Biomed Central Limited

Registered Number 03680030

Report and Financial Statements

31 December 2022

Part of **SPRINGER NATURE GROUP**

Directors
H U Vest
S C Inchcoombe
R E Jacobs

Secretary
F J Niven

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

Registered Office
The Campus
4 Crinan Street
London N1 9XW

Strategic report

The purpose of the Strategic Report is to inform members of Biomed Central 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 profit for the year after taxation amounted to £50,810,000 (2021 – £44,546,000). Interim dividends paid during the year were £127,000,000 (2021 – £4,893,000). The directors do not recommend the payment of a final 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. In addition to the external services described above, the Company also provides services that are typically fulfilled to customers who are internal to the Group. Such services include: production, editorial, marketing, and other services which are separately categorised as "Revenue: for internal services".

On 30 June 2022 the Company paid a dividend on its shares of £127,000,000 to Stampdew Limited, the parent undertaking.

Key performance indicators

The Company's key financial performance indicators during the year were as follows:

	2022	*2021*	*% change*
	£000	*£000*	
Revenue: for external customers	82,549	72,664	14%
Profit after tax	50,810	44,546	14%

The Company's external revenue increased by 14% as a result of increased journal submissions and acceptance rates. Profit has increased by 14% mainly as a result of increased sales.

Principal risks and uncertainties

Economic and technological risks

The Company is exposed to a wide variety of political, technological and economic risks as the Company operates internationally in most countries in the world. The Company is exposed to risks and opportunities through the rapid development of electronic means of content delivery in the publishing and media markets. The Company continues to take advantage of the opportunities presented by these developments through its investment in online publishing via its Springer Nature brand, and through the development of electronic content delivery in its markets.

In recent years, there has been continuing rapid expansion of electronic means of delivery of content in the retail publishing sector. The Company invests for the future in the development of online content delivery as technology adoption evolves in each market. The Company continues to invest in the growing open access market whereby authors pay to publish content online, enabling free access to end-user customers.

Strategic report (continued)

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 financial position of the Company remains strong. It has cash resources of £143.7m including £143.7m in the intercompany cash pool (included within receivables). The directors received a letter of support from the parent entity to confirm continued access to the cash pooling facility. The Company does not have any external borrowings.

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. Company policy is to arrange longer term Company borrowing requirements through the Company's ultimate holding company. The Company itself does not have any external third party borrowings and has access to sufficient resources to meet its needs.

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.

Future developments

The 2023 outlook is for stable revenue from its Research business. This is possible from the launch of new journals, growth in articles in existing journals, strength of our brands and the mitigating actions we have taken in response to Covid-19 as mentioned in the 'Principal risks and uncertainties' section on page 2 of this report.

The Company will continue to invest in people, systems and development of new journals to meet the demands of the Scientific research community and profit expectations.

Strategic report (continued)

Future developments (continued)

The Company continues to assess and address the impact of new developments including Plan S, which is an initiative for open access publishing launched by Science Europe. Plan S requires researchers who benefit from state-funded research organisations to publish their work in open repositories with effect from 2021. Biomed Central, is a leading pioneer in open access publishing and continues to address these developments by; investing in open access platforms to make content more accessible, focusing on the integrity and quality of the editorial review process and entering sustainable transformative agreements where appropriate. At Springer Nature, we are enabling our authors to comply with the requirements of Plan S through gold Open Access publication routes including via Transformative Agreements, Transformative Journals and Fully Open Access. The Company continuously engages with stakeholders in the Scientific, Technical and Medical (STM) Research community to understand their needs and deliver value to them. As a consequence, the number of articles we publish on an author pays open access basis continues to grow.

Whilst the Company remains committed to further developing technology-based products and services, it recognises that the development of electronic publishing poses threats through the potential erosion of copyright and the unauthorised use of copyright material. The Company defends vigorously its copyrights and takes action to oppose unauthorised use of copyright material.

The Company places its highest priority on the publication of quality material in the diverse publishing markets which it serves. The Company continues to emphasise and invest in the development of its relationships with its authors, contributors, customers and employees to ensure this.

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 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 which each decision.

(b) the interests of the Company's employees

The Board recognizes 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 has regard to the interests of the Company's employees.

Strategic report (continued)

Section 172(1) Statement (continued)

(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 its behalf by

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R E Jacobs
Director
23 June 2023

Directors' report

The directors present their annual 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 Companies Act 2006. 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

The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements. 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 Covid-19 or macroeconomic uncertainties. One 'base case scenario' and one 'reverse stress test' scenario has been modelled.

A broad assessment of the financial impact has been modelled including impact on sales, production and operating costs. In modelling the scenario, the Company has considered the potential impact on print and online sales, implications of changing travel patterns, together with the impact of reduced income from advertising. The base case does not threaten the going concern of the Company.

The 'reverse stress test' aimed to determine the break point of the going concern of the Company to identify those factors that would cause the business to fail and assist in the evaluation of those factors and to determine if this is reasonably possible. The 'reverse stress test scenario' modelled a revenue forecast that would cause the Company to become cash flow negative for the next 12 months. This indicated that revenues would need to fall by more than 70% over the next 12 months before the Company would need to seek additional liquidity resources. This scenario was considered to be implausible due to a range of factors including; the evidence of increased scientific research publication in near term, good renewal rates in our subscriptions-related businesses, and the strength of our Open Access and online publications.

The entity forms part of the group cash pooling arrangement underpinning the daily liquidity of the entity with access to cash via the cash pooling facility. The directors received a letter of support from the parent entity to confirm continued access to the cash pooling facility and have included the receivable in cash equivalents when performing the 'stress test'. Furthermore, the directors have obtained assurances of the parent entity's ability to stand behind the cash pooling facility for the going concern period below. 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.

Based on the above modelling, the Directors have a reasonable expectation that the Company will continue in operation and meet its liabilities as they fall due for the foreseeable future and to at least 30 June 2024 which is the formal going concern period modelled by management.

Financial instruments

The Company's financial instruments are discussed in note 14.

Directors' report (continued)

Employees

The average monthly number of employees in the Company in 2022 was 88, compared to 105 in 2021.

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.

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 is stated on Page 14 of our Business Partner Code of Conduct, and the Company's policy on Governance (which covers Supplier and Customer relationships) is stated on Page 11. 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.

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.

Directors' report (continued)

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 and maintaining healthy and safe working conditions.

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 390,000 relevant articles or book chapters, which collectively have been cited more than 3.5 million times and 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. In 2021, the Company was carbon neutral for its offices, fleet and flights. 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

Carbon Emissions

The Company is classified as a low energy user as it directly consumes less than 40MWh of energy each year, therefore energy and carbon information is not disclosed as per the Streamlined Energy and Carbon Reporting (SECR) legislation. We will continue to review our emissions annually and include these when appropriate.

Springer Nature Group reports on sustainability annually via its Sustainable Business report, which can be viewed at www.springernature.com/SustainableBusiness

Events after the financial year end

No material events have occurred since the statement of financial position date which would affect the financial statements of the Company.

Directors' 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

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R E Jacobs
Director

23 June 2023

Statement of directors' responsibilities

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced 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;
- 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 proper 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.

Independent auditor's report

to the members of Biomed Central Limited

OPINION

We have audited the financial statements of Biomed Central Limited for the year ended 31 December 2022 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 18, including a summary of significant accounting policies The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

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 10, 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 RESPONSIBILTIES 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 Biomed Central 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.

Our approach was as follows:

- 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 ('FRS 101' and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom.
  In addition, the Company has to comply with laws and regulations relating to UK Anti-bribery act, Proceeds of Crime Act 2002 and The Money Laundering (Amendment) Regulations 2012, Guidelines issued by The Pension Regulator (TPR) Employment Law, Health and Safety, GDPR and Modern Slavery.
- We understood how Biomed Central Limited is complying with those frameworks by making enquiries of management, internal legal counsel and those charged with governance. We corroborated our enquiries through our review of board minutes, inspection of the code of conduct and noted that there was no contradictory evidence.
- 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 and assessing revenue as a fraud risk, which could be perpetrated by posting manual journals to inflate revenue and related deferred income in order to achieve targets. This could be done by booking fictitious revenue transactions or manipulating the value of deferred revenue released by means of manual journal entries posted. Our procedures to address this involved:
  - Understanding the revenue recognition process, policy and how it is applied and;
  - We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition, investigating journals posted to revenue as part of our journal entry testing work.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of the management, internal legal counsel and those charged with governance. We also reviewed the board to identify any non-compliance with laws and regulations, and ensuring that dividend payments complied with the relevant accounting and legal requirements.

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.

Independent auditor's report

to the members of Biomed Central Limited (continued)

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:

Ernst & Young LLP

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Ryan Squires (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Southampton

Date: 23 June 2023

Statement of comprehensive income

for the year ended 31 December 2022

	Notes	2022 £000	2021 £000
Revenue: for external customers	3	82,549	72,664
Revenue: for internal services rendered to group entities	3	15,851	14,808
Revenue		98,400	87,472
Cost of sales		(11,439)	(11,193)
Gross profit		86,961	76,279
Administrative expenses		(31,182)	(26,660)
Operating profit	4	55,779	49,619
Interest receivable and similar income	7	7,054	5,224
Interest payable and similar charges	7	(11)	(3)
Profit on ordinary activities before taxation		62,822	54,840
Tax on profit on ordinary activities	8	(12,012)	(10,294)
Profit for the financial year and total comprehensive income		50,810	44,546

For the current and preceding year there were no discontinued operations reflected above.

Statement of changes in equity

for the year ended 31 December 2022

	Share capital *£000*	*Retained earnings* *£000*	*Total equity* *£000*
At 1 January 2021	70,393	87,786	158,179
Dividends paid	-	(4,893)	(4,893)
Profit for the financial year	-	44,546	44,546
Total comprehensive income for the year	-	44,546	44,546
At 31 December 2021	70,393	127,439	197,832
Dividends paid	-	(127,000)	(127,000)
Profit for the financial year	-	50,810	50,810
Total comprehensive income for the year	-	50,810	50,810
At 31 December 2022	70,393	51,249	121,642

Statement of financial position

as at 31 December 2022

	Notes	2022 £000	2021 £000
Fixed assets			
Intangible assets	9	6,071	6,092
Tangible assets	10	33	16
		6,104	6,108
Current assets			
Debtors: amounts falling due within one year	12	175,632	245,026
		175,632	245,026
Cash at bank and in hand		-	-
Stocks	11	340	317
		175,972	245,343
Creditors: amounts falling due within one year	13	(60,434)	(53,619)
Net current assets		115,538	191,724
Net assets		121,642	197,832
Capital and reserves			
Called up share capital	15	70,393	70,393
Retained earnings		51,249	127,439
Total equity		121,642	197,832

Signed on behalf of the Board of Directors

DocuSigned by:

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R E Jacobs
Director
23 June 2023

Registered Number: 03680030

Notes to the financial statements

at 31 December 2022

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Biomed Central Limited (the "Company") for the year ended 31 December 2022 were authorised for issue by the board of directors on 23 June 2023. Biomed Central Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company has used a true and fair view override in respect of the non amortisation of goodwill (see note 2.3 (b)).

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company is exempt by virtue of section 400 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. The results of subsidiary undertakings are dealt with in the consolidated financial statements of the ultimate parent undertaking, Springer Nature AG & Co. KGaA. The group financial statements of Springer Nature AG & Co. KGaA within which this Company is included can be obtained from the address given in note 17.

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

2. Accounting policies

2.1 Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2022.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1; (ii) paragraph 73(e) of IAS 16 *Property, Plant and Equipment;* (iii) paragraph 118(e) of IAS 38 *Intangible Assets;*

(b) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements;*

(c) the requirements of IAS 7 *Statement of Cash Flows;*

(d) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors;*

(e) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures;*

(f) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

Notes to the financial statements (continued)

at 31 December 2022

2.2 Going concern

The going concern basis of preparing the financial statements has been adopted as in the view of the directors, as set out in the Directors' report on page 6, the Company has adequate resources to continue in operational existence for the foreseeable future. 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 Covid-19. One 'base case scenario' and one 'reverse stress test' scenario has been modelled.

A broad assessment of the financial impact has been modelled including impact on sales, production and operating costs. In modelling the scenario, the Company has considered the potential impact on print and online sales, implications of changing travel patterns, together with the impact of reduced income from advertising. The base case does not threaten the going concern of the Company.

The 'reverse stress test' aimed to determine the break point of the going concern of the Company to identify those factors that would cause the business to fail and assist in the evaluation of those factors and to determine if this is reasonably possible. The 'reverse stress test scenario' modelled a revenue forecast that would cause the Company to become cash flow negative for the next 12 months. This indicated that revenues would need to fall by more than 70% over the next 12 months before the Company would need to seek additional liquidity resources. This scenario was considered to be implausible due to a range of factors including; the evidence of increased scientific research publication in near term, good renewal rates in our subscriptions-related businesses, and the strength of our Open Access and online publications.

The entity forms part of the group cash pooling arrangement underpinning the daily liquidity of the entity with access to cash via the cash pooling facility. The directors received a letter of support from the parent entity to confirm continued access to the cash pooling facility and have included the receivable in cash equivalents when performing the 'stress test'. Furthermore, the directors have obtained assurances of the parent entity's ability to stand behind the cash pooling facility for the going concern period below. 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.

Based on the above modelling, the Directors have a reasonable expectation that the Company will continue in operation and meet its liabilities as they fall due for the foreseeable future and to at least 30 June 2024 which is the formal going concern period modelled by management.

2.3 Judgements and the key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Management consider that there are no material judgements or estimation uncertainty in the preparation of these financial statements.

2.4 Significant accounting policies

a) Foreign currency translation

The Company's financial statements are presented in sterling, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange 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 balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the financial statements (continued)

at 31 December 2022

2.4 Significant accounting policies (continued)

b) Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The choice of measurement of non-controlling interest, either at fair value or at the proportionate share of the acquiree's identifiable net assets, is determined on a transaction by transaction basis. Acquisition costs incurred are expensed and included in administrative expenses.

The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period chosen by the directors, its useful economic life. However, under IFRS 3 Business Combinations goodwill is not amortised. Consequently, the Company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The Company is therefore invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act. Had the Company amortised goodwill a period of 10 years would have been chosen as the useful life for goodwill. The profit for the year would have been £582,000 lower had goodwill been amortised in the year.

Goodwill is initially measured at cost being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) over the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units (or groups of cash generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and not be larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

c) Intangible fixed assets

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangible fixed assets, comprising of publishing rights, are amortised over a five-year period.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

d) Investments

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

Notes to the financial statements (continued)

at 31 December 2022

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

e) Tangible fixed assets

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Borrowing costs directly attributable to assets under construction and which meet the recognition criteria in IAS 23 are capitalised as part of the cost of that asset.
Depreciation is provided on all property, plant and equipment, other than land, on a straight-line basis over its expected useful life as follows:

Office equipment	–	3 years
Furniture and fixtures	–	5 years
Software and development	–	3 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

f) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Work in progress and finished goods -cost of direct materials and labour plus attributable overheads based on a normal level of activity, excluding borrowing costs

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

g) Trade and other debtors

Trade debtors, which generally have 30 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

h) Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Notes to the financial statements (continued)

at 31 December 2022

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

i) Income taxes

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 balance sheet 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:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit 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 balance sheet date. The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.
Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

j) 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). (2017: FVTPL, Loans and Receivables (LAR) or Available for Sale (AFS)). The Company determines the classification of its financial assets at initial recognition.
With the application of 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.

j) Financial assets
Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

Notes to the financial statements (continued)

at 31 December 2022

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

j) 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.

For LAR, the Company first assessed whether objective evidence of impairment exists individually for financial assets that were individually significant or collectively for financial assets that were not individually significant. If the Company determines that no objective evidence of impairment existed for an individually assessed financial asset, whether significant or not, it has included the asset in a group of financial assets with similar credit risk characteristics and collectively assessed them for impairment. Assets that had been individually assessed for impairment and for which an impairment loss was or continued to be recognised have not been included in a collective assessment of impairment. If there was objective evidence that an impairment loss had been incurred, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows was discounted at the financial asset's original effective interest rate. If a loan had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate.

k) 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.

Notes to the financial statements (continued)

at 31 December 2022

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

k) Financial liabilities (continued)

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 of financial liabilities

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.

l) Revenue recognition

Revenue is recognised based on IFRS 15 - Revenue from contracts with customers. Revenue arises from the provision of products and services under contracts with customers. In all cases, revenue is recognised with fulfilment of the underlying performance obligation at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, and is recognised when the customer obtains control of the goods or services. Revenue is stated at the transaction price, which includes allowance for anticipated discounts and returns and excludes customer sales taxes and other amounts to be collected on behalf of third parties. Where the goods or services promised within a contract are distinct, they are identified as separate performance obligations and are accounted for separately.

The following specific recognition criteria must also be considered before revenue is recognised:

Sale of goods and services

Revenues from the sale of products are recognised when the control of the goods is transferred to the customer, the sales price is determinable and receipt of payment can be assumed. Revenues from the sale of print books, advertisement revenues and other services are recognised when the control of the product is passed to the customer, which is usually the time of delivery for physical products, when the advertisement has been published or the service has been performed. Revenue recognition for these revenue streams is therefore based on the point-in-time concept of IFRS 15. Revenue from sale of print, online periodical subscriptions and other online services is recognised on a pro rata basis over the period of the contract. Revenues from the sale of digital products through digital distribution channels are recognised when the products are downloaded.

The performance obligations in relation to revenue from sales of goods and services are typically fulfilled to customers who are ultimately external to the Group.

Effective 1 July 2021, the Company implemented a new Central Licence Model (CLM) in respect of some contracts that were previously invoiced and fulfilled by Shared Customer Service Centres (SCSCs). For those sales that are processed within the CLM, the Company now licences the publication to a fellow subsidiary which is responsible for distribution while the SCSCs continue to invoice and contract with the end customer. The Company receives licence revenue from the distributor after deducting all the borne costs of the distribution value chain including sales, distribution, marketing and invoicing costs. Not all sales come under the CLM and some continue to be invoiced directly by the Company. The CLM does not constitute a change in accounting policy, however, the amount of licence revenue recognised by the Company has increased due to implementation of CLM for some sales. Licence revenue continues to be recognised when the performance obligations in respect of the licence fee is fulfilled.

Notes to the financial statements (continued)

at 31 December 2022

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

l) Revenue recognition (continued)

Internal services rendered to other group entities

In addition to the services described above, the Company also provides services that are typically fulfilled to customers who are internal to the Group. Hence, revenue arises from internal services provided to other group entities. Such services include: production, editorial, marketing, group functions, and other services. These services are provided via internal service model and group functions model agreements which ensure the Company is remunerated through service fees on reasonable arms-length terms which typically include a mark-up. As with the 'Sale of goods and services' described above, the Company adheres to IFRS 15 and is entitled to revenue under the internal services agreements when it fulfils its obligation to provide services to those group entities. For the internal services model, the annual service fee is typically calculated based on the actual services provided in the first 11 months of a calendar year with an estimate for the 12th month. A true-up on the estimate is performed in the following year. The Company believes that this ensures, that revenue is materially recognised in the period in which the performance obligation is fulfilled.

Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

m) Pensions

The Company operates a defined contribution scheme. Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

n) Changes in accounting policies

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.

Notes to the financial statements (continued)

at 31 December 2022

Accounting policies (continued)

2.4 Significant accounting policies (continued)

n) Changes in accounting policies

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 of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed 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.

FRS 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.

Notes to the financial statements (continued)

at 31 December 2022

3. Revenue

Revenue recognised in the Income statement is as follows:

	2022 *£000*	*2021* *£000*
Revenue: for external customers	82,549	72,664
Revenue: for internal services	15,851	14,808
Total revenue	98,400	87,472

External revenue by geographical area is as follows:

	2022 *£000*	*2021* *£000*
USA	9,762	12,073
China	33,865	26,868
United Kingdom	4,351	3,727
Rest of the world	50,422	44,804
	98,400	87,472

4. Operating profit

This is stated after charging/(crediting):

	2022 *£000*	*2021* *£000*
Cost of stocks recognised as an expense	(22)	4
Depreciation and other amounts written off tangible fixed assets	24	24
Amortisation of intangible fixed assets	23	14
Foreign exchange loss / (gain)	766	(613)

5. Auditor's remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company.

	2022 *£000*	*2021* *£000*
Audit of the financial statements	37	30

Notes to the financial statements (continued)

at 31 December 2022

6. Staff costs and directors' remuneration

(a) Staff costs

	2022	2021
	£000	£000
Wages and salaries	4,389	5,286
Social security	492	537
Pension contributions	297	352
	5,178	6,175

The average monthly number of employees during the year was made up as follows:

	2022	2021
	No.	No.
Sales and marketing	15	17
Administration	10	10
Editorial	63	78
	88	105

(b) Directors' remuneration

	2022	2021
	£000	£000
Directors' remuneration	-	-

The aggregate value of Company contributions to defined contribution pension schemes in respect of directors' qualifying services paid or treated as paid 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.

7. Interest receivable and interest payable

(a) Interest receivable and similar income

	2022	2021
	£000	£000
Interest receivable from group undertakings	7,054	5,224

(b) Interest payable and similar charges

	2022	2021
	£000	£000
Interest payable to group undertakings	11	3

Notes to the financial statements (continued)

at 31 December 2022

8. Tax

(a) Tax charged in the income statement

	2022	2021
	£000	£000
Current income tax:		
UK corporation tax relating to current year	11,909	10,605
UK corporation tax relating to prior year	(201)	(5)
Total current income tax	11,708	10,600
Deferred tax:		
Origination and reversal of temporary differences	36	(242)
Tax rate change	-	(54)
Adjustment in respect of prior year	268	(10)
Total deferred tax	304	(306)
Tax expense in the income statement	12,012	10,294

(b) Reconciliation of the total tax charge

The tax expense in the income statement differs from the standard rate of corporation tax in the UK of 19% (2021 – 19%). The differences are reconciled below:

	2022	2021
	£000	£000
Accounting profit before income tax	62,822	54,840
Tax calculated at UK standard rate of corporation tax of 19% (2020 – 19%)	11,936	10,419
Effects of:		
Tax rate change	-	(53)
Current tax adjustment in respect of prior years	(201)	(5)
Deferred tax adjustment in respect of prior years	268	(10)
Changes in temporary differences	9	(57)
Total tax expense reported in the income statement	12,012	10,294

(c) Deferred tax

The deferred tax asset included in the balance sheet is as follows:

	2022	2021
	£000	£000
Decelerated capital allowances	130	164
Other temporary differences	33	302
	163	466

Notes to the financial statements (continued)

at 31 December 2022

8. Tax (continued)

(d) Factors that may affect future charges

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.

9. Intangible fixed assets

	Goodwill	*Publishing rights*	*Total*
	£000	*£000*	*£000*
Cost:			
At 1 January 2022	6,015	523	6,538
Additions	-	2	2
At 31 December 2022	6,015	525	6,540
Amortisation:			
At 1 January 2022	-	446	446
Charge for year	-	23	23
At 31 December 2022	-	459	459
Net book value:			
At 31 December 2022	6,015	56	6,071
Net book value:			
At 1 January 2022	6,015	77	6,092

Notes to the financial statements (continued)

at 31 December 2022

10. Tangible fixed assets

	Office equipment £000	*Furniture and fixtures £000*	*Software and development £000*	*Total £000*
Cost:				
At 1 January 2022	597	22	3,514	4,133
Additions	41	-	-	41
Disposals	-	-	-	-
At 31 December 2022	638	22	3,514	4,174
Depreciation:				
At 1 January 2022	586	22	3,509	4,117
Charge for year	24	-	-	24
Disposals	-	-	-	-
At 31 December 2022	610	22	3,509	4,141
Net book value:				
At 31 December 2022	29	-	5	33
Net book value:				
At 1 January 2022	11	-	5	16

11. Stocks

	2022	*2021*
	£000	*£000*
Work in progress	340	317

12. Debtors

	2022	*2021*
	£000	*£000*
Trade debtors	7,837	7,930
Amounts owed by group undertakings	167,602	236,591
Deferred tax asset (note 8)	163	467
Other debtors and prepayments	30	38
	175,632	245,026

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Notes to the financial statements (continued)

at 31 December 2022

13. Creditors: amounts falling due within one year

	2022	*2021*
	£000	*£000*
Trade creditors	3,478	2,758
Amounts owed to group undertakings	49,229	35,930
Other taxation and social security	655	736
Other creditors	241	257
Accruals	2,672	3,363
Deferred income	4,159	10,575
	60,434	53,619

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14. Financial instruments

An explanation of the Company's financial instrument risk management objectives, policies and strategies are set out in the Directors' report.

Liquidity risk profile of financial assets and liabilities

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments.

Year ended 31 December 2022

	On Demand	*Within 1 year*	*1–5 years*	*More than 5 years*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Financial assets that are debt instruments measured at amortised cost	167,602	7,866	-	-	175,468
Financial liabilities measured at amortised cost	6,046	55,275	-	-	56,275

Year ended 31 December 2021

	On Demand	*Within 1 year*	*1–5 years*	*More than 5 years*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Financial assets that are debt instruments measured at amortised cost	236,591	7,968	-	-	244,559
Financial liabilities measured at amortised cost	35,930	7,113	-	-	43,043

Notes to the financial statements (continued)

at 31 December 2022

14. Financial instruments (continued)

Foreign currency risk

Certain amounts owed to and from group undertakings are designated in Euros.

The following table demonstrates the sensitivity to a reasonably possible change in the Sterling against the Euro exchange rate, with all other variables held constant, of the Company's profit before tax (due to foreign exchange translation of monetary assets and liabilities).

	Change in Sterling vs. Euro rate	*Effect on profit before tax £000*
2022	+10%	(1,806)
	-10%	1,806
2021	+10%	(1,088)
	-10%	1,088

15. Authorised, issued and called up share capital

		2022		*2021*
Allotted, called up and fully paid	*No.*	*£000*	*No*	*£000*
Ordinary shares of £0.05 each	16,900,201	845	16,900,201	845
Preference shares of €0.57 each	147,863,640	69,548	147,863,640	69,548

The preference shares are allotted to Stampdew Limited, a fellow group undertaking. The shares are non-redeemable with no fixed maturity date and with no contractual obligation to pay fixed dividends. The shares do not carry any voting rights. On a winding up of the Company, the preference shareholders have a right to receive, in preference to payments to ordinary shareholders, the amount paid up in respect of such shares as well as any accrued dividends.

16. Related party transactions

The Company has taken advantage of the exemption available under paragraph 8(k) of FRS 101 not to disclose transactions with other 100% owned members of the group headed by Springer Nature AG & Co. KGaA.

17. Ultimate group undertaking

At 31 December 2022, the immediate parent of the Company was Stampdew Limited.

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

Notes to the financial statements (continued)

at 31 December 2022

18. Events subsequent to the year end

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