the profit or loss of the Company for that period. In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the 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 Company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Blackwell Science (Overseas Holdings) Limited**

We have audited the financial statements of Blackwell Science (Overseas Holdings) Limited ("the Company") for the year ended 30 April 2017 set out on pages 6 to 17. 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 101 Reduced Disclosure Framework.

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 3, 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 website at [www.frc.org.uk/auditscopeukprivate](http://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 Company's affairs as at 30 April 2017 and of its profit 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 for which the financial statements are prepared 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 Blackwell Science (Overseas Holdings) 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



**Steve Masters (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Gateway House  
Tollgate  
Chandler's Ford, Eastleigh  
Hampshire  
SO53 3TG

29<sup>th</sup> January 2018

**Statement of Profit and Loss**  
*for the year ended 30 April 2017*

	Notes	2017 Total £000	2016 Total £000
<b>Turnover</b>		-	-
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit/(loss)</b>		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>		-	-
Income from shares in group undertakings		<b>12,478</b>	4,829
Interest receivable and similar income	4	<b>414</b>	3,004
Interest payable and similar expenses	5	<b>(8)</b>	(8)
		<hr/>	<hr/>
<b>Profit before taxation</b>		<b>12,884</b>	7,825
Tax on profit	6	<b>(11)</b>	(389)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>12,873</b>	7,436
		<hr/> <hr/>	<hr/> <hr/>

A statement of other comprehensive income has not been included as part of these financial statements as the Company made no gains or losses in the year other than those disclosed in the statement of profit and loss.

The accompanying notes on pages 9 to 17 form an integral part of these financial statements.



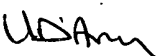
## Balance sheet

for the year ended 30 April 2017

	Note	2017 £000	2016 £000
<b>Fixed assets</b>			
Investments	7	41,765	41,765
<b>Current assets</b>			
Debtors	8	63,890	12,263
Cash at bank and in hand		-	38,735
		<u>63,890</u>	<u>50,998</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(390)</u>	<u>(371)</u>
<b>Net current assets</b>		<u>63,500</u>	<u>50,627</u>
<b>Net assets</b>		<u>105,265</u>	<u>92,392</u>
<b>Capital and reserves</b>			
Called up share capital	11	8,328	8,885
Share premium account		4,892	45,378
Other reserves		20,376	20,376
Profit and loss account		71,669	17,753
<b>Shareholders' funds</b>		<u>105,265</u>	<u>92,392</u>

The accompanying notes on pages 9 to 17 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 26th January 2018 and were signed on its behalf by:

  
U D'Arcy  
Director

## Statement of changes in equity

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 May 2015	8,885	45,378	20,376	10,317	<b>84,956</b>
Profit	-	-	-	7,436	7,436
<b>Total comprehensive income for the period</b>	-	-	-	<b>7,436</b>	<b>7,436</b>
Transactions with owners recorded directly in equity	-	-	-	-	-
<b>Balance at 30 April 2016</b>	<b>8,885</b>	<b>45,378</b>	<b>20,376</b>	<b>17,753</b>	<b>92,392</b>
Balance at 1 May 2016	8,885	45,378	20,376	17,753	92,392
Profit	-	-	-	12,873	12,873
<b>Total comprehensive income for the period</b>	-	-	-	<b>12,873</b>	<b>12,873</b>
Transactions with owners recorded directly in equity	-	-	-	-	-
Reduction in share capital	(557)	(40,486)	-	41,043	-
Total contributions by and distributions to owners	(557)	(40,486)	-	41,043	-
<b>Balance at 30 April 2017</b>	<b>8,328</b>	<b>4,892</b>	<b>20,376</b>	<b>71,669</b>	<b>105,265</b>

The accompanying notes on pages 9 to 17 form an integral part of these financial statements.

## Notes

*Forming part of the financial statements*

### 1. Accounting policies

Blackwell Science (Overseas Holdings) Limited (the "Company") is a company incorporated and domiciled in England in the United Kingdom.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were produced in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemption has been taken.

The Company's (ultimate) parent undertaking, John Wiley & Sons Inc, includes the Company in its consolidated financial statements. The consolidated financial statements of John Wiley & Sons Inc are prepared in accordance with US GAAP and are available to the public and may be obtained from John Wiley & Sons, Inc., 111 River Street, Hoboken, New Jersey 07030, USA.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;

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

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

### ***Measurement convention***

The financial statements are prepared on the historical cost basis. The directors do not believe there are any judgements with a significant effect on the financial statements or estimates with a significant risk of material adjustment in the next year.

### ***Going concern***

The directors have assessed the Company's financial position and its prospects for the foreseeable future. Based on this assessment they have a reasonable expectation that the Company will be able to continue in operational existence and discharge its financial and other obligations for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

## **Notes** *(continued)*

### **1. Accounting policies** *(continued)*

#### **Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

#### **Classification of financial instruments issued by the Company**

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### **Non- derivative instruments**

Non-derivative financial instruments comprise investments in equity, other debtors, cash and cash equivalent and other payables:

##### *Investments in equity securities*

Investments in subsidiaries are carried at cost less impairment.

##### *Other debtors*

Other debtors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprising cash balances.

##### *Other payables*

Other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method.

#### **Derivative financial instruments**

The Company does not hold any derivative financial instruments.

## Notes (continued)

### 1. Accounting policies (continued)

#### Impairment

##### *Financial assets*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amount of the Company's investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair values less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

#### Expenses

##### *Interest receivable and Interest payable*

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on an individual basis.

#### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement 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.

## Notes (continued)

### 1. Accounting policies (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

### 2. Auditor's remuneration

	2017 £000	2016 £000
Audit of these financial statements	10	10

The auditor's remuneration disclosed above has been paid by John Wiley & Sons Limited and not recharged.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, John Wiley & Sons Inc.

### 3. Directors' remuneration

No director performed any qualifying services for the Company (2016: £nil). There are no employees within the Company.

### 4. Other interest receivable and similar income

	2017 £000	2016 £000
Interest receivable from fellow group companies	330	2,106
Interest on bank deposits	84	26
Foreign exchange gain	-	872
Total interest receivable and similar income	414	3,004

### 5. Interest payable and similar expenses

	2017 £000	2016 £000
Interest payable from tax provisions	8	8
Total interest payable and similar expenses	8	8

## Notes (continued)

### 6. Taxation

#### Recognised in the income statement

	2017 £000	2016 £000
<i>UK corporation tax</i>		
Current tax on income for the period		320
Adjustments in respect of prior periods	11	68
	<hr/>	<hr/>
Total current tax	11	388
<i>Deferred tax</i>		
Origination and reversal of temporary differences	-1	(1)
Reduction in tax rate	1	2
	<hr/>	<hr/>
Total deferred tax	0	1
	<hr/>	<hr/>
Tax on profit	11	389
	<hr/>	<hr/>

#### Reconciliation of effective tax rate

	2017 £000	2016 £000
Profit for the year	12,873	7,436
Total tax expense	11	389
	<hr/>	<hr/>
Profit excluding taxation	12,884	7,825
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19.92% (2016: 20%)	2,566	1,565
Group relief for nil consideration	(70)	(5)
Non-deductible expenses	1	-
Reduction in tax rate on deferred tax balances	-	1
Tax exempt revenues	(2,486)	(1,240)
Under/(over) provided in prior years	-	68
	<hr/>	<hr/>
Total tax expense	11	389
	<hr/>	<hr/>

## Notes (continued)

### 7. Fixed asset investments

	Shares in group undertakings £000
<b>Cost (or valuation)</b>	
At beginning of year	41,765
<b>At end of year</b>	<b>41,765</b>
<b>Net book value</b>	
At 30 April 2017	<b>41,765</b>
At 30 April 2016	41,765

The Company has the following investments in subsidiaries, (associates and jointly controlled entities):

	Country of Incorporation	Class of shares held	Ownership	
			2017	2016
Blackwell Publishing (Hong Kong) Limited	Hong Kong	Ordinary	100	100
Wiley Publishing Japan KK	Japan	Ordinary	100	100
Blackwell Verlag GmbH	Germany	Ordinary	100	100
John Wiley & Sons A/S	Denmark	Ordinary	100	100
Wiley Publishing Australia Pty Ltd	Australia	Ordinary	100*	100*
Wiley Publishing Asia Pty Ltd	Australia	Ordinary	100*	100*
John Wiley & Sons Australia Ltd	Australia	Ordinary	100*	100*
Wrightbooks Pty Ltd	Australia	Ordinary	100*	100*

\*Interests held indirectly

The registered office of each of these subsidiaries is as follows:

	Country of Incorporation
Blackwell Publishing (Hong Kong) Limited	31/F, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong
Wiley Publishing Japan KK	1-28-1 Koishikawa, Bunkyo-ku Tokyo 112-0002 Japan
Blackwell Verlag GmbH	Rotherstraße 21, 10245 Berlin, Germany
John Wiley & Sons A/S	Rosenørns Alle 1, 1970 Frederiksberg, Copenhagen, Denmark
Wiley Publishing Australia Pty Ltd	42 McDougall Street Milton Qld 4064, Australia
Wiley Publishing Asia Pty Ltd	42 McDougall Street Milton Qld 4064, Australia
John Wiley & Sons Australia Ltd	42 McDougall Street Milton Qld 4064, Australia
Wrightbooks Pty Ltd	42 McDougall Street Milton Qld 4064, Australia



## Notes (continued)

### 8. Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings	63,867	12,240
Deferred tax assets (see note 10)	23	23
	<hr/>	<hr/>
Due within one year	63,890	12,263
	<hr/>	<hr/>

### 9. Creditors: amounts falling due within one year

	2017 £000	2016 £000
Taxation and social security	390	371
	<hr/>	<hr/>

### 10. Deferred tax assets and liabilities

#### Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2017 £000	2016 £000	2017 £000	2016 £000	2017 £000	2016 £000
Other	23	23	-	-	23	23
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net tax assets	23	23	-	-	23	23
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

#### Movement in deferred tax during the year

	1 May 2016 £000	Recognised in income £000	30 April 2017 £000
Other	23	-	23
	<hr/>	<hr/>	<hr/>
Net tax asset	23	-	23
	<hr/>	<hr/>	<hr/>

## Notes (continued)

### 10. Deferred tax assets and liabilities (continued)

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were 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. The deferred tax asset at 30 April 2016 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly and reduce the deferred tax asset at 30 April 2017 by £1.3k.

### 11. Capital and reserves

#### Share capital

	2017 £000
<b>Allotted, called up and fully paid</b>	
8,328,202 Ordinary shares of £1 each	8,328
	<hr/>
	8,328
	<hr/>
Shares classified in shareholders' funds	8,328
	<hr/>

During the year a share capital reduction was effected by the cancellation of 557,000 of the issued Ordinary Share of £1 each together with a reduction of the share premium in the amount of £40,486,069.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### 12. Financial instruments

The fair value of cash and cash equivalents is estimated at its carrying amount.

Other debtors (loans) are payable on demand and therefore their fair value is deemed to approximate carrying value.

	Carrying amount	Fair value	Carrying amount	Fair value
	2017 £000	2017 £000	2016 £000	2016 £000
<b>Loans and Receivables</b>				
Cash and cash equivalents	-	-	38,735	38,735
Other debtors (loans)	63,867	63,867	12,240	12,240
	<hr/>	<hr/>	<hr/>	<hr/>
	63,867	63,867	50,975	50,975
	<hr/>	<hr/>	<hr/>	<hr/>

#### Market risk

The Company is not exposed to any foreign exchange risk as all balances are denominated in GBP.

#### Interest rate risk

The Company is not exposed to an interest rate risk as it does not currently hold any loan balances.

## **Notes** *(continued)*

### **12. Financial instruments** *(continued)*

#### **Credit risk**

Credit risk is the risk that the amount due from group undertakings is not settled. For those fellow group company debtors who are in a net current liability position, a Letter of Support is held from the ultimate parent company that will enable them to continue to trade and pay their liabilities as and when they become due for at least twelve months from the date of their 2017 audit reports. Therefore the Directors consider this credit risk to be adequately supported.

#### **Liquidity risk**

The liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. However, due to the significant cash balance held there is currently no material risk to the Company.

### **13. Accounting estimates and judgements**

The preparation of the financial statements require management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date.

The key area in this respect is the value of the Company's investments in other group subsidiaries. These are only evaluated for impairment upon a significant change in the operating or macroeconomic environment. In these circumstances, if an evaluation of the projected undiscounted cash flows indicates impairment, the asset is written down to its estimated fair value based on the discounted future cash flows.

At this time, all such investments are performing to expectation and therefore impairment reviews have not been required.

### **14. Post balance sheet events**

The Company received a dividend of 18m DKK from John Wiley & Sons AS on 6<sup>th</sup> July 2017 and a dividend of 300m JPY from Wiley Publishing Japan on 25<sup>th</sup> July 2017.

A further loan advance was made to Wiley Europe Ltd of £4.2m on 28<sup>th</sup> July 2017.

### **15. Related Parties**

During the year, the Company only entered in to transactions with wholly owned subsidiaries, the Company has taken advantage of the exemption under para 8 (k) FRS 101 not to disclose transactions with such wholly owned subsidiaries.

### **16. Ultimate parent company and parent company of larger group**

The Company is a subsidiary undertaking of John Wiley & Sons Inc which is the ultimate parent company, incorporated in the State of New York, USA. There is no ultimate controlling party.

The largest group in which the results of the Company are consolidated is that headed by John Wiley & Sons Inc, incorporated in the State of New York, USA. The consolidated financial statements of this group are available at the principal place of business of John Wiley & Sons, Inc., 111 River Street, Hoboken, New Jersey 07030, USA.