

## **Springer Nature Publishers Holdings Limited**

**Registered Number 03046119**

**Report and Financial Statements**

31 December 2022



Part of **SPRINGER NATURE GROUP**

Springer Nature Publishers Holdings Limited  
Registered No. 03046119

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## Strategic report (continued)

### REPORT AND FINANCIAL STATEMENTS 2022

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## Strategic report (continued)

### GENERAL INFORMATION

#### Directors

H U Vest  
S C Inchcoombe  
R E Jacobs

#### Secretary

F J Niven

#### Registered Office

The Campus  
4 Crinan Street  
London  
N1 9XW  
United Kingdom

#### Bankers

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

#### Solicitors

DLA Piper UK LLP  
160 Aldersgate Street  
London  
EC1A 4HT

#### Auditor

Ernst & Young LLP  
Grosvenor House  
Grosvenor Square  
Southampton  
SO15 2BE

## Springer Nature Publishers Holdings Limited

Registered No. 03046119

# Strategic report

The purpose of the Strategic Report is to inform members of Springer Nature Publishers Holdings Limited, 'the Company', of current business developments and help them assess how the Directors have performed their duty under Section 172 of the Companies Act 2006

## Results and dividends

The Company loss for the year after taxation amounted to £6,083,000 (2021: £5,161,000).

Interim ordinary dividend paid for the year to 31 December 2022 was £nil (2021: £nil). The directors do not recommend the payment of a dividend (2021: £ nil).

## Principal activities and review of the business

The principal activities of the Company and its subsidiaries continued as the publishing of books and periodicals, and the provision of online and other services in the publishing sector. The Company is a member of the Springer Nature group, a leading global research, education and professional publisher. The Company had a successful year, achieving revenue growth and stable operating profit in 2022. The Company continues to benefit from the broad spread of its international business and the diversity of markets in which the Company operates.

On an annual basis the directors review the financial statements. The directors continually assess the performance of the Company and the financing structure of the entity.

## Key performance indicators

The Company's key financial performance indicator during the year was as follows:

	2022	2021	% change
	£000	£000	
Loss after tax	6,083	5,161	17.8%

The change in loss after tax arose due to higher finance costs.

## Income Tax

An analysis of the income tax credit is set out in note 5 to the financial statements. The income tax credit as a percentage of profit on ordinary activities before income tax was 13.1% in the current year (2021: credit of 12.3%).

## Future developments

The directors do not foresee any change in activities in the foreseeable future.

## Principal risks and uncertainties

The Company's principal financial instruments are comprised of intra-group loans and receivables. The Company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The board reviews and agrees policies for managing these risks as summarised below:

## Liquidity risk and capital resources

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company is reliant upon the continued financial support of Group companies which have confirmed their intention to provide the necessary support. The directors have therefore prepared the financial statements on a going concern basis.

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## Strategic report (continued)

### Liquidity risk and capital resources (continued)

The cash flow statement shows £nil increase in cash and cash equivalents in the year ended 31 December 2022 (2021: £ nil). Dividends of £ nil were paid to the Company's shareholders (2021: £ nil)

#### Credit risk

The Company trades with only recognised, creditworthy, third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

#### Impact of Covid-19

Management have identified the continuing key risks and mitigating actions in relation to Covid-19.

Customer behaviour may be materially impacted by Covid-19 virus, which may have an impact on the scientific research and academic publishing markets. Management have been having regular business update calls to monitor key trading data and address business concerns. The Group continues to be in regular dialogue with customers to adapt to the risk of changes to customer purchasing patterns.

As a leading scientific research publisher, the actions the Group has taken to mitigate customer risk, has included creating an international online hub of Covid-19 stories in its key branded publications comprising Nature, Scientific American, Springer Healthcare and BMC. These actions have led to increased interest in our scientific research content, website traffic and an increase in numbers of research articles published.

There is a risk of infection of employees. Springer Nature have taken appropriate action regarding staff health and safety and restricted international travel. Business Continuity plans have been updated for Covid-19 including escalation procedures, office monitoring and communications. This has included daily monitoring of any Covid-19 incidents with employees.

Contingency plans have been put in place with defined levels of escalation leading ultimately to deep cleaning at affected sites and implementation of remote working where appropriate. Local office representatives have acted, and continue to act, as key contacts for communications and support employees in applying required policies and procedures.

There is a risk that Springer Nature Group offices may be shut for a prolonged period and customer facing activities would need to switch to remote working arrangements. Business Continuity plans have been implemented for each office and staff have been equipped to work from home on as close to a 'business as usual' basis as possible.

Over the course of the last year, the Company has been able to operate on a business as usual footing. Factors that have enabled us to achieve this include our risk management processes and global online presence which have enabled our staff to continue to work from home effectively. Additionally, the scientific, medical and academic communities we serve have continued to demand our publications which has ensured stability and growth in many areas of our business.

### Section 172(1) Statement

This section, together with those pages incorporated by reference, explains how the Directors have had regard to the matters set out in section 172 1(a) to (f) and forms the director's statement required under section 414CZA of the Companies Act 2006.

#### (a) the likely consequences of any decision in the long term

The Springer Nature Group is governed by a Supervisory Board and a Management Board which regularly meets and makes decisions to promote the long term success of the Group. The majority of the Board of Directors of the Company are also members of the Group's Management Board and all directors have regard for the likely consequences of decisions in the long term. The

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## Strategic report (continued)

### Section 172(1) Statement (continued)

Company's Board meets regularly to discuss the implications of decisions that are to be made. In doing so the Board considers the risks and potential opportunities associated with each decision.

#### (b) the interests of the Company's employees

The Board recognises the importance of open communication and engagement between workers and managers regarding working conditions. In the UK, the Employee Representation Forum is a group of elected employees who act as a direct communication channel between UK employees and senior management including members of the Group Management Board. Forum representatives offer feedback, consultation and information on issues of importance to staff and to the business. Feedback from colleagues is also gathered via surveys, town hall meetings and on the Company intranet and shared with the Group Management Board. Through these and other forums the Directors of the Company have regard to the interests of the Company's employees.

#### (c) the need to foster the Company's business relationships with suppliers and customers

The Board recognises the importance of fostering business relationships with its suppliers and customers, which it considers to be Business Partners. The Company's policy on Supply Chain management is stated on Page 7 of our Business Partner Code of Conduct, and the Company's policy on Business Conduct (which covers Supplier and Customer relationships) is stated on Page 6. The Company expects its Business Partners to encourage the protection of human rights, labour conditions, health and safety, anti-corruption and environmental protection when fulfilling their contractual obligations and to conduct business in an honest and ethical way, free of corrupt practices, acts of bribery, anti-competitive behaviour or conflicts of interests.

#### (d) the impact of the Company's operations on the community and the environment

As a member of the Springer Nature Group, the Board recognises its responsibilities towards the communities and environment it works with and works in, worldwide. Further details can be found in the Corporate Responsibility section on Page 6 of the Director's Report.

#### (e) maintaining a reputation for high standards of business conduct

Springer Nature's Employee Code of Conduct and Business Partner Code of Conduct provides our framework to maintaining high standards of business conduct. Further details can be found in the Director's Report in these financial statements in the Employee and Supplier and Customer Relationship sections. In addition, the Company's commitment to maintaining high standards of business conduct can also be found in Springer Nature's Responsible Business report.

#### (f) the need to act fairly as between members of the Company

The Company is a wholly owned subsidiary within the Springer Nature Group and has a single parent company as its immediate shareholder.

The Supervisory Board and Management Board of the Company's ultimate parent both have regard to the interests of the ultimate shareholders of the Group.

Approved by the Board of Directors  
and signed on behalf of the Board

DocuSigned by:  
  
1C804D8068214A5...  
R E Jacobs  
Director  
23 June 2023

## Springer Nature Publishers Holdings Limited

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# Director's report

## Company Registration No 03046119

The directors present their report and Company financial statements for the year ended 31 December 2022.

### Directors

The directors holding office during the year are shown on page 1.

During the year no director, or their spouses or dependent children, has held any interest in the shares of the Company.

The Company has indemnified one or more directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Company's Articles of Association. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' Report.

### Going concern

Going concern has been assessed, taking into account the Company's current financial position and after modelling the impact of certain scenarios related to the impact of macroeconomic uncertainties. One 'base case scenario' and one 'reverse stress test' scenario has been modelled (the "reverse stress test" is designed to identify the break point of entity for going concern) and taking into account the nature of the holding company. As a result of the modelling of both scenarios, the directors concluded that the entity requires support from the parent to meet liquidity needs during the going concern period.

The financial statements have been prepared on the going concern basis, notwithstanding the outcomes of the financial modelling, which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Springer Nature AG & Co. KGaA, the Company's ultimate parent undertaking. The directors have received a letter of support from its parent undertaking that if the Company does not have sufficient funds, then monies would be made available for it to settle any liabilities as and when they fall due for the foreseeable future and to at least 30 June 2024 which is the formal going concern period modelled by management. Furthermore, the directors have obtained assurances of the parent entity's ability to stand behind the support provided during the going concern period. In practice certain of the directors are also members of the Group management board and have obtained access to Group forecasts and other data. This together with the regular monitoring by Group Treasury of the Group's short-term and mid-term liquidity gives the directors assurance as to the Group's ability to stand behind the cash pool facility.

### Financial instruments

The Company's financial risk management objectives and policies are discussed in note 13.

### Corporate responsibility

As a member of the Springer Nature Group, the Company recognises its responsibilities towards the communities it works with and works in, worldwide. The Company considers compliance with the laws and regulations that impact our business to be an essential part of acting responsibly. Where local laws are less restrictive than Springer Nature's Code of Conduct and Global Policies, Springer Nature expects its employees and other representatives to follow Springer Nature's Code of Conduct and Global Policies even if the conduct would otherwise be legal. Working at Springer Nature means respecting the individual, embracing diversity, equality of opportunity, prohibiting discrimination, protecting human rights, maintaining healthy and safe working conditions and avoiding environmental harm.

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## Director's report (continued)

### Corporate responsibility (continued)

Springer Nature supports the delivery of the UN's Sustainable Development Goals (SDGs) and aims to be the SDG Publisher of Choice, by publishing and disseminating research relevant to the Goals. Since the SDGs were first published in 2015, Springer Nature has published more than 800,000 relevant articles or book chapters. The company is a signatory of the SDG Publishers Compact. In support of SDG 13: Climate Action, Springer Nature is acting to reduce its carbon footprint and other environmental impacts, including reducing net carbon emissions. Since 2020, the Company has been carbon neutral for its offices, fleet and flights and has committed to setting science-based net zero carbon targets for its value chain emissions. The Company is a member of the Book Chain Project, which supports publishers in understanding the origins of, and forest-management practices for, the wood fibre used in papers and boards. All products are printed by third-party suppliers, and the paper policy requires that only paper sourced from known, legal and responsible sources are used in our products. The Company expects high standards of corporate responsibility from its business partners, and undertakes audits to verify that appropriate standards are adhered to by its suppliers. Further details on Springer Nature's sustainable business strategy, environmental initiatives and community programmes, as well as the Business Partner Code of Conduct, Modern Slavery Act statement and UK Gender Pay Gap report can be accessed at [www.springernature.com/SustainableBusiness](http://www.springernature.com/SustainableBusiness)

### Climate-related risks

The company considers the risks related to climate change within our overall risk management processes, including physical risks to our operations and those of critical suppliers, and transition risks such as the impact of regulatory and market factors. We believe the primary way in which climate change could impact on Springer Nature is through operational disruption caused by extreme weather events, which are expected to become more frequent over time. The company has business continuity processes in place. In 2022, a planning exercise to assess resilience to potential energy outages in Europe was held. Work is ongoing with local crisis management teams in locations which might be impacted by extreme weather events, as well as with key strategic suppliers, to pilot plans for exposure to multiple climate change risks. In 2021, the company committed to becoming carbon net zero through its value chain by 2040 and is currently engaging with the science-based target initiatives (SBTi) and will in future publish validated targets and progress against these.

Publishing activities contribute to the better understanding of climate risk, mitigation and adaptation.

### Employees

#### Employee engagement

Springer Nature recognizes the importance of open communication and engagement between workers and managers regarding working conditions. We respect our employees' legal rights to freely associate, organize and bargain collectively without fear of harassment, intimidation, penalty, intimidation or reprisal. In the UK, the Employee Representation Forum is a group of elected employees who act as a direct communication channel between UK employees and senior management including members of the Management Board. Forum representatives offer feedback, consultation and information on issues of importance to staff and to the business. Feedback from colleagues is also gathered via surveys, town hall meetings and on the company intranet. Through these and other forums the Company raises awareness of the financial and economic factors that influence the Company's performance.



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## Director's report (continued)

### Communication, training and development

The Company is committed to the continuous improvement of employee performance by developing skills and expertise through training and development. In recent years, we have evolved our values and ways of working and have increased our online learning portfolio to focus strongly on virtual learning. Our employee-generated learning programme empowers colleagues to create their own specialist training using our internal development platform, LEAP. We have implemented a global annual performance process and holds employee engagement surveys at least annually to gather feedback. Every year, the Group's executive team and line managers review the feedback and use it to develop action plans to address key issues. Based on 2022 feedback, 2023 will see a global focus on identifying career opportunities.

### Disabled Persons

The Company recognises a duty towards disabled people by taking opportunities to employ suitably-qualified disabled people. Arrangements are made to encourage their participation in training and career development. The Company is a signatory of the Valuable 500, a global movement working to make a positive difference to disability inclusion. In 2022, Springer Nature became one of 75 companies taking part in a new programme to develop the next generation of leaders with disabilities: Generation Valuable. The initiative pairs a mentee with a disability with an executive team mentor to gain insights into senior leadership, and to equip them with the knowledge, access and tools needed to facilitate professional growth. Mentees are also invited to share their experience of disability with members of the executive team, to further drive disability inclusion.

### Supplier and customer relationships

The Company recognises the importance of fostering business relationships with its suppliers and customers, which it considers to be Business Partners. The Company's policy on Supply Chain management and the Company's policy on Business Conduct (which covers Supplier and Customer relationships) are stated on Page 14 of our Business Partner Code of Conduct. The Company expects its Business Partners to encourage the protection of human rights, labour conditions, health and safety, anti-corruption and environmental protection when fulfilling their contractual obligations and to conduct business in an honest and ethical way, free of corrupt practices, acts of bribery, anti-competitive behaviour or conflicts of interests. The Company requires our Business Partners to adopt these standards for themselves and their supply chains.

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with.

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## Director's report (continued)

### Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors  
and signed on behalf of the Board

DocuSigned by:  
  
1C801D6088214A5...  
R E Jacobs  
Director  
23 June 2023

## **Statement of directors' responsibilities in relation to the financial statements**

The Directors are responsible for preparing the Report and Financial Statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK adopted International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. 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 and loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS8 "Accounting policies, changes in accounting estimates and errors" and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in UK adopted IFRSs in conformity with the requirements of the Companies Act 2006 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- state whether the financial statements have been prepared in accordance with UK adopted IFRSs in conformity with the requirements of the Companies Act 2006, 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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report**

### **to the members of Springer Nature Publishers Holdings Limited**

#### **OPINION**

We have audited the financial statements of Springer Nature Publishers Holdings Limited for the year ended 31 December 2022 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of cash flows and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### **CONCLUSIONS RELATING TO GOING CONCERN**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 30 June 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **OTHER INFORMATION**

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent auditor's report**

### **to the members of Springer Nature Publishers Holdings Limited (continued)**

#### **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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

#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about 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 (UK) 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 these financial statements.

## **Independent auditor's report**

**to the members of Springer Nature Publishers Holdings Limited (continued)**

### **EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

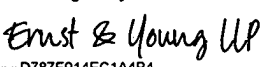
Due to the simplicity of the Company and the small number of transactions our procedures focussed on:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (UK adopted IFRS and the Companies Act 2006) and the relevant direct tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing all material transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **USE OF OUR REPORT**

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.

DocuSigned by:  
  
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Ryan Squires (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Southampton  
Date: 23 June 2023

## Springer Nature Publishers Holdings Limited

# Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2022

	<i>Note</i>	<i>2022</i> <i>£000</i>	<i>2021</i> <i>£000</i>
<b>Continuing operations</b>			
Other income	3	3,098	2,905
Operating expenses	3	(4,215)	(3,331)
Operating loss		(1,117)	(426)
Income from investments			
Dividends received		1	1
Finance income	3	2,434	1,920
Finance costs	3	(8,315)	(7,381)
Loss before tax		(6,997)	(5,886)
Income tax	5	914	725
Loss for the year		(6,083)	(5,161)
Other comprehensive income		-	-
Total comprehensive loss		(6,083)	(5,161)

## Springer Nature Publishers Holdings Limited


## Statement of Financial Position

as at 31 December 2022

ASSETS	Note	2022 £000	2021 £000
<b>Non-current assets</b>			
Investments in subsidiaries	7	503,959	385,857
Other non-current assets	8	-	49,780
		<u>503,959</u>	<u>435,637</u>
<b>Current assets</b>			
Trade and other receivables	8	12,808	12,001
Income tax receivable		914	725
Cash and cash equivalents	9	-	-
		<u>13,722</u>	<u>12,726</u>
<b>TOTAL ASSETS</b>		<u>517,681</u>	<u>448,363</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Issued capital	10	176,000	176,000
Retained earnings		60,060	66,143
<b>TOTAL EQUITY</b>		<u>236,060</u>	<u>242,143</u>
<b>Non-current liabilities</b>			
Other non-current liabilities	11	151,102	33,000
<b>Current liabilities</b>			
Trade and other payables	11	130,519	173,220
<b>TOTAL LIABILITIES</b>		<u>281,621</u>	<u>206,220</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u>517,681</u>	<u>448,363</u>

These financial statements were approved by the Board of Directors on 23 June 2023

Signed on behalf of the Board of Directors

DocuSigned by:  
  
 1C801D6068214A5...

R E Jacobs  
 Director  
 23 June 2023

Registered Number: 03046119



## Springer Nature Publishers Holdings Limited

## Statement of Changes in Equity

for the year ended 31 December 2022

<b>2021</b>	<i>Issued capital £000 (Note 10)</i>	<i>Retained Earnings £000</i>	<i>Total Equity £000</i>
At 1 January 2021	176,000	71,305	247,305
Loss for the year	-	(5,161)	(5,161)
Total comprehensive loss	-	(5,161)	(5,161)
<b>At 31 December 2021</b>	<b>176,000</b>	<b>66,144</b>	<b>242,144</b>
 <b>2022</b>			
At 1 January 2022	176,000	66,144	242,144
Loss for the year	-	(6,083)	(6,083)
Total comprehensive loss	-	(6,083)	(6,083)
<b>At 31 December 2022</b>	<b>176,000</b>	<b>60,061</b>	<b>236,061</b>

## Springer Nature Publishers Holdings Limited

**Statement of cash flows**

for the year ended 31 December 2022

	<i>Note</i>	<i>2022</i> <i>£000</i>	<i>2021</i> <i>£000</i>
<b>Cash flows from/(used in) operating activities</b>			
Operating loss		(1,117)	(426)
(Increase)/ decrease in accounts receivable less than 1 year		(807)	18
Decrease in accounts receivable more than 1 year		49,780	1,658
(Decrease)/ increase in accounts payable less than 1 year		(87,107)	48,433
Increase/ (decrease) in accounts payable more than 1 year		162,507	(44,948)
Income tax received		725	725
<b>Net cash flows from operating activities</b>		<b>123,981</b>	<b>5,461</b>
<b>Cash flows (used in)/ from investing activities</b>			
Interest received		2,434	1,920
Dividend received		1	1
Investment in Subsidiary Undertakings		(118,102)	-
Other financial income		-	-
<b>Net cash flows (used in)/ from investing activities</b>		<b>(115,667)</b>	<b>1,921</b>
<b>Cash flows used in financing activities</b>			
Interest paid		(8,314)	(7,381)
<b>Net cash flows used in financing activities</b>		<b>(8,314)</b>	<b>(7,381)</b>
Net flow in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January	9	-	-
<b>Cash and cash equivalents at 31 December</b>	9	<b>-</b>	<b>-</b>

## Springer Nature Publishers Holdings Limited

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# Notes to the financial statements

## for the year ended 31 December 2022

### 1. Authorisation of financial statements and statement of compliance with IFRSs

The financial statements of the Company for the year ended 31 December 2022 were authorised for issue by the board of directors on 23 June 2023. The Company is a limited company incorporated in England.

The financial statements of the Company have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRS), as issued by the International Standards Accounting Board and in conformity with the requirements of the Companies Act 2006.

The principal accounting policies adopted by the Company are set out in note 2.

The Company is exempt from preparing Group financial statements under Section 400 Companies Act 2006. The financial statements present information about the Company as an individual undertaking and not about its Group.

The immediate parent undertaking is Springer Nature Finance B.V., Netherlands. The parent company of the smallest group into which the results of the Company are consolidated is Springer Nature AG & Co. KGaA, Berlin, a company registered in Germany.

### 2. Summary of significant accounting policies

#### Statement of Compliance

The Company's accounts have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board and in conformity with the requirements of the Companies Act 2006.

#### Basis of preparation

The financial statements are presented in GBP sterling and all values are rounded to the nearest thousand (£000) except when otherwise indicated.

#### Going Concern

Going concern has been assessed, taking into account the Company's current financial position and after modelling the impact of certain scenarios related to the impact of macroeconomic uncertainties. One 'base case scenario' and one 'reverse stress test' scenario has been modelled (the "reverse stress test" is designed to identify the break point of entity for going concern) and taking into account the nature of the holding company. As a result of the modelling of both scenarios, the directors concluded that the entity requires support from the parent to meet liquidity needs during the going concern period.

The financial statements have been prepared on the going concern basis, notwithstanding the outcomes of the financial modelling, which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Springer Nature AG & Co. KGaA, the Company's ultimate parent undertaking. The directors have received a letter of support from its parent undertaking that if the Company does not have sufficient funds, then monies would be made available for it to settle any liabilities as and when they fall due for the foreseeable future and to at least 30 June 2024 which is the formal going concern period modelled by management. Furthermore, the directors have obtained assurances of the parent entity's ability to stand behind the support provided during the going concern period. In practice certain of the directors are also members of the Group management board and have obtained access to Group forecasts and other data. This together with the regular monitoring by Group Treasury of the Group's short-term and mid-term liquidity gives the directors assurance as to the Group's ability to stand behind the cash pool facility.

## Springer Nature Publishers Holdings Limited

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### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 2. Summary of significant accounting policies (continued)

##### Foreign currency translation

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement.

##### Investments

All investments are recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment less provision for impairment.

##### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance income or finance expense.

##### Interest

Revenue is recognised as the interest accrues on a time proportion basis, taking into account the effective yield on the asset.

##### Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

##### Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

## Notes to the financial statements

### for the year ended 31 December 2022 (continued)

#### 2. Summary of significant accounting policies (continued)

##### Financial Assets

###### Initial Recognition and Measurement

Financial assets are classified as subsequently measured at Amortised Cost (AC), Fair Value Through Other Comprehensive Income (FVTOCI), and Fair Value Through Profit or Loss (FVTPL). The Company determines the classification of its financial assets at initial recognition.

Under IFRS 9, the classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the statement of profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at AC or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

###### Subsequent Measurement

Financial assets are designated as financial assets at AC (debt instruments), if (a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at AC are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired or when there is a change in cash flow projections.

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through the statement of profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through the statement of profit or loss, irrespective of the business model.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

## Springer Nature Publishers Holdings Limited

## Notes to the financial statements

### for the year ended 31 December 2022 (continued)

## 2. Summary of significant accounting policies (continued)

### Financial Assets (continued)

#### Derecognition

A financial asset is derecognised when one of the following conditions has been fulfilled:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of Financial Assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at FVTPL. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default. If a customer has become insolvent or other circumstances indicate default, the corresponding receivables are written off in full.

For trade receivables, Springer Nature applies a simplified approach in calculating ECLs by recognising a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### Financial Liabilities

#### Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings or payables. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, and derivative financial instruments that are not designated as hedging instruments.

#### Subsequent Measurement

Financial liabilities at FVTPL include financial liabilities designated upon initial recognition as at FVTPL. These include derivative financial instruments that are not designated as hedging instruments. Gains or losses from the subsequent measurement are recognised in the statement of profit or loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at AC using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised, as well as through the effective interest rate amortisation process.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## Notes to the financial statements

### for the year ended 31 December 2022 (continued)

#### 2. Summary of significant accounting policies (continued)

##### **New and amended Standards**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### *Reference to the Conceptual Framework – Amendments to IFRS 3*

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

##### *Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases*

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

##### *Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37*

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract exceeds the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Company as the Company had not identified any onerous contracts affected by this amendment.

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 2. Summary of significant accounting policies (continued)

*IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

*IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for 'IAS 39 Financial Instruments: Recognition and Measurement'.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

*IAS 41 Agriculture – Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the consolidated financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.



## Springer Nature Publishers Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 3. Other income and expenses

This is stated after charging:

<b>Other income</b>		2022	2021
		£000	£000
Gains from currency translation		3,098	2,905
		<u>3,098</u>	<u>2,905</u>
<b>Other expenses</b>		2022	2021
		£000	£000
Losses from currency translation on loan with fellow subsidiary		4,185	3,297
Administration costs		13	18
Expenses with related parties	12	17	16
		<u>4,215</u>	<u>3,331</u>
<b>Finance income</b>		2022	2021
		£000	£000
Interest receivable from related parties	12	2,434	1,920
<b>Finance costs</b>		2022	2021
		£000	£000
Interest payable to related parties		8,315	7,381
	12	<u>8,315</u>	<u>7,381</u>

### 4. Staff costs and Directors' emoluments

The average number of persons employed by the Company during the year was nil (2021: nil)

Director's remuneration is paid by other Group entities for their role in the Company as well as their role in the other Group entities. Director's emoluments relating to the Company are therefore considered to be immaterial as the director's role in the Company is incidental to their overall role in the Group.

## Springer Nature Publishers Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 5. Taxation

#### (a) Tax on loss on ordinary activities

Major components of income tax credit for the years ended 31 December 2022 and 2021 are:

	2022 £000	2021 £000
<b>Income statement</b>		
Current income tax credit	914	725
Income tax credit reported in income statement	914	725

#### (b) Reconciliation of the total tax credit

A reconciliation of income tax credit applicable to accounting profit before income tax at the statutory income tax rate to income tax credit at the Company's effective income tax rate for the years ended 31 December 2022 and 2021 is as follows:

	2022 £000	2021 £000
Accounting loss before income tax	(6,997)	(5,886)
At UK statutory income tax rate of 19% (2021: 19%)	(1,329)	(1,118)
Taxable profit from partnership	415	387
Other	-	6
Income tax credit reported in income statement	(914)	(725)

#### Factors that may affect future tax credits:

At Budget 2020, the government announced that the Corporation Tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. The change announced in Budget 2021 was substantively enacted at the balance sheet date and hence has been reflected in the measurement of deferred tax balances at the period end.

No deferred income tax is recognised on the unremitted earnings of overseas subsidiaries, as the Company considers that no temporary difference exists on which a liability may be provided.

### 6. Dividends paid

	2022 £000	2021 £000
Declared and paid during the year:		
Equity dividends on ordinary shares:		
No Interim dividend was paid in 2022 (2021: £nil per share)	-	-

## Springer Nature Publishers Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 7. Investments in Subsidiaries

	2022 £000	2021 £000
Cost of investment as at 1 January	385,857	385,857
Addition	118,102	-
<i>Cost of investment as at 31 December</i>	<u>503,959</u>	<u>385,857</u>

See note 12 for a list of subsidiaries and associates.

The Company has an investment of £21,001,000 in the Macmillan Scottish Limited Partnership which was established to provide an asset-backed funding solution to address the Macmillan Group pension scheme deficit. The transaction is designed to generate a long-term stream of receipts by transferring the income generated by an intra-group loan agreement between the Company and Springer Nature Holdings Limited to the pension scheme. The loan agreement is guaranteed by Georg von Holtzbrinck GmbH & Co. KG.

According to the exemption conferred by Regulation 7 of the Partnerships (Accounts) Regulations 2008 the accounts of this qualifying partnership have not been appended to these financial statements. Separate accounts for the partnership are not required to be, and have not been, filed at Companies House.

There is also an intra-group lease agreement between Springer Nature Holdings Limited and the Macmillan Scottish Limited Partnership which also generates income to be transferred to the pension scheme. The lease agreement is backed by freehold interest on the leased property. The transaction will provide a regular stream of receipts over the next 11 years and will assist the Group in reducing the pension scheme deficit.

The Company acquired an investment of £118,102,000 in Springer Science+Business Media Finance Inc. in 2022.

### 8. Trade and other receivables

	Note	2022 £000	2021 £000
<b>Current</b>			
Other related parties	12	<u>12,808</u>	<u>12,000</u>
<b>Non-Current</b>			
Other related parties	12	<u>-</u>	<u>49,780</u>

The loan to Springer Nature Two Limited of £49,780,000 was repaid during 2022 which was part of an internal reorganisation.

## Springer Nature Publishers Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 9. Cash and cash equivalents

For the purposes of the Company Cash Flow Statement, cash and cash equivalents comprise the following at 31 December:

	2022	2021
	£000	£000
Cash at bank and in hand	-	-

### 10. Issued share capital

	Number	£000
<b>Allotted, called up and fully paid:</b>		
<b>31 December 2022</b>		
Ordinary shares of £1,000 each		
At 1 January and 31 December 2022	176,000	176,000
<b>31 December 2021</b>		
Ordinary shares of £1,000 each		
At 1 January and 31 December 2021	176,000	176,000

## Springer Nature Publishers Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 11. Trade and other payables

	Note	2022	2021
		£000	£000
<b>Current</b>			
Other payables and accruals		12	256
Other related parties	12	130,507	172,964
		<u>130,519</u>	<u>173,220</u>
<b>Non-current</b>			
Other related parties	12	<u>151,102</u>	<u>33,000</u>

Within the current related parties payables balance is an amount of £86,085,000 (2021: £130,916,000) due to Springer Nature Three GmbH under an intercompany cash pooling arrangement at an approximate interest rate of 1 month LIBOR plus 3.5% and repayable on demand.

The remaining £44,422,000 consists of a £16,000 payable balance to Springer Nature AG & Co. KGaA and a €50m intercompany loan from Springer Nature Finance B.V. This intercompany loan is funded through a syndicate of third party banks under an intercompany loan agreement. The interest rate during 2022 approximated 3.5%.

Within the non-current related parties balance of £151,102,000 is a new loan of £118,102,000 from Springer Nature Finance B.V. which expires on 14<sup>th</sup> August 2026 and also the existing loan of £33,000,000 owed to Macmillan Scottish Limited Partnership.

## Springer Nature Publishers Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 12. Related party disclosures

#### a) Subsidiary undertakings

At 31 December the following companies were principal subsidiaries

	<i>Note</i>	<i>Country of incorporation/ registration</i>	<i>Class of share</i>	<i>Proportion of voting rights held by the Group</i>	
				2022	2021
Springer Nature Holdings Limited	1	England and Wales	Ordinary	100.00%	100.00%
Springer Nature (UK) Limited		England and Wales	Ordinary	100.00%	100.00%
Springer Nature Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan Education Limited		England and Wales	Ordinary	100.00%	100.00%
Springer Nature Two Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan (SLP) General Partner Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan Magazines Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan Pension Plan Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan Subscriptions Limited					
Macmillan Scottish Limited Partnership		Scotland	Ordinary	100.00%	100.00%
Macmillan Iberia S.A.		Spain	Ordinary	100.00%	100.00%
Macmillan Polska Sp. Z.o.o.		Poland	Ordinary	100.00%	100.00%
College Press Netherlands B.V.		Netherlands	Ordinary	100.00%	100.00%
Springer Nature America, Inc.		USA	Ordinary	100.00%	100.00%
Springer Nature Academic Publishing Inc.		USA	Ordinary	100.00%	100.00%
Rednova Learning Inc.		USA	Ordinary	100.00%	100.00%
Macmillan Botswana Publishing Company (Pty)		Botswana	Ordinary	100.00%	100.00%
Macmillan Boleswa Publishers (Lesotho) (Pty) Limited		Lesotho	Ordinary	100.00%	100.00%
Macmillan Education Eswatini (Proprietary) Limited		Eswatini	Ordinary	100.00%	100.00%
Macmillan Eswatini National Publishers Proprietary Limited		Eswatini	Ordinary	70.00%	70.00%
Macmillan Boleswa Publishers (Pty) Limited		Eswatini	Ordinary	100.00%	100.00%
Macmillan Education Namibia Publishers (Pty) Limited		Namibia	Ordinary	100.00%	100.00%
Edumeds (Pty) Limited		Namibia	Ordinary	100.00%	100.00%
Namibia Publishing House (Proprietary) Limited		Namibia	Ordinary	100.00%	100.00%
Macmillan South Africa (Pty) Limited	2	South Africa	Ordinary	75.00%	75.00%
Editora Nacional de Mocambique SA		Mozambique	Ordinary	90.00%	90.00%
Springer Science+Business Media Finance Inc.	1	USA	Ordinary	100.00%	100.00%

## Springer Nature Publishers Holdings Limited

**Notes to the financial statements**

for the year ended 31 December 2022 (continued)

**12. Related party disclosures  
(continued)****a) Subsidiary undertakings (continued)**

	<i>Country of incorporation/ registration</i>	<i>Class of share</i>	<i>Proportion of voting rights held by the Group</i>	
			2022	2021
Macmillan Science and Education Australia Pty Limited	Australia	Ordinary	100.00%	100.00%
Macmillan Publishers (China) Limited	Hong Kong	Ordinary	100.00%	100.00%
Macmillan Education India Private Limited	India	Ordinary	99.04%	99.04%
Macmillan Information Consulting Services (Shanghai) Co Limited	China	Ordinary	100.00%	100.00%
Macmillan Language House Limited	Japan	Ordinary	100.00%	100.00%
Nature Japan K.K.	Japan	Ordinary	100.00%	100.00%
Macmillan Korea Publishers Limited	South Korea	Ordinary	100.00%	100.00%
Macmillan Publishers (Thailand) Limited	Thailand	Ordinary	100.00%	100.00%
Macmillan Educación S.A. de C.V	Mexico	Ordinary	100.00%	100.00%
Macmillan do Brasil Editora Comercializadora, Importadora e Distribuidora Ltda	Brazil	Ordinary	100.00%	100.00%
Macmillan Publishers, S.A.	Peru	Ordinary	95.00%	95.00%
Editorial Estrada S.A.	Argentina	Ordinary	100.00%	100.00%
Macmillan Publishers S.A.S.	Colombia	Ordinary	100.00%	100.00%
Macmillan Publishers Egypt Limited	Egypt	Ordinary	100.00%	100.00%
Kawkab Distribution Limited	Egypt	Ordinary	98.00%	98.00%
College Press Publishers (Pvt) Limited	Zimbabwe	Ordinary	48.91%	48.91%

**Notes**

- Shares held directly by the Company. All other shares are held wholly or partly by subsidiary undertakings.
- The 25% minority held in the South Africa entity relates to obligations under the black economic empowerment rules in South Africa.

In the opinion of the directors the aggregate value of the assets of the Company consisting of shares in, or amounts owing (whether on loan or otherwise) from each of the Company's subsidiaries is not less than the aggregate of the amounts at which those assets are stated in the statement of financial position.

The principal activity of the above subsidiaries is the publishing of books and periodicals and the creation of innovative technology solutions for students, teachers and research

*The ultimate parent*

The directors consider the ultimate parent undertaking and controlling party to be Springer Nature AG & Co. KGaA, Berlin which is a company incorporated in Germany (registered address: Heidelberger Platz 3, 14197 Berlin, Germany).

## Springer Nature Publishers Holdings Limited

**Notes to the financial statements**

for the year ended 31 December 2022 (continued)

**12. Related party disclosures (continued)****(b) Associated Undertakings**

The following companies were considered to be associated undertakings:

	<i>Country of Incorporation/ Registration</i>	<i>Class of share</i>	<i>Proportion of shares held by the Group as at 31 December</i>	
			2022	2021
Ediciones Bilingues SL	Spain	Ordinary	50.00%	50.00%
Nikkei Science Inc	Japan	Ordinary	50.00%	50.00%
Inchi Trust Limited	England and Wales	Ordinary	50.00%	50.00%

All shares are held by subsidiary undertakings

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year:

		<i>Finance revenue received from related parties £000</i>	<i>Finance costs paid to related parties £000</i>	<i>Amounts owed by related parties £000</i>	<i>Amounts owed to related parties £000</i>
<b>Related party</b>					
<b>Fellow undertakings:</b>					
Springer Nature Finance BV	2022	-	(1,519)	807	(162,507)
	2021	220	(1,586)	-	(42,048)
Springer Nature Three GmbH	2022	-	(4,949)	-	(86,085)
	2021	-	(3,946)	-	(130,916)
Springer Nature Two Limited	2022	1,391	(30)	-	-
	2021	1,700	(36)	49,780	-
Georg von Holtzbrinck GmbH & Co. KG	2022	-	-	-	-
	2021	-	(330)	-	-
Springer Nature AG & Co. KGaA	2022	-	(17)	-	(17)
	2021	-	-	-	-
<b>Subsidiary undertakings:</b>					
Springer Nature Holdings Limited	2022	-	-	12,000	-
	2021	-	-	12,000	-



## Springer Nature Publishers Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 12. Related party disclosures (continued)

		<i>Finance revenue received from related parties £000</i>	<i>Finance costs paid to related parties £000</i>	<i>Amounts owed by related parties £000</i>	<i>Amounts owed to related parties £000</i>
<i>Related parties</i>					
Springer Nature Limited	2022	-	-	-	-
	2021	-	-	-	-
Macmillan Scottish Limited Partnership	2022	1	(1,485)	-	(33,000)
	2021	-	(1,485)	-	(33,000)
<b>Total:</b>	2022	<u>1,392</u>	<u>(8,000)</u>	<u>12,807</u>	<u>(281,609)</u>
	2021	<u>1,920</u>	<u>(7,381)</u>	<u>61,780</u>	<u>(205,964)</u>

#### *Terms and conditions of transactions with related parties*

Outstanding balances at year end are unsecured and settlements occur in cash. The amount of £33,000,000 owed to the Macmillan Scottish Limited Partnership relates to the asset-backed pension scheme loan agreement (see note 7) which is guaranteed by Georg von Holtzbrinck GmbH & Co. KG. The amount of £162,507,000 consists of the amount of £118,102,000 which relates to a loan from Springer Nature Finance B.V. to finance the investment in Springer Science+Business Media Finance Inc. and the amount of £44,404,000 which relates to a €50,049,000 loan from Springer Nature Finance B.V.

For the year ended 31 December 2022, the Company has not raised any provision for doubtful debts relating to amounts owed by related parties as the payment history has been excellent (2021: £nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 13. Financial risk management objectives and policies

The Company's principal financial instruments comprise of cash.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are liquidity risk.

#### **Interest rate risk**

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's long-term debt obligations. The majority of the Company's long term debt obligations are funded through the Company's ultimate holding company. Banking facilities at the level of the Company and its subsidiaries are arranged mainly by means of uncommitted credit facilities in order to manage the Company's working capital funding requirements. Management of the interest rate exposure on long-term debt obligations is undertaken at the level of the Company's ultimate holding company.

## Springer Nature Publishers Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 13. Financial risk management objectives and policies (continued)

#### Liquidity risk

Long term Company financial facilities are arranged at the level of the Company's ultimate holding company. The Company maintains adequate short- and medium-term credit facilities with its banks to fund forecast working capital requirements.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2022 and 2021 based on contractual undiscounted payments.

<i>Year ended 31 December 2022</i>	<i>Within 1 Year £000</i>	<i>1 to 5 Years £000</i>	<i>More than 5 Years £000</i>	<i>Total £000</i>
<b>Non-derivative financial liabilities</b>				
Related party loans	130,507	-	151,102	281,609
Trade and other payables	12	-	-	12
<b>Total</b>	<b>130,519</b>	<b>-</b>	<b>151,102</b>	<b>281,621</b>
 <i>Year ended 31 December 2021</i>	 <i>Within 1 Year £000</i>	 <i>1 to 5 Years £000</i>	 <i>More than 5 Years £000</i>	 <i>Total £000</i>
<b>Non-derivative financial liabilities</b>				
Related party loans	172,964	-	33,000	205,964
Trade and other payables	256	-	-	256
<b>Total</b>	<b>173,220</b>	<b>-</b>	<b>33,000</b>	<b>206,220</b>

The Company is not considered to be materially exposed to foreign currency, interest rate or credit risks.

#### *Fair value of financial instruments*

In respect of cash and cash equivalents, trade and other receivables, trade and other payables, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

### 14. Events subsequent to the year end

There were no material or significant events which occurred subsequent to the year end.