ACADEMY GROUP LIMITED

ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2000
TOGETHER WITH DIRECTORS' AND AUDITORS'
REPORTS



THE COMPANY'S REGISTERED NUMBER IS: 2512321

ACADEMY GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2000

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 2000.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW:

The principal activity of the company continues to be the publishing and distribution of architectural books and journals.

Turnover for the year was £1,273,286 (1999 - £1,281,791).
Profit before tax for the year was £185,691 (1999 - £175,453).

RESULTS AND DIVIDENDS:

Results for the year are as follows:

	£
Retained loss, at 1 May 1999	(7,381,694)
Profit for the year	185,691
Retained loss, at 30 April 2000	(7,196,003)

The directors do not recommend the payment of a dividend (1999 - £nil).

DIRECTORS AND THEIR INTERESTS:

The directors of the company who served during the year were:

Dr J H Jarvis (Managing Director)
C J Dicks
R S R Mair (resigned 30 April 2000)

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 those 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.

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.

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

6 October 2000

AUDITORS' REPORT

To the Shareholders of **Academy Group Limited:**

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS:

As described on pages 1 and 2, the directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 2000 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

6 October 2000

ACADEMY GROUP LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2000

	Notes	2000 £	1999 £
TURNOVER	2	1,273,286	1,281,791
Cost of sales		(816,442)	(834,034)
GROSS PROFIT		456,844	447,757
Other operating expenses	3	(271,153)	(272,304)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	185,691	175,453
Tax on profit on ordinary activities	6	-	-
RETAINED PROFIT FOR THE YEAR		185,691	175,453
RETAINED LOSS, at beginning of year		(7,381,694)	(7,557,147)
RETAINED LOSS, at end of year		(7,196,003)	(7,381,694)

All activities derive from continuing operations.

The profits for 2000 and 1999 are reported under the historical cost convention. There are no other recognised gains and losses other than those included within the retained profit for the period.

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

ACADEMY GROUP LIMITED

BALANCE SHEET
AS AT 30 APRIL 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	7	2,189	1,287
Investments	8	3	3
		2,192	1,290
CURRENT ASSETS			
Stocks	9	286,047	197,612
Debtors	10	797,150	853,775
Cash at bank and in hand		-	3,399
		1,083,197	1,054,786
CREDITORS: Amounts falling due within one year	11	(8,181,392)	(8,337,770)
NET CURRENT LIABILITIES		(7,098,195)	(7,282,984)
NET LIABILITIES		(7,096,003)	(7,281,694)
CAPITAL AND RESERVES			
Called-up share capital	12	100,000	100,000
Profit and loss account		(7,196,003)	(7,381,694)
EQUITY SHAREHOLDERS' FUNDS	13	(7,096,003)	(7,281,694)

SIGNED ON BEHALF OF THE BOARD

Dr J H Jarvis — Director

6 October 2000

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

ACADEMY GROUP LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2000

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.

The company is exempt from the requirement of FRS1 (revised) to present a cashflow statement in its accounts because it is a wholly owned subsidiary of John Wiley & Sons, Inc. in whose accounts the company is consolidated, and which are publicly available.

As permitted under section 228 of the Companies Act 1985, consolidated accounts have not been prepared as the company is a subsidiary undertaking of Wiley Europe Limited, a company incorporated in the UK which itself produces consolidated accounts.

b) Turnover:

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

c) Stocks:

Stocks comprise 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.

d) Corporation Tax:

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

e) Tangible fixed assets:

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation 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

Plant and equipment	-	25-33% per annum

f) Editorial costs:

Editorial and related costs are expensed as incurred.

1. STATEMENT OF ACCOUNTING POLICIES (continued):

g) Subscription revenues:

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

h) 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.

i) 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.

j) Investments:

Fixed asset investments are shown at cost less provision for impairment.

2. SEGMENT INFORMATION:

Contributions to turnover were as follows:

By geographical area -	2000 £	1999 £
United Kingdom	641,287	637,620
Continental Europe	162,589	186,220
United States	269,550	258,870
Rest of the World	199,860	199,081
	1,273,286	1,281,791

The company has a single class of business which is the publishing of architectural books and journals.

3. OTHER OPERATING EXPENSES:

	2000 £	1999 £
Selling and marketing costs	-	50,759
Editorial	118,359	118,489
Administrative and distribution expenses	152,794	103,056
	271,153	272,304

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:

Profit on ordinary activities before taxation is stated after charging:

	2000 £	1999 £
Operating lease rentals	-	73
Depreciation	1,118	725
Staff costs (note 5)	115,140	95,956

Auditors' remuneration in the current year was borne by John Wiley & Sons Limited, a fellow subsidiary undertaking.

5. STAFF COSTS:

Employee costs during the year were:

	2000 £	1999 £
Wages and salaries	98,974	80,374
Social security costs	7,262	5,130
Other pension costs (note 14a)	8,904	10,452
	115,140	95,956

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

	2000 Number	1999 Number
Production and editorial	3	2
	3	2

Directors' remuneration:

None of the directors received any remuneration relating to their positions held in Academy Group Limited.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES:

There is no tax charge as taxable profit for the year has been offset against brought forward losses (1999 - nil).

7. TANGIBLE FIXED ASSETS:

The movement in the year was as follows:

	Plant & equipment £	Total £
COST -		
Beginning of year	2,525	2,525
Additions	2,020	2,020
End of year	4,545	4,545
DEPRECIATION -		
Beginning of year	1,238	1,238
Charge for the year	1,118	1,118
End of year	2,356	2,356
NET BOOK VALUE –		
Beginning of year	1,287	1,287
NET BOOK VALUE -		
End of year	2,189	2,189

8. FIXED ASSET INVESTMENTS:

a) Principal group investments

Fixed asset investments comprise the following subsidiary undertakings, each registered in England and Wales:

Name	Principal activity	% ownership
Academy Books Limited	Publishing	100.0
Academy Editions Limited	Publishing	100.0
Academy Publishers Limited	Publishing	100.0

b) Investment in subsidiary undertakings comprises:

	2000 £000s	1999 £000s
Cost, beginning and end of year	3	3

No provision has been made for impairment.

9. STOCKS:

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

	2000 £	1999 £
Finished goods	286,047	197,612

10. DEBTORS:

Amounts falling due within one year:

	2000 £	1999 £
Amounts owed by fellow subsidiaries	765,498	822,473
Prepayments	31,652	31,302
	797,150	853,775

11. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR:

The following amounts are included in creditors falling due within one year:

	2000 £	1999 £
Amounts owed to fellow subsidiary undertakings	7,941,908	7,958,290
Other creditors	-	13,750
Accruals	110,511	133,652
Deferred subscription revenue	128,973	232,078
	8,181,392	8,337,770

12. CALLED-UP SHARE CAPITAL:

	2000 £	1999 £
Authorised: 100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called-up and fully-paid: 100,000 ordinary shares of £1 each	100,000	100,000

13. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS:

	2000 £	1999 £
Retained profit for the year	185,691	175,453
Shareholders' funds, beginning of year	(7,281,694)	(7,457,147)
Shareholders' funds, end of year	(7,096,003)	(7,281,694)

14. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Pension arrangements:

The employees of the company participate in the John Wiley & Sons Limited Retirement Benefits Scheme (the group pension scheme). The pension cost of the company for the year was £8,904 (1999 - £10,452).

More detailed information relating to the pension scheme can be obtained from the accounts of John Wiley & Sons Limited, a fellow subsidiary.

15. RELATED PARTY TRANSACTIONS:

As a subsidiary of John Wiley & Sons, Inc., the company has taken advantage of the exemption in FRS8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by John Wiley & Sons, Inc.

16. ULTIMATE PARENT COMPANY:

The smallest group in which the results of the company are consolidated is that headed by Wiley Europe Limited, 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.

17. CONTINUING FINANCIAL SUPPORT:

The liabilities of the company exceed the total assets. The parent company, Wiley Europe Limited, has indicated that it will continue to provide the necessary support to enable the company to meet its liabilities as they fall due. The directors have considered the financial position of the company and have concluded that it is appropriate to draw up the accounts on a going concern basis.

18. POST BALANCE SHEET EVENTS:

As at 1st May 2000 the trade and assets of Academy Group Ltd were transferred to John Wiley & Sons Ltd.