

Science Press Internet Services Limited

**Directors' report and financial
statements**

Registered number 03504764

31 December 2007



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Directors' report

The directors present their directors' report and audited financial statements for the year ended 31 December 2007.

Principal activities

The Company did not trade during the year.

On 2 January 2007 the Company transferred all its assets and liabilities to Current Medicine Group Limited via a dividend in specie.

Directors

The directors who held office during the year were as follows:

J Hunter (resigned 21 May 2009)
Dr Ulrich Vest
D Haank
M Mos
S Rimington (appointed 1 June 2009)

Dividends

A dividend in specie was made during the year amounting to £1,136,107 (2006: £Nil).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



S Rimington
Director

11-21 Paul Street
London
EC2A 4JU

1 June 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the 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 disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

Independent auditors' report to the members of Science Press Internet Services Limited

We have audited the financial statements of Science Press Internet Services Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Science Press Internet Services Limited (*continued*)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

1 June 2009

Profit and Loss Account
for the year ended 31 December 2007

	<i>Note</i>	2007 £	2006 £
Turnover	1	-	2,912,065
Cost of sales		-	(478,458)
Gross profit		-	2,433,607
Administrative expenses		-	(1,809,024)
Operating profit		-	624,583
Interest receivable and similar income	3	-	30,773
Interest payable	4	-	(414)
Profit on ordinary activities before taxation	2	-	654,942
Tax on profit on ordinary activities	7	-	(215,558)
Profit for the financial year		-	439,384

All activities were transferred on 2 January 2007 to Current Medicine Group Limited.

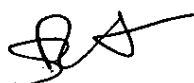
The company has no recognised gains or losses other than the profits for the previous year.

The notes on pages 7 to 12 form part of these financial statements.

Balance Sheet
at 31 December 2007

	<i>Note</i>	2007		2006	
		£	£	£	£
Fixed assets					
Tangible assets	8	-	-		323
Current assets					
Stocks	9	-		66,836	
Debtors	10	1,000		3,103,287	
		<u>1,000</u>		<u>3,170,123</u>	
Creditors: amounts falling due within one year	11	-		(2,033,339)	
Net current assets			<u>1,000</u>		<u>1,136,784</u>
Total assets less current liabilities			<u>1,000</u>		<u>1,137,107</u>
Capital and reserves					
Called up share capital	12	1,000			1,000
Profit and loss account	13	-			1,136,107
Shareholders' funds	14	<u>1,000</u>			<u>1,137,107</u>

These financial statements were approved by the board of directors on 1 June 2009 and were signed on its behalf by:



S Rimington
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared on a historical cost basis in accordance with applicable accounting standards.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statement.

As 100% of the company's voting rights are controlled within the group headed by Springer Science & Business Media SA, the company has taken advantage of the exemption contained in FRS 8 and not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Springer Science & Business Media SA within which this company is included can be obtained from the address given in note 16.

Fixed assets and depreciation

Depreciation was provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures and fitting - 3 years

Low value assets were fully depreciated in the year of acquisition.

Foreign currencies

Transactions in foreign currencies were recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies were translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation were included in the profit and loss account.

Turnover

Turnover represented the invoiced value of goods and services supplied to other parties, excluding Value Added Tax.

Stocks and work in progress

Stocks were stated at the lower of cost and net realisable value. For work in progress, cost is taken as production cost.

Operating leases

Rental charges were charged to the profit and loss account on a straight line basis over the life of the lease.

Taxation

The charge for taxation was based on the result for the year. Deferred tax was recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'. Deferred tax assets were recognised only to the extent that it is regarded as more likely than not that they will be recovered.

Pension costs

Science Press Internet Services Limited operated a stakeholder pension. No contributions are made by the company.

Notes (continued)

2 Profit on ordinary activities before taxation

	2007 £	2006 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration:		
Audit	-	17,833
Depreciation of tangible assets:		
Owned assets	-	2,445
Operating lease rentals		
Land and buildings	-	93,043
	<u> </u>	<u> </u>

The audit fees for the year ended 31 December 2007 amounting to £3,000 were borne by Current Medicine Group Limited, the Company's immediate parent. Fees paid to the company's auditor, KPMG LLP and its associates for non-audit services to the company itself amounting to £750 were borne by Current Medicine Group Limited, the Company's immediate parent company.

3 Interest receivable and similar income

	2007 £	2006 £
Receivable from group undertakings	-	30,773
	<u> </u>	<u> </u>

4 Interest payable

	2007 £	2006 £
On other loans	-	414
	<u> </u>	<u> </u>

5 Remuneration of directors

	2007 £	2006 £
Directors emoluments	-	78,346
	<u> </u>	<u> </u>

6 Staff numbers and costs

	Number of employees (excluding directors)	
	2007	2006
Sales and marketing	-	3
Administration	-	1
Production	-	10
Editorial	-	17
	<u> </u>	<u> </u>
	-	31
	<u> </u>	<u> </u>

Notes (continued)

6 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2007 £	2006 £
Wages and salaries	-	939,533
Social security costs	-	102,968
	<u>-</u>	<u>1,042,501</u>

7 Tax on profit on ordinary activities

Analysis of charge for the year

	2007 £	2006 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	207,622
Adjustment in respect of prior year	-	7,936
	<u>-</u>	<u>215,558</u>
Tax on profit on ordinary activities and total current tax	-	215,558

Factors affecting the tax charge

The current tax charge for the year is the same as (2006: *higher than*) the standard rate of corporation tax in the UK of 30% (2006: 30%). The difference is explained below:

	2007 £	2006 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	-	654,942
	<u>-</u>	<u>654,942</u>
Current tax at 30% (2006: 30%)	-	196,482
Effects of:		
Other timing differences	-	9,000
Expenses not deductible for tax purposes	-	1,582
Capital allowances for year in less than depreciation	-	558
Adjustments to the charge in respect of previous periods	-	7,936
	<u>-</u>	<u>10,076</u>
Current tax charge	-	215,558

Notes (continued)

8 Tangible fixed assets

	Fixtures and fittings 2007 £
<i>Cost</i>	
At 1 January 2007	2,768
Transferred to Group companies	(2,768)
	<hr/>
At 31 December 2007	-
	<hr/>
<i>Depreciation</i>	
At 1 January 2007	2,445
Transferred to Group companies	(2,445)
	<hr/>
At 31 December 2007	-
	<hr/>
<i>Net book value</i>	
At 31 December 2007	-
	<hr/>
At 31 December 2006	323
	<hr/>

9 Stocks

	2007 £	2006 £
Work in progress	-	66,836
	<hr/>	<hr/>

10 Debtors: amounts falling due within one year

	2007 £	2006 £
Trade debtors	-	921,767
Amounts owing by group undertakings	1,000	2,174,398
Other debtors	-	7,122
	<hr/>	<hr/>
	1,000	3,103,287
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	-	38,137
Amounts owed to group undertakings	-	1,043,396
Taxation and social security	-	299,554
Other creditors	-	37,495
Accruals and deferred income	-	614,757
	<hr/>	<hr/>
	-	2,033,339
	<hr/>	<hr/>

Notes (continued)

12 Called up share capital

	2007 £	2006 £
<i>Authorised, allotted, issued and fully paid:</i>		
1,000 ordinary shares of £1 each	1,000	1,000

13 Reserves

	Profit and loss account £
At beginning of year	1,136,107
Dividend in specie	(1,136,107)
At end of year	-

14 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Opening shareholders' funds	1,137,107	697,723
Profit for the financial year	-	439,384
Dividend in specie	(1,136,107)	-
Closing shareholders' funds	1,000	1,137,107

On 2 January 2007, the Company transferred all of its assets and liabilities excluding £1000 intercompany debtor via a dividend in specie to its immediate parent Current Medicine Group Limited.

15 Commitments

At the end of the financial year annual commitments under non-cancellable operating leases are as follows:-

	2007 Land and buildings £	2006 Land and buildings £
<i>Operating leases which expire:</i>		
Within one year	-	93,043

16 Ultimate and immediate parent company and controlling party

The immediate parent company is Current Medicine Group Limited, a company incorporated in England and Wales, and the ultimate parent company and controlling party is Springer Science and Business Media SA, incorporated in Luxembourg. Consolidated financial statements for the group may be obtained from the Registre de Commerce et des Societes, Luxembourg.