Stampdew Limited

Registered Number 04683401

Report and Financial Statements

31 December 2020

REPORT AND FINANCIAL STATEMENTS 2020

Contents

Directors

H U Vest
S C Inchcoombe
R E Jacobs
G M Williams Hamer

Secretary

G M Williams Hamer

Auditor

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

Registered Office

The Campus
4 Crinan Street
London N1 9XW
United Kingdom

Strategic Report

The directors present their Strategic report for the year ended 31 December 2020.

Results and dividends

The loss for the year after taxation amounted to £1,370,000 (2019: £2,099,000). The directors do not recommend the payment of a final dividend (2019 - nil).

Principal activities and review of the business

The principal activity of the Company is to act as an investment holding company.

The directors have reviewed and considered business risks relating to Stampdew Limited ("the Company"). At this time they do not consider that there are any risks solely in relation to the Company.

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:

	2020	*2019*	*% change*
	£000	*£000*	
Loss after tax	(1,370)	(2,099)	34.7%

The 34.7% change in loss after tax primarily arose due to lower administration expenses during the year.

Income Tax

An analysis of the income tax charge is set out in note 7 to the financial statements. The income tax credit as a percentage of loss on ordinary activities before income tax was 15.5% in the current year (2019: credit of 18.5 %).

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.

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.

Strategic Report (continued)

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.

(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 5. 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 4 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.

Strategic Report (continued)

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

DocuSigned by:
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G M Williams Hamer
Director
27 May 2021

Directors' Report

The directors present their report and Company financial statements for the year ended 31 December 2020.

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 Covid-19. One 'base case scenario' and one 'reverse stress test' scenario has been modelled to address the risk posed by Covid-19 (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 assurances 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 2022 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.

Financial instruments

The Company's financial risk management objectives and policies are discussed in note 12.

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 300,000 relevant articles or book chapters, which collectively have been downloaded more than 750 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 2020, the Company was carbon neutral for its offices, fleet and flights.

Directors' Report (continued)

Corporate responsibility (continued)

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

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:
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G M Williams Hamer
Director
27 May 2021

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 Stampdew Limited

OPINION

We have audited the financial statements of Stampdew Limited for the year ended 31 December 2020 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Balance sheet and the related notes 1 to 15, 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 2020 and of its loss 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 2022.

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.

Independent auditor's report

to the members of Stampdew Limited (continued)

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 7, 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.

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 (FRS 101 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.

Ernst & Young LLP

Ryan Squires (Senior statutory auditor)

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

Southampton

Date: 28 May 2021

Statement of comprehensive income

for the year ended 31 December 2020

	Notes	2020 £000	2019 £000
Other income/(administrative expenses)		502	(738)
Operating profit/(loss)	3	502	(738)
Impairment of investment	9	(317)	-
Interest receivable and similar income	6	3,473	3,407
Interest payable and similar charges	6	(5,279)	(5,243)
Loss on ordinary activities before taxation		(1,621)	(2,574)
Tax on loss on ordinary activities	7	251	475
Loss for the financial year and total comprehensive income		(1,370)	(2,099)

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

Statement of changes in equity

for the year ended 31 December 2020

	Share capital £000	*Share premium £000*	*Retained earnings £000*	*Total equity £000*
At 1 January 2019	6,905	518	39,091	46,514
Loss for the financial year	-	-	(2,099)	(2,099)
Total comprehensive loss for the year	-	-	(2,099)	(2,099)
At 31 December 2019	6,905	518	36,992	44,415
Loss for the financial year	-	-	(1,370)	(1,370)
Total comprehensive loss for the year	-	-	(1,370)	(1,370)
At 31 December 2020	6,905	518	35,622	43,045

Balance sheet
as at 31 December 2020

	Notes	2020 £000	2019 £000
Non-current assets			
Tangible assets	8	-	-
Investments	9	81,290	81,607
Non-current financial assets	10	87,484	88,794
		168,774	170,401
Current assets			
Debtors: amounts falling due within one year	10	599	1,387
Creditors: amounts falling due within one year	11	(126,328)	(127,373)
Net current liabilities		(125,729)	(125,986)
Total assets less current liabilities		43,045	44,415
Net assets		43,045	44,415
Capital and reserves			
Called up share capital	13	6,905	6,905
Share premium account		518	518
Retained earnings		35,622	36,992
Total equity		43,045	44,415

Approved by the Board of Directors

and signed on behalf of the Board

DocuSigned by:

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G M Williams Hamer

Director

27 May 2021

Registered Number: 4683401

Notes to the financial statements

at 31 December 2020

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

The financial statements of Stampdew Limited (the "Company") for the year ended 31 December 2020 were authorised for issue by the board of directors on 21 May 2021. Stampdew 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'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 15.

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 2020.

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

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 5 the Company has adequate resources to continue in operational existence for the foreseeable future.

As set out in the Director's Report, 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 to address the risk posed by Covid-19, (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.

Notes to the financial statements (continued)

at 31 December 2020

2.2 Going concern (continued)

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 assurances 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 until at least 30 June 2022.

Impact of COVID-19

In light of the ongoing COVID-19 pandemic, the Company has considered whether any adjustments are required to reported amounts in the financial statements. Over the course of the last year since the pandemic occurred in March 2020, 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. Moreover, due to the global nature of our business the Company has not been materially adversely affected by the UK lockdown that occurred in 2021 and having assessed this do not consider this to be a Post Balance Sheet Event requiring further disclosure.

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.

b) 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 2020

2.4 Significant accounting policies (continued)

c) 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.

d) 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.

e) 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.

f) 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.

Notes to the financial statements (continued)

at 31 December 2020

2.4 Significant accounting policies (continued)

f) Income taxes (continued)

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.

g) 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.

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.

g) Financial assets

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.

Notes to the financial statements (continued)

at 31 December 2020

2.4 Significant accounting policies (continued)

g) Financial assets (continued)

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.

h) 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.

h) Financial liabilities (continued)

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.

i) Revenue recognition

The Company is an investment holding company, and as such does not generate revenue.

Notes to the financial statements (continued)

at 31 December 2020

2.4 Significant accounting policies (continued)

k) 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 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. These amendments have no impact on the financial statements of the Company as it does not have any benchmark affected interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of the Company, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. These amendments had no impact on the financial statements of the Company.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.

Notes to the financial statements (continued)

at 31 December 2020

3. Operating (gain)/loss

This is stated after (crediting)/charging:

	2020	*2019*
	£000	*£000*
Foreign exchange (gain)/loss	(513)	244

4. 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.

	2020	*2019*
	£000	*£000*
Audit of the financial statements	13	13

5. Directors' remuneration

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.

6. Interest receivable and interest payable

(a) Interest receivable and similar income

	2020	*2019*
	£000	*£000*
Interest receivable from group undertakings	3,473	3,407

(b) Interest payable and similar charges

	2020	*2019*
	£000	*£000*
Interest payable to group undertakings	5,279	5,243

Notes to the financial statements (continued)

at 31 December 2020

7. Tax

(a) Tax charged in the income statement

	2020	*2019*
	£000	*£000*
Current income tax:		
UK corporation tax relating to current year	(265)	(495)
UK corporation tax relating to prior year	-	26
Total current income tax	(265)	(469)
Deferred tax:		
Origination and reversal of temporary differences	14	(6)
Total deferred tax	14	(6)
Tax credit in the income statement	(251)	(475)

(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% (2019 – 19%). The differences are reconciled below:

	2020	*2019*
	£000	*£000*
Accounting loss before income tax	(1,621)	(2,574)
Tax calculated at UK standard rate of corporation tax of 19% (2019 – 19%)	(308)	(489)
Effects of:		
Loss on disposal of investment	60	-
Current tax adjustment in respect of prior year	-	26
Other timing differences	(3)	(12)
Loss on investment in subsidiary undertaking	-	-
Total tax credit reported in the income statement	(251)	(475)

Notes to the financial statements (continued)

at 31 December 2020

7. Tax (continued)

(c) Deferred tax

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

Deferred tax asset

	2020	*2019*
	£000	*£000*
Decelerated capital allowances	18	19
Other temporary differences	-	12
	18	31

A reduction in the UK corporation tax rate from 20% to 19% took effect from 1 April 2018. A further reduction in the UK corporation rate to 17% from 1 April 2020 was enacted during the year ended 31 December 2016. 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 impact of these changes have been appropriately reflected in these financial statements. A reduction in the UK corporation tax rate from 20% to 19% took effect from 1 April 2018. A further reduction in the UK corporation rate to 17% from 1 April 2020 was enacted during the year ended 31 December 2016. 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 impact of these changes have been appropriately reflected in these financial statements.

8. Tangible fixed assets

	Leasehold
	£000
Cost:	
At 1 January 2020	237
Additions	-
Disposals	-
At 31 December 2020	237
Depreciation:	
At 1 January 2020	237
Charge for year	-
Disposals	-
At 31 December 2020	237
Net book value:	
At 31 December 2020	-
Net book value:	
At 1 January 2020	-

Notes to the financial statements (continued)

at 31 December 2020

9. Investments

	Investments
	£000
Cost:	
At 1 January 2020	81,607
Disposals	-
At 31 December 2020	81,607
Accumulated provision for diminution:	
At 1 January 2020	-
Impairment	317
At 31 December 2020	317
Net book value:	
At 31 December 2020	81,290
Net book value:	
At 1 January 2020	81,607

The principal companies in which the Company's direct interest at the year end is at least 20% are as follows:

Subsidiary undertakings	*Country of incorporation*	*Principal activity*	*Percentage of ordinary share capital held*
Springer-Verlag London Limited	England & Wales	Publishing	100%
Editorial Trafico Vial S.A.	Spain	Publishing	100%
Springer Healthcare Limited	England & Wales	Publishing	100%
Biomed Central Limited	England & Wales	Publishing	100%
Springer Nature One Limited	England & Wales	Investment Holding	100%
FMC 2011 Limited	England & Wales	Publishing	33.9%

The impairment in the current year represents the holding in Editorial Trafico Vial SA which was revalued in the year.

10. Debtors

Amounts falling due within one year

	2020	*2019*
	£000	*£000*
Amounts owed by group undertakings	580	1,356
Deferred tax asset (note 8)	18	31
Other debtors and prepayments	1	-
	599	1,387

Notes to the financial statements (continued)

at 31 December 2020

10. Debtors (continued)

Amounts falling due after one year

	2020	*2019*
	£000	*£000*
Amounts owed by group undertakings	87,484	88,794
	87,484	88,794

Amounts owed by group undertakings include a loan to Springer Nature One Limited, a wholly owned subsidiary of £87,484,000 (2019 - £88,794,000. The loan was made on 22 December 2016 and the amount, together with any interest accrued thereon, is repayable before 14 August 2022. The interest rate is 5.04% p.a variable. Other Amounts owed by group undertakings are unsecured and repayable on demand.

11. Creditors: amounts falling due within one year

	2020	*2019*
	£000	*£000*
Amounts owed to group undertakings	126,317	127,260
Accruals and deferred income	11	87
Corporation tax	-	26
	126,328	127,373

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

12. 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 2020

	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	-	581	87,484	-	88,065
Financial liabilities measured at amortised cost	-	(126,328)	-	-	(126,327)

Notes to the financial statements (continued)

at 31 December 2020

12. Financial instruments (continued)

Year ended 31 December 2019

	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	-	1,356	88,794	-	90,150
Financial liabilities measured at amortised cost	-	(127,373)	-	-	(127,373)

Interest rate risk

Floating rate loans earn interest at rates linked to LIBOR.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate financial liabilities).

	Increase / decrease in basis points	*Effect on profit before tax*
		£000
2020	+100	(1,269)
	-100	1,269
2019	+100	(1,689)
	-100	1,689

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
2020	+10%	(93)
	-10%	93
2019	+10%	(8,224)
	-10%	8,224

Notes to the financial statements (continued)

at 31 December 2020

13. Authorised, issued and called up share capital

		2020		2019
Allotted, called up and fully paid	*No.*	*£000*	*No*	*£000*
Ordinary shares of £1 each	2	-	2	-
Ordinary shares of €1 each	9,819,600	6,905	9,819,600	6,905

14. 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.

15. Ultimate group undertaking

At 31 December 2020, the immediate parent of the Company was Springer Nature Finance B.V.

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).