

Company Registration No. 46694

SPRINGER NATURE HOLDINGS LIMITED
(formerly HM Publishers Holdings Limited)

Report and Financial Statements

31 December 2017

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COMPANIES HOUSE

REPORT AND FINANCIAL STATEMENTS 2017

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SPRINGER NATURE HOLDINGS LIMITED
(formerly HM Publishers Holdings Limited)

GENERAL INFORMATION

DIRECTORS

R E Jacobs
S C Inchcoombe

SECRETARY

G M Williams Hamer

REGISTERED OFFICE

The Campus
4 Crinan Street
London
N1 9XW

BANKERS

National Westminster Bank
3 London Street
Basingstoke
Hampshire
RG21 7NS

SOLICITORS

Taylor Wessing
5 New Street Square
London
EC4A 3TW

AUDITORS

Ernst & Young LLP
Apex Plaza
Reading
RG1 1YE

STRATEGIC REPORT

Business review

The principal activity is that of a sub holding company.

The directors have reviewed and considered business risks relating to Springer Nature Holdings 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.

Results for the year

The Company profit for the year after taxation amounted to £47,863,000 (2016: £2,913,000).

Income Tax

An analysis of the income tax charge is set out in note 5 to the financial statements. The income tax credit as a percentage of profit on ordinary activities before income tax was 0.9% in the current year (2016: charge of 2.7%).

Dividends

Interim ordinary dividend paid for the year to 31 December 2017: £46,372,000 (2016: £nil). The directors do not recommend the payment of a final dividend (2016: £nil).

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



S C Inchcoombe
Director

20 JUNE 2018

DIRECTORS' REPORT

Company Registration No 46694

The directors present their report and Company financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the Company is to act as a sub holding company.

Directors and their interests

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 of 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.

Liquidity and capital resources

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.

The cash flow statement shows £1,532,000 increase in cash and cash equivalents in the year ended 31 December 2017 (2016: £63,000 increase). Dividends of £46,372,000 were paid to the Company's shareholders (2016: £nil).

Asset and capital structure

Equity and gearing

The Company has no external debt.

Company policy is to arrange longer term Company borrowing requirements through the Company's immediate and ultimate holding companies. The Company operates within borrowing limits imposed by the banking covenants at the level of the Company's ultimate holding company.

Financial instruments

The Company's financial risk management objectives and policies are discussed in note 16.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Change of name

On 31 May 2018 the Company changed its name from HM Publishers Holdings Ltd to Springer Nature Holdings Ltd.

DIRECTORS' REPORT (continued)

Corporate social 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. The Company recognises its responsibility towards protecting the environment. The Company has identified its material environmental impacts and is monitoring these. 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. 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 responsible business strategy and reporting, including its Responsible Business report, its Business Partner Code of Conduct, Modern Slavery Act statement and UK Gender Pay Gap report can be accessed at www.springernature.com/responsiblebusiness

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



S C Inchcoombe
Director

20 JUNE 2018

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE
FINANCIAL STATEMENTS**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss for that period.

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

- select suitable accounting policies in accordance with IAS8 "Accounting policies, changes in accounting estimates and errors" and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- state whether the financial statements have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGER NATURE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Springer Nature Holdings Limited for the year ended 31 December 2017 which comprise Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow statement, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 below. 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.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPRINGER NATURE HOLDINGS LIMITED

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 by the parent company, 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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

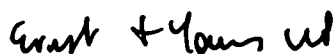
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.



Kevin Harkin (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

22 June 2018

SPRINGER NATURE HOLDINGS LIMITED
(formerly HM Publishers Holdings Limited)

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Continuing operations			
Other income	3	7,804	12,849
Depreciation and amortisation expense	3	(182)	(352)
Other expenses	3	(4,129)	(5,834)
		<hr/>	<hr/>
Operating profit		3,493	6,663
 Income from investments:			
Dividends received	6	47,555	-
 Finance revenue	3	492	429
Finance costs	3	(4,103)	(4,098)
		<hr/>	<hr/>
Profit before tax		47,437	2,994
Income tax	5	427	(81)
		<hr/>	<hr/>
Profit for the year		<u>47,864</u>	<u>2,913</u>
 Other comprehensive income		<hr/> -	<hr/> -
Total comprehensive income		<u>47,864</u>	<u>2,913</u>

SPRINGER NATURE HOLDINGS LIMITED
(formerly HM Publishers Holdings Limited)

BALANCE SHEET
at 31 December 2017

ASSETS	Note	2017 £'000	2016 £'000
Non-current assets			
Property, plant and equipment	7	3,534	3,716
Investment in subsidiaries	8	43,764	43,764
Deferred tax asset	12	27	-
		<u>47,325</u>	<u>47,480</u>
Current assets			
Trade and other receivables	9	154,360	155,130
Income tax receivable	5	283	253
Cash and cash equivalents	10	1,617	85
		<u>156,260</u>	<u>155,468</u>
TOTAL ASSETS		<u><u>203,585</u></u>	<u><u>202,948</u></u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	11	772	772
Share Premium		76,789	76,789
Retained earnings		23,245	21,753
TOTAL EQUITY		<u>100,806</u>	<u>99,314</u>
Non-current liabilities			
Deferred Tax liabilities	12	-	544
Other non-current liabilities	13	864	826
		<u>864</u>	<u>1,370</u>
Current liabilities			
Trade and other payables	13	101,915	102,264
TOTAL LIABILITIES		<u>102,779</u>	<u>103,634</u>
TOTAL EQUITY AND LIABILITIES		<u><u>203,585</u></u>	<u><u>202,948</u></u>

These financial statements were approved by the Board of Directors on 20 JUNE 2018

Signed on behalf of the Board of Directors.



S C Inchcoombe
Director

SPRINGER NATURE HOLDINGS LIMITED
(formerly HM Publishers Holdings Limited)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

2017	Issued capital £'000	Share premium £'000	Retained Earnings £'000	Total Equity £'000
At 1 January 2017	772	76,789	21,753	99,314
Profit for the period	-	-	47,864	47,864
Total comprehensive income	-	-	47,864	47,864
Dividends	-	-	(46,372)	(46,372)
At 31 December 2017	772	76,789	23,245	100,806
 2016				
At 1 January 2016	772	76,789	18,840	96,401
Profit for the period	-	-	2,913	2,913
Dividends	-	-	-	-
At 31 December 2016	772	76,789	21,753	99,314

SPRINGER NATURE HOLDINGS LIMITED
(formerly HM Publishers Holdings Limited)

CASH FLOW STATEMENT
For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Operating profit		3,493	6,663
Decrease/(increase) in accounts receivable		771	(7,541)
(Decrease)/increase in accounts payable less than one year		(349)	2,459
Increase in accounts payable more than one year		38	40
Depreciation charges		182	352
Gain on disposal of property, plant & equipment		-	(2,974)
Income tax paid		(174)	(1)
		<hr/>	<hr/>
Net cash flows from operating activities		3,961	(1,002)
		<hr/>	<hr/>
Cash flows from investing activities			
Interest received		492	429
Dividends received from subsidiaries		47,555	-
Sale of property, plant and equipment		-	4,734
Investment in subsidiary undertakings		-	-
		<hr/>	<hr/>
Net cash flows from investing activities		48,047	5,163
		<hr/>	<hr/>
Cash flows used in financing activities			
Interest paid		(4,103)	(4,098)
Dividends paid to equity holders of the parent		(46,372)	-
		<hr/>	<hr/>
Net cash flows used in financing activities		(50,475)	(4,098)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		1,532	63
Cash and cash equivalents at 1 January	10	85	22
		<hr/>	<hr/>
Cash and cash equivalents at 31 December	10	1,617	85
		<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

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

The financial statements of the Company for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 20 June 2018. The Company is a limited company incorporated in England.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Standards Accounting Board and as adopted by the European Union.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Company are set out in note 2.

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

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

2. Summary of significant accounting policies

Statement of compliance

The Company's accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Standards Accounting Board and as adopted by the European Union.

Basis of preparation

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

Going concern

The going concern basis of preparing the financial statements has been adopted as in the view of the directors the Company has adequate resources to continue in operational existence for the foreseeable future.

Fixed assets

Assets (and disposal groups) held for sale:

Non-current assets and disposal groups are classified as held for sale only if available for immediate sale in their present condition; a sale is highly probable and expected to be completed within one year from the date of classification. Such assets are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated or amortised.

Investments

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

Cash and cash equivalents

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

For the purpose of the Cash Flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

2. Summary of significant accounting policies (continued)

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

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

Dividends

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

Income tax

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

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

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

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

New and amended Standards adopted in the period

The Company has adopted the following new and amended IFRS and IFRIC standards and interpretations during the year, mandatory as at 1 January 2017 unless otherwise stated. Adoption of these revised standards and interpretations did not have any material impact on the Company's financial statements.

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealised losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Company applied amendments retrospectively. However, their application has no effect on the Company's financial position and performance as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

2. Summary of significant accounting policies (continued)

New and amended Standards adopted in the period (continued)

Annual Improvements 2014-2016 Cycle (issued in December 2016)

These improvements include:

IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

Short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted because they have now served their intended purpose. The amendment is effective from 1 January 2018. This amendment is not applicable to the Company.

IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 January 2018, with earlier application permitted. If an entity applies those amendments for an earlier period, it must disclose that fact. These amendments are not applicable to the Company.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018. An entity may elect the overlay approach when it first applies IFRS 9 and apply that approach retrospectively to financial assets designated on transition to IFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying IFRS 9. These amendments are not applicable to the Company.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the Interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the interpretation

Or

- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The Interpretation is effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

These amendments do not have any impact on the Company.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

2. Summary of significant accounting policies (continued)

Standards issued but not yet effective

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. The new standard does not have any impact on the Company as it does not have revenue contracts with customers.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The Company plans to early adopt IFRS16 on 1 January 2018 using a modified retrospective approach.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

2. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

IFRS 16 Leases

If the Company had adopted IFRS 16 as of 1 January 2017 using the modified retrospective approach with the same accounting methods (underlying lease classes, calculation of discount rate as of 31 December 2016), the statement of financial position, the statement of profit or loss and the statement of cash flows would be affected as follows:

Statement of comprehensive income in GBP '000	2017	IFRS 16 adj.	2017 adj.
Other expenses	(4,129)	3,521	(608)
Depreciation and amortisation expense	(182)	(2,488)	(2,670)
Operating profit	3,493	1,033	4,526
Financial expenses	(4,103)	(1,604)	(5,707)
Income taxes	427	96	523
Net result for the period	47,864	(475)	47,389

Balance sheet Assets in GBP '000	31.12.2017	IFRS 16 adj.	31.12.2017 adj.
Property, plant and equipment	3,534	25,130	28,664
Deferred tax assets	27	97	124

Balance sheet Equity and liabilities in GBP '000	31.12.2017	IFRS 16 adj.	31.12.2017 adj.
Finance lease liabilities (non-current)	-	27,582	27,582
Finance lease liabilities (current)	-	3,947	3,947
Deferred income	-	(5,829)	(5,829)

Cash flow statement in GBP '000	2017	IFRS 16 adj.	2017 adj.
Operating profit from continuing operations	3,493	1,033	4,526
Change in payables (including deferred income)	(311)	475	164
Depreciation charges	182	2,488	2,670
Net cash flows from operating activities	3,961	3,996	7,957
Cash repayment of finance lease liabilities	-	(3,989)	(3,989)
Net cash flows used in financing liabilities	(50,475)	(3,989)	(54,464)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

2. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 (Financial Instruments) that replaces IAS 39 (Financial Instruments: Recognition and Measurements) and all previous versions of IFRS 9. IFRS 9 covers all three aspects that were analysed and assessed as part of the financial instruments project: classification and measurement, impairment, and hedge accounting. IFRS 9 is mandatory for reporting periods beginning on or after 1 January 2018. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

IFRS 9 introduces a uniform approach for classifying and measuring financial assets. The standard is based on the characteristics of the underlying cash flows and the business model by which these cash flows are managed. IFRS 9 provides a new impairment model that is based on the expected credit defaults. The standard contains new regulations on the application of hedge accounting in order to better present the risk management activities of an entity, in particular with regard to the management of non-financial risks.

The Company plans to adopt the new standard as at 1 January 2018 and will not restate comparative information. In assessing the impact of all three aspects of IFRS, the Company considered the following:

Classification and measurement

The Company is in process of assessing the potential impact but does not expect a significant impact on its financial statements on applying the classification and measurement requirements of IFRS 9.

Modifications or exchanges of financial liabilities that do not result in derecognition

IFRS 9 changes the accounting for a modification or exchange of a financial liability measured at amortised cost that does not result in the derecognition of the financial liability. When contractual cash flows of a financial liability are renegotiated or otherwise modified and the modification does not result in the derecognition of the financial liability, IFRS 9 requires the Company to recalculate the carrying amount of the financial liability as the present value of the modified contractual cash flows that are discounted at the financial liability's original effective interest rate. Any adjustment to the amortised cost of the financial liability arising from such a modification is recognised in profit or loss at the date of the modification. The Company is in process of assessing the potential impact of this change.

Impairment

IFRS 9 requires the Company to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. Due to the new impairment model, earlier recognition of possible losses on trade receivables may arise. The Company is in process of assessing the potential impact of this change.

Hedge accounting

As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, the Company does not expect an impact as it does not apply hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

3. Other income and expenses

	Note	2017 £'000	2016 £'000
Other income			
Income from related parties	15	7,689	9,284
Gain on disposal of property, plant and equipment		-	2,974
Other		115	591
		<u>7,804</u>	<u>12,849</u>
Depreciation and amortisation expense			
Depreciation of tangible fixed assets	7	(182)	(352)
		<u>(182)</u>	<u>(352)</u>
Other expenses			
Administration expenses		(130)	(160)
Rent and lease expenses		(3,885)	(4,623)
Expenses from related parties	15	(20)	(9)
Losses from currency translation		(94)	(1,042)
		<u>(4,129)</u>	<u>(5,834)</u>
Finance revenue			
Interest receivable from related parties	15	492	429
		<u>492</u>	<u>429</u>
Finance costs			
Interest payable to related parties	15	(4,064)	(4,058)
Interest on reinstatement provision		(39)	(40)
		<u>(4,103)</u>	<u>(4,098)</u>

Part of the cost of audit of the Company was borne by another Group company.

4. Staff costs and Directors' emoluments

Directors are paid by other group companies for their qualifying services provided to the Company itself and its subsidiaries. As required by the Companies Act 2006, we disclose the remuneration relevant to the directors' qualifying services provided to the Company and its subsidiaries.

For the year ended 31 December 2017, total relevant emoluments were £ 1,162,259 with an amount of £95,483 contributed to a defined contribution pension scheme for the directors. Both directors contributed to the defined contribution pension scheme.

The emoluments in respect of the highest paid director were £730,949 with contributions paid to a defined contribution pension scheme on their behalf being £74,821.

	2017 £'000	2016 £'000
Employee benefits expense, including directors		
Wages and salaries	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

5. Income Tax

(a) Tax on profit on ordinary activities

Major components of income tax expense for the years ended 31 December 2017 and 2016 are:

Income Statement	2017 £'000	2016 £'000
Current income tax:		
Current income tax credit/(charge)	17	81
Adjustments in respect of current income tax of previous years	12	(76)
Foreign tax suffered	(172)	-
Total current income tax	<u>(143)</u>	<u>5</u>
Deferred tax:		
Relating to origination and reversal of temporary differences	-	(92)
Relating to prior year	570	168
Total deferred income tax	<u>570</u>	<u>76</u>
Tax credit/(charge) in the income statement	<u>427</u>	<u>(81)</u>

(b) Reconciliation of the total tax charge

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the years ended 31 December 2017 and 2016 is as follows:

	2017 £'000	2016 £'000
Accounting profit before income tax	47,437	2,994
At UK statutory income tax rate of 19.25 (2016: 20%)	9,131	599
Income not subject to corporation tax	(9,154)	(603)
Expenses not deductible for tax purposes	187	75
Changes in temporary differences	-	10
Prior year adjustments	(570)	-
Other	(21)	-
At effective income tax rate of -0.9% (2016 2.7%)	<u>(427)</u>	<u>81</u>

Factors that may affect future tax charges:

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

In the 2016 Budget, the Chancellor announced a further reduction in the main rate of UK corporation tax to 17% from 1 April 2020, and this was substantively enacted in September 2016. No further changes were announced in the 2018 Budget. Deferred tax has been calculated using a rate of 17% as this is the substantively enacted rate at which it was expected that temporary differences would reverse at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

6. Dividends paid

	2017	2016
	£'000	£'000
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Interim dividend paid for 2017: £60.04 per share (2016: £nil per share)	<u>46,372</u>	<u>-</u>

7. Property, plant and equipment

31 December 2017

	Land and buildings £'000
Cost	
At 1 January 2017	10,404
Cost at 31 December 2017	<u>10,404</u>
Accumulated depreciation	
At 1 January 2017	(6,688)
Charge for year	(182)
Depreciation at 31 December 2017	<u>(6,870)</u>
Net book value	
Net book value at 31 December 2017	<u>3,534</u>
Net book value at 1 January 2017	<u>3,716</u>

8. Investments

	2017	2016
	£'000	£'000
Shares at cost at 1 January	<u>43,764</u>	<u>43,764</u>
Shares at cost at 31 December	<u>43,764</u>	<u>43,764</u>
Net book value at 31 December	<u>43,764</u>	<u>43,764</u>
Net book value at 1 January	<u>43,764</u>	<u>43,764</u>
See note 15 for list of subsidiaries.		

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

9. Trade and other receivables

	Note	2017 £'000	2016 £'000
Current			
Other receivables and prepayments		448	456
Other related parties	15	153,912	154,674
		<u>154,360</u>	<u>155,130</u>

10. Cash and cash equivalents

	2017 £'000	2016 £'000
Cash at bank and in hand	1,617	85

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents are £1,617,000 (2016: £85,000).

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

	2017 £'000	2016 £'000
Cash at bank and in hand	1,617	85

11. Issued share capital

	Number	£'000
Allotted, called up and fully paid:		
31 December 2017		
Ordinary shares of £1 each		
At 1 January and 31 December 2017	<u>772,376</u>	<u>772</u>
31 December 2016		
Ordinary shares of £1 each		
At 1 January and 31 December 2016	<u>772,376</u>	<u>772</u>

12. Deferred Tax

The analysis by category of deferred tax included in the balance sheet is as follows:

	2017 £'000	2016 £'000
Deferred tax liability/(asset)		
Accelerated capital allowances/ (depreciation)	<u>(27)</u>	<u>544</u>

SPRINGER NATURE HOLDINGS LIMITED
(formerly HM Publishers Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

13. Trade and other payables

	Note	2017 £'000	2016 £'000
Current			
Other related parties	15	96,466	95,684
Other payables and accruals		5,449	6,580
		<u>101,915</u>	<u>102,264</u>
Non-current			
Other payables and accruals	15	<u>864</u>	<u>826</u>

The Company has made provision for office space that is vacant with regards to operating leases where it had a commitment.

14. Commitments and contingencies

Operating lease commitments – Company as lessee

The Company has entered into commercial leases on certain land and buildings, where it is not in the best interests of the Company to purchase these assets. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	2017 £'000	2016 £'000
Within one year	3,379	4,187
After one year but not more than five years	12,969	13,194
More than five years	18,129	20,482
	<u>34,477</u>	<u>37,863</u>

Operating lease commitments – Company as lessor

The Company acts as the property holding company of the Springer Nature Holdings Group of publishing companies and sublets property at arm's length terms to its UK subsidiaries and sublets its surplus office space to third parties.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2017 £'000	2016 £'000
Within one year	<u>3,237</u>	<u>3,997</u>

Capital Commitments

At 31 December 2017, Springer Nature Holdings Limited has no capital commitments (2016: £Nil) contracted for but not provided in the financial statements.

Guarantees

Springer Nature Holdings Limited has no contingent liabilities at 31 December 2017 (2016: £Nil).

SPRINGER NATURE HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

15. Related party disclosures

a) Subsidiary undertakings

At 31 December the following companies were principal subsidiaries:

		Country of incorporation/ registration	Class of share	Proportion of voting rights held by the Group	
				2017	2016
Springer Nature (UK) Limited (formerly Macmillan Ltd)	1	England and Wales	Ordinary	100.00%	100.00%
Macmillan Publishers Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan Publishers Holdings Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan (SLP) General Partner Limited	1	England and Wales	Ordinary	100.00%	100.00%
Macmillan Scottish Limited Partnership		Scotland	Ordinary	100.00%	100.00%
Macmillan Iberia S.A.		Spain	Ordinary	100.00%	100.00%
Nature Publishing Group Iberoamerica S.L.		Spain	Ordinary	-	100.00%
Macmillan Polska Sp. Z.o.o.		Poland	Ordinary	100.00%	100.00%
College Press Netherlands B.V.		Netherlands	Ordinary	100.00%	100.00%
Nature America, Inc.		USA	Ordinary	100.00%	100.00%
Springer Nature Academic Publishing, Inc. (formerly Macmillan Academic Publishing, Inc)		USA	Ordinary	100.00%	100.00%
Rednova Learning Inc		USA	Ordinary	100.00%	100.00%
Macmillan Education Namibia Publishers (Pty) Limited		Namibia	Ordinary	100.00%	100.00%
Macmillan Boleswa Publishers (Pty) Limited		Swaziland	Ordinary	100.00%	100.00%
Macmillan South Africa (Pty) Limited	2	South Africa	Ordinary	75.00%	75.00%
Macmillan Educacao Mozambique Ltda		Mozambique	Ordinary	80.00%	80.00%
Editora Nacional de Mocambique		Mozambique	Ordinary	80.00%	90.00%
Macmillan Science and Education Australia Pty Limited		Australia	Ordinary	100.00%	100.00%
Macmillan Publishers India Private Limited	1	India	Ordinary	99.04%	88.10%
Macmillan Publishers (China) Limited		Hong Kong	Ordinary	100.00%	100.00%
Macmillan Information Consulting Services (Shanghai) Co. Limited		China	Ordinary	100.00%	100.00%
Macmillan Language House Limited		Japan	Ordinary	100.00%	100.00%
Nature Japan K.K.		Japan	Ordinary	100.00%	100.00%
Macmillan Korea Publishers Limited		South Korea	Ordinary	100.00%	100.00%
Macmillan Taiwan Limited		Taiwan	Ordinary	100.00%	100.00%
Macmillan Publishers (Thailand) Limited	1	Thailand	Ordinary	100.00%	100.00%
Macmillan Publishers, S.A. de C.V.		Mexico	Ordinary	100.00%	100.00%
Ediciones Castillo S.A. de C.V.		Mexico	Ordinary	100.00%	100.00%
Macmillan Publishers S.A.		Peru	Ordinary	95.00%	100.00%
Macmillan do Brasil Editora, Comercializadora, Importadora e Distribuidora Ltda		Brazil	Ordinary	100.00%	100.00%
Macmillan Publishers S.A.		Argentina	Ordinary	100.00%	100.00%
Editorial Puerto de Palos S.A.		Argentina	Ordinary	100.00%	100.00%
Editorial Estrada S.A.		Argentina	Ordinary	100.00%	100.00%
Macmillan Publishers S.A.S.		Colombia	Ordinary	100.00%	100.00%
Macmillan Publishers Egypt Limited		Egypt	Ordinary	100.00%	100.00%
Kawkab Distribution Limited		Egypt	Ordinary	98.00%	98.00%

SPRINGER NATURE HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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15. Related party disclosures (continued)

Notes

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

The principal activity of the above subsidiaries is the publishing of books and periodicals.

(b) Associated Undertakings

The following companies were considered to be associated undertakings:

	Country of Incorporation/ Registration	Class of share	Proportion of shares held by the Group as at 31 December 2017 2016	
College Press Publishers (Pvt) Limited	Zimbabwe	Ordinary	48.91%	48.91%
Ediciones Bilingues SL	Spain	Ordinary	50.00%	50.00%

All shares in the entities above are held by subsidiary undertakings.

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

<i>Related party</i>		Income from related parties £'000	Expenses with related parties £'000	Interest received from related parties £'000	Interest paid to related parties £'000	Amounts owed from related parties £'000	Amounts owed to related parties £'000
Immediate holding company:							
Springer Nature Publishers Holdings Limited (formerly Holtzbrinck Publishers Holdings Limited)							
	2017	-	-	-	(1,226)	-	55,990
	2016	-	-	-	(1,269)	-	54,764
Fellow undertakings:							
Macmillan Publishers Limited							
	2017	6,160	-	-	-	148,916	-
	2016	7,474	-	370	-	152,643	-
Macmillan Publishers Holdings Limited							
	2017	-	-	-	-	-	27
	2016	-	-	-	-	-	27
Springer Nature (UK) Limited (formerly Macmillan Ltd)							
	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	2
Macmillan Publishers Egypt Ltd							
	2017	21	-	-	-	55	-
	2016	34	-	-	-	34	-

SPRINGER NATURE HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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15. Related party disclosures (continued)

<i>Related party</i>		Income from related parties £'000	Expenses with related parties £'000	Interest received from related parties £'000	Interest paid to related parties £'000	Amounts owed from related parties £'000	Amounts owed to related parties £'000
Macmillan Publishers India Private Limited							
	2017	143	-	476	-	529	32
	2016	63	(9)	429	-	450	-
Macmillan Scottish Limited Partnership							
	2017	-	-	-	(2,823)	-	40,364
	2016	-	-	-	(2,788)	-	-
Springer Nature Three GmbH (formerly Springer Science+Business Media GmbH)							
	2017	-	-	16	(16)	3,489	-
	2016	-	-	-	(1)	-	1,001
Stampdew Limited							
	2017	419	-	-	-	-	-
	2016	619	-	-	-	-	-
Macmillan Botswana Publishing Company (Pty) Ltd							
	2017	3	-	-	-	3	-
	2016	6	-	-	-	6	-
Macmillan Boleswa Publishers (Lesotho) (Pty) Ltd							
	2017	5	-	-	-	5	-
	2016	2	-	-	-	2	-
Macmillan South Africa (Pty) Ltd							
	2017	98	-	-	-	98	-
	2016	63	-	-	-	63	-
Macmillan Education Swaziland (Pty) Ltd							
	2017	8	-	-	-	15	-
	2016	7	-	-	-	7	-
Macmillan Language House Ltd							
	2017	21	-	-	-	21	-
	2016	24	-	-	-	24	-
Macmillan Science and Education Australia Pty Ltd							
	2017	45	-	-	-	110	-
	2016	66	-	-	-	66	-
Macmillan Polska Spolka Z.o.o							
	2017	44	-	-	-	44	-
	2016	50	-	-	-	50	-

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15. Related party disclosures (continued)

		Income from related parties £'000	Expenses with related parties £'000	Interest received from related parties £'000	Interest paid to related parties £'000	Amounts owed from related parties £'000	Amounts owed to related parties £'000
Macmillan Iberia SA							
	2017	292	-	-	-	284	-
	2016	308	-	-	-	308	-
Ediciones Castillo, SA de C.V.							
	2017	80	-	-	-	8	8
	2016	114	-	-	-	114	-
Macmillan Publishers, SA de C.V.							
	2017	158	-	-	-	16	16
	2016	198	-	-	-	198	-
Editorial Estrada S.A.							
	2017	16	-	-	-	54	-
	2016	38	-	-	-	38	-
Editorial Puerto de Palos SA							
	2017	15	-	-	-	48	-
	2016	33	-	-	-	33	-
Macmillan Publishers SA (Argentina)							
	2017	20	-	-	-	43	-
	2016	23	-	-	-	23	-
Macmillan do Brasil Editora, Comercializadora, Importadora e Distribuidora Ltda.							
	2017	108	-	-	-	116	-
	2016	96	-	-	-	96	-
Macmillan Publishers S.A.S (Colombia)							
	2017	8	-	-	-	8	-
	2016	11	-	-	-	11	-
Macmillan Publishers SA (Peru)							
	2017	32	-	-	-	10	10
	2016	33	-	-	-	33	-
Others							
	2017	7	(11)	-	-	40	19
	2016	-	-	-	-	-	-
Total:							
	2017	7,689	(20)	492	(4,064)	153,912	96,466
	2016	9,284	(9)	429	(4,058)	154,674	95,684

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

15. Related party disclosures (continued)

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made at normal market prices. Outstanding balances at year end are unsecured. For the year ended 31 December 2017, the Company has not raised any provision for doubtful debts relating to amounts owed by related parties as the payment history has been excellent (2016: £Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The ultimate parent

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

Immediate Holding company

Springer Nature Publishers Holdings Limited

Springer Nature Publishers Holdings Limited (formerly Holtzbrinck Publishers Holdings Limited) owns 100% of the ordinary shares in Springer Nature Holdings Limited (2016: 100%). Copies of the financial statements are available from Companies House, Crown Way, Cardiff.

16. Financial risk management objectives and policies

The Company's principal financial instruments comprise of cash.

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

The main risk arising from the Company's financial instruments is liquidity risk. The board reviews and agrees the policy for managing the risk and this is summarised below. The Company also monitors the market price arising from all financial instruments.

Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

16. Financial risk management objectives and policies (continued)

Liquidity risk

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

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2017 and 2016 based on contractual payments.

Year ended 31 December 2017	Within 1 Year £'000	1 to 5 Years £'000	More than 5 Years £'000	Total £'000
Non-derivative financial liabilities				
Other non-current liabilities	-	-	864	864
Trade and other payables	101,915	-	-	101,915
Total	101,915	-	864	102,779
Year ended 31 December 2016	Within 1 Year £'000	1 to 5 Years £'000	More than 5 Years £'000	Total £'000
Non-derivative financial liabilities				
Other non-current liabilities	-	-	824	824
Trade and other payables	102,264	-	-	102,264
Total	102,264	-	824	103,088

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

Fair value of recognised financial instruments

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