

Springer Nature Holdings Limited

Registered Number 46694

Report and Financial Statements

31 December 2022



Part of **SPRINGER NATURE GROUP**

Springer Nature Holdings Limited

REPORT AND FINANCIAL STATEMENTS 2022

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Springer Nature Holdings Limited

GENERAL INFORMATION

Directors

S C Inchcoombe
R E Jacobs

Secretary

F J Niven

Registered Office

The Campus
4 Crinan Street
London N1 9XW

Bankers

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Solicitors

DLA Piper UK LLP
160 Aldersgate Street
London
EC1A 4HT

Auditor

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

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Strategic report

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

Results and dividends

The Company's Profit for the year after taxation amounted to £4,115,000 (2021: loss of £13,731,000). Interim ordinary dividends paid for the year to 31 December 2022 were £nil (2021: £nil). The directors do not recommend the payment of a final dividend (2021: £nil).

Principal activities and review of the business

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, except as noted in the "Principal risks and uncertainties" section.

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

Key performance indicators

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

	2022	2021	% change
	£000	£000	
Profit/(loss) after tax	4,115	(13,730)	130.3%

The Company swung from a loss in prior year to a profit in the current year mainly due to the impairment of an office lease in the prior year. This resulted in a change of 130.3%.

Income Tax

An analysis of the income tax credit is set out in note 5 to the financial statements. The income tax as a percentage of profit on ordinary activities before income tax was 22.2% in the current year (2021: 18.1%).

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 main purpose of these financial instruments is to raise finance for the Company's operations.

The main risk arising from the Company's financial instruments is liquidity 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 financial position of the Company remains strong. It has cash resources of £64m including £64m in the intercompany cash pool (included within receivables) and £32,000 of cash in bank. The directors received a letter of support from the parent entity to confirm continued access to the cash pooling facility. The Company does not have any external borrowings. The cash flow statement shows a £516,000 decrease in cash and cash equivalents in the year ended 31 December 2022 (2021: £529,000 increase).

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Strategic report (continued)

Principal risks and uncertainties (continued)

Liquidity risk and capital resources (continued)

Dividends of £nil were paid to the Company's shareholders (2021: £nil). The cash flow statement shows a £516,000 decrease in cash and cash equivalents in the year ended 31 December 2022 (2021: £529,000 increase). Dividends of £nil were paid to the Company's shareholders (2021: £nil).

Credit risk

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

Impact of Covid-19

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

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

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

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

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

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

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

Section 172(1) Statement

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

a- the likely consequences of any decision in the long term

The Springer Nature Group is governed by a Supervisory Board and a Management Board which regularly meets and makes decisions to promote the long term success of the Group.

The majority of the Board of Directors of the Company are also members of the Group's Management Board and all directors have regard for the likely consequences of decisions in the long term. The

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Strategic report (continued)

Section 172(1) Statement (continued)

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

b- the interests of the Company's employees

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

c- the need to foster the Company's business relationships with suppliers and customers

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

d- the impact of the Company's operations on the community and the environment

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

e- maintaining a reputation for high standards of business conduct

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

f- the need to act fairly as between members of the Company

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

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

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

DocuSigned by:

R E Jacobs
Director
23 June 2023

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Directors' report

Company Registration No. 46694

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

Directors & 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 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

The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements. Going concern has been assessed, taking into account the Company's current financial position and after modelling the impact of certain scenarios related to general macroeconomic uncertainties. One 'base case scenario' and one 'reverse stress test' scenario has been modelled.

A broad assessment of the financial impact has been modelled including impact on income and operating costs. In modelling the scenario, the Company has considered the potential impact on rental income. The base case does not threaten the going concern of the Company.

The 'reverse stress test scenario' modelled a revenue forecast that would cause the Company to become cashflow negative for the next 12 months, and to determine if this is reasonably possible. This indicated that rental income would need to fall by more than 70% over the next 12 months before the Company would need to seek additional liquidity resources. This scenario was considered to be implausible due to a range of factors including; the fixed income nature of rental income contracts and the financial strength of the parties renting the properties.

The entity forms part of the group cash pooling arrangement underpinning the daily liquidity of the entity with access to cash via the cash pooling facility. The directors received a letter of support from the parent entity to confirm continued access to the cash pooling facility and have included the receivable in cash equivalents when performing the 'stress test'. Furthermore, the directors have obtained assurances of the parent entity's ability to stand behind the cash pooling facility for the going concern period below. In practice certain of the directors are also members of the Group management board and have obtained access to Group forecasts and other data. This together with the regular monitoring by Group Treasury of the Group's short-term and mid-term liquidity gives the directors assurance as to the Group's ability to stand behind the cash pool facility.

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

Financial instruments

The Company's financial risk management objectives and policies are discussed in note 17.

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Directors' report (continued)

Corporate responsibility

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

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

Climate-related risks

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

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Directors' report (continued)

Employees

Employee engagement

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

Communication, training and development

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

Disabled Persons

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

Supplier and customer relationships

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

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

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Directors' report (continued)

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 2. 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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R E Jacobs
Director
23 June 2023

Statement of directors' responsibilities in relation to the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK adopted International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss for that period.

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

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

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

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

Independent auditor's report

to the members of Springer Nature Holdings Limited

OPINION

We have audited the financial statements of Springer Nature Holdings Limited for the year ended 31 December 2022 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of changes in equity, the Statement of Financial Position, the Statement of cash flows and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International accounting standards.

In our opinion, the financial statements:

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

BASIS FOR OPINION

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

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

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

We have nothing to report in this regard.

Independent auditor's report

to the members of Springer Nature Holdings Limited (continued)

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Independent auditor's report

to the members of Springer Nature Holdings Limited (continued)

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

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

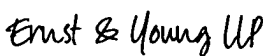
Due to the simplicity of the Company and the small number of transactions our procedures focussed on:

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

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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

Springer Nature Holdings Limited

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2022

		2022	2021
	Notes	£000	£000
Continuing operations			
Other income	3	8,860	7,969
Depreciation and amortisation expense	3	(1,324)	(3,522)
Impairment of Right of Use Asset	3	-	(18,318)
Other expense	3	(811)	(326)
Operating Profit/(Loss)		6,725	(14,197)
Finance income	3	2,763	1,767
Finance costs	3	(4,197)	(4,329)
Profit/(loss) before tax		5,291	(16,759)
Income tax	5	(1,176)	3,029
Profit/(loss) for the year		4,115	(13,730)
Other comprehensive income		-	-
Total comprehensive income/(loss)		4,115	(13,730)

Springer Nature Holdings Limited

Statement of changes in equity

for the year ended 31 December 2022

2021	<i>Issued capital £000</i>	<i>Share premium £000</i>	<i>Retained Earnings £000</i>	<i>Total Equity £000</i>
At 1 January 2021	772	76,789	24,813	102,374
Loss for the year	-	-	(13,730)	(13,730)
Total comprehensive loss	-	-	(13,730)	(13,730)
At 31 December 2021	772	76,789	11,083	88,644
2022	<i>Issued capital £000</i>	<i>Share premium £000</i>	<i>Retained Earnings £000</i>	<i>Total Equity £000</i>
At 1 January 2022	772	76,789	11,083	88,644
Profit for the year	-	-	4,115	4,115
Total comprehensive profit	-	-	4,115	4,115
At 31 December 2022	772	76,789	15,198	92,759

Springer Nature Holdings Limited

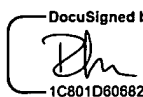
Statement of Financial Position

as at 31 December 2022

<i>ASSETS</i>	<i>Note</i>	<i>2022</i> <i>£000</i>	<i>2021</i> <i>£000</i>
<i>Non-current assets</i>			
Property, plant and equipment	7	3,024	3,126
Right of use assets	8	5,480	6,570
Investment in subsidiaries	9	43,764	43,764
Deferred tax asset	13	33	37
		<u>52,301</u>	<u>53,497</u>
<i>Current assets</i>			
Trade and other receivables	10	123,932	117,774
Income tax receivable		3	3,171
Cash and cash equivalents	11	32	548
		<u>123,967</u>	<u>121,493</u>
<i>TOTAL ASSETS</i>		<u>176,268</u>	<u>174,990</u>
<i>EQUITY AND LIABILITIES</i>			
<i>Shareholders' equity</i>			
Issued capital	12	772	772
Share Premium		76,789	76,789
Retained earnings		15,198	11,083
<i>TOTAL EQUITY</i>		<u>92,759</u>	<u>88,644</u>
<i>Non-current liabilities</i>			
Other non-current liabilities	14	1,249	1,059
Lease liabilities	8	22,277	26,341
		<u>23,526</u>	<u>27,400</u>
<i>Current liabilities</i>			
Trade and other payables	14	54,763	54,444
Income tax payable		1,158	611
Lease liabilities	8	4,062	3,891
<i>TOTAL LIABILITIES</i>		<u>83,509</u>	<u>86,346</u>
<i>TOTAL EQUITY AND LIABILITIES</i>		<u>176,268</u>	<u>174,990</u>

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

Signed on behalf of the Board of Directors.

DocuSigned by:

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R E Jacobs
 Director
 23 June 2023

Registered number: 46694

Springer Nature Holdings Limited

Statement of cash flows

for the year ended 31 December 2022

	2022 £000	2021 £000
Cash flows from/(used in) operating activities		
Operating profit/(loss)	6,725	(14,197)
Increase in accounts receivable	(6,158)	(1,330)
Increase in accounts payable less than one year	319	335
Increase in accounts payable more than one year	190	51
Depreciation charges	1,324	3,522
Impairment of Right of Use Asset	-	18,318
Increase in Right of Use Assets	(131)	(1,913)
Gain on disposal of fixed asset	-	-
Income tax received	2,542	231
Net cash flows from operating activities	4,942	5,017
Cash flows from investing activities		
Interest received	2,763	1,767
Net cash flows from investing activities	2,763	1,767
Cash flows used in financing activities		
Interest paid	(4,197)	(4,329)
Change in finance lease liability	(3,893)	(1,926)
Net cash flows used in financing activities	(8,090)	(6,255)
Net (decrease)/increase in cash and cash equivalents	(516)	529
Cash and cash equivalents at 1 January	548	19
Cash and cash equivalents at 31 December	32	548

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

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

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

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

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

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

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

2. Summary of significant accounting policies

Statement of Compliance

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

Basis of preparation

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

Going Concern

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 macroeconomic uncertainties. One 'base case scenario' and one 'reverse stress test' scenario has been modelled. A broad assessment of the financial impact has been modelled including impact on income and operating costs. In modelling the scenario, the Company has considered the potential impact on rental income. The base case does not threaten the going concern of the Company. The 'reverse stress test scenario' modelled a revenue forecast that would cause the Company to become cashflow negative for the next 12 months, and to determine if this is reasonably possible. This indicated that rental income would need to fall by more than 70% over the next 12 months before the Company would need to seek additional liquidity resources. This scenario was considered to be implausible due to a range of factors including; the fixed income nature of rental income contracts and the financial strength of the parties renting the properties.

The entity forms part of the group cash pooling arrangement underpinning the daily liquidity of the entity with access to cash via the cash pooling facility. The directors received a letter of support from the parent entity to confirm continued access to the cash pooling facility and have included the receivable in cash equivalents when performing the 'stress test'. Furthermore, the directors have obtained assurances of the parent entity's ability to stand behind the cash pooling facility for the going concern period below. In practice certain of the directors are also members of the Group management board and have obtained access to Group forecasts and other data. This together with the regular monitoring by Group Treasury of the Group's short-term and mid-term liquidity gives the directors assurance as to the Group's ability to stand behind the cash pool facility. Based on the above modelling, the Directors have a reasonable expectation that the Company will continue in operation and meet its liabilities as they fall due for the foreseeable future and to at least 30 June 2024 which is the formal going concern period modelled by management

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (Continued)

Fixed assets

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land and buildings are measured at cost less any depreciation and impairment in value. Depreciation of property, plant and equipment is calculated on cost at rates considered appropriate for the class and estimated useful life of the assets concerned.

Land and Buildings 0% to 10% on a straight line basis or on book written down value.

Plant and equipment 10% to 33% on a straight line basis or on book written down value.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses of continuing operations are recognised in the statement of profit or loss in those expense categories consistent with the function of the impaired asset.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss in the year in which it is derecognised.

Investments

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

Cash and cash equivalents

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

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.

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (Continued)

Revenue

Revenue is recognised based on IFRS 15 - Revenue from contracts with customers. Revenue arises from the provision of products and services under contracts with customers. In all cases, revenue is recognised with fulfilment of the underlying performance obligation at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, and is recognised when the customer obtains control of the goods or services. 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 statement of financial position date.

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

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

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

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

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (Continued)

Leases

The Company assesses whether a contract represents or contains a lease. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of the asset and whether the Company has the right to direct the use of the asset. The Company has elected not to separate lease and non-lease components for lease of vehicles. The Company recognises a right-of-use asset and a lease liability at the commencement of the lease. The right-of-use asset is initially measured based on the present value of lease payments plus initial direct costs and the costs of obligations to refurbish the asset, less any incentives received. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is subject to testing for impairment if there is an indicator for impairment. Lease payments generally include fixed payments and variable payments that depend on an index (such as an inflation index). When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the additional lease payments (extension option) or purchase price payments (purchase option) are included in the lease payments. The Company has elected not to recognise right-of-use assets and liabilities for leases of other equipment where the total lease term is less than or equal to 12 months, or for low value leases. The payments for such leases are recognised in the profit or loss on a straight-line base over the term of the lease.

Financial Assets

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

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

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

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (Continued)

Financial Assets (continued)

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

De-recognition

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

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

Impairment of Financial Assets

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

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

Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

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

De-recognition

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 de-recognition 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.

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (Continued)

New and amended standards

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

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements

for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (Continued)

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

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

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

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

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

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

IAS 41 Agriculture – Taxation in fair value measurements

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

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

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

3. Other income and expenses

	Note	2022	2021
		£000	£000
Other income			
Income from related parties	16	7,771	7,497
Gain on disposal of trade mark with related party	16	-	252
Gains from currency translation (£1,000 of which is with related parties)		112	11
Other income		977	209
		<u>8,860</u>	<u>7,969</u>
Depreciation and amortisation expense			
Depreciation of tangible fixed assets	7, 8	(1,324)	(3,522)
Impairment of Right of Use assets	8	-	(18,318)
		<u>(1,324)</u>	<u>(21,840)</u>
Other expenses			
Administration expenses		(120)	(180)
Audit fees		(14)	(9)
Rent and lease expenses		(118)	(115)
Bad debt provision related parties		(542)	-
Expenses from related parties	16	(17)	(16)
Losses from currency translation (£1,000 of which is with related parties)		-	(6)
		<u>(811)</u>	<u>(326)</u>
Finance Income			
Interest receivable from related parties	16	2,763	1,767

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

3. Other income and expenses (continued)

	Note	2022	2021
		£000	£000
Finance costs			
Interest payable to related parties	16	(2,955)	(2,935)
Lease interest payable		(54)	(1,343)
Interest on reinstatement provision		(1,188)	(51)
		<u>(4,197)</u>	<u>(4,329)</u>

4. Staff costs and Directors' emoluments

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.

5. Taxation

(a) Tax on profit/(loss) on ordinary activities

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

Income Statement	2022	2021
	£000	£000
Current income tax:		
Current income tax (charge)/credit	(1,158)	3,171
Adjustments in respect of current income tax of previous years	3	15
Foreign tax suffered	(18)	(87)
	<u>(1,173)</u>	<u>3,099</u>
Total current income tax	<u>(1,173)</u>	<u>3,099</u>

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

5. Taxation (continued)	2022	2021
	£000	£000
Deferred tax:		
Relating to origination and reversal of temporary differences	(3)	39
Relating to prior year	-	(109)
Total deferred income tax	(3)	(70)
Tax (charge)/credit in the income statement	(1,176)	3,029

(b) Reconciliation of the total tax (credit)/charge

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

	2022	2021
	£000	£000
Accounting profit/(loss) before income tax	5,291	(16,759)
At UK statutory income tax rate of 19% (2020: 19%)	1,005	(3,184)
Income not subject to corporation tax	-	-
Expenses not deductible for tax purposes	180	30
Changes in temporary differences	2	(43)
Bad debt Provision adjustment	(21)	-
Prior year adjustments	(4)	(113)
Other	15	(110)
At effective income tax rate of 22.7% (2021 18.1%)	(1,176)	(3,029)

Factors that may affect future tax (credits)/charges:

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

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

6. Dividends paid

	2022	2021
	£000	£000
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Interim dividend paid for 2022: £0.00 per share (2021: £nil per share)	-	-

7. Property, plant and equipment

	<i>Land and buildings</i> £000
Cost	
At 1 January 2022	10,404
Additions	-
Cost at 31 December 2022	10,404
Accumulated depreciation	
At 1 January 2022	(7,278)
Charge for year	(102)
Depreciation at 31 December 2022	(7,380)
Net book value	
Net book value at 31 December 2022	3,024
Net book value at 1 January 2022	3,126

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

8. Right Use of Assets

	<i>Right of Use Office Space</i>	<i>Right of Use Other</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost			
At 1 January 2022	38,284	-	38,284
Additions	131	-	131
Disposals	-	-	-
At 31 December 2022	38,415	-	38,415
Accumulated depreciation			
At 1 January 2022	(31,713)	-	(31,713)
Charge for the year	(1,222)	-	(1,222)
Impairment	-	-	-
Disposals	-	-	-
At 31 December 2022	(32,935)	-	(32,935)
Net book value			
At 31 December 2022	5,480	-	5,480
At 31 December 2021	6,570	-	6,570

Long term and short-term leasing liabilities breakdown into different leasing categories as follows:

Lease liability	<i>Non- current</i>	<i>Current</i>
	<i>£000</i>	<i>£000</i>
Office space	22,277	4,062
Other	-	-
Carrying amount as at 31 December 2022	22,277	4,062

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

8. Right Use of Assets (Continued)

Lease payments

	<i>Nominal value</i>	<i>Discounted amount</i>	<i>Present value</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Less than 1 year	5,082	1,020	4,062
1 to 5 years	20,288	2,246	18,041
More than 5 years	4,323	88	4,236
Total lease payments as at 31 December 2022	<u>29,692</u>	<u>3,354</u>	<u>26,339</u>

9. Investments

	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
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.

10. Trade and other receivables

	<i>Note</i>	<i>2022</i>	<i>2021</i>
		<i>£000</i>	<i>£000</i>
Other receivables and prepayments		2,976	2,730
Other related parties	16	<u>120,956</u>	<u>115,045</u>
		<u>123,932</u>	<u>117,775</u>

Included in the related party balance of £120,956,000 is the amount of £64,022,000 is due from Springer Nature Three GmbH under an intercompany cash pooling arrangement, is repayable on demand and has an approximate interest rate of 1 month LIBOR plus 0.25% and an amount of £50m due from Springer Nature Limited, which relates to a prepayment, the terms of which are governed by an asset-backed funding agreement to address the Macmillan Group pension scheme deficit. The remaining £6,934,000 relates to trade receivables with related parties.

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

11. Cash and cash equivalents

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

	2022	2021
	£000	£000
Cash at bank and in hand	32	548

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 £32,000 (2021: £548,000).

12. Issued share capital

	Number	£000
Allotted, called up and fully paid:		
31 December 2022		
Ordinary shares of £1 each		
At 1 January and 31 December 2022	772,376	772
31 December 2021		
Ordinary shares of £1 each		
At 1 January and 31 December 2021	772,376	772

13. Deferred Tax

The analysis by category of deferred tax included in the statement of financial position is as follows

	2022	2021
	£000	£000
Deferred tax asset		
Accelerated depreciation	(33)	(37)

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

14. Trade and other payables

	<i>Note</i>	<i>2022</i>	<i>2021</i>
Current		<i>£000</i>	<i>£000</i>
Other related parties	16	53,997	53,782
Other payables and accruals		766	663
Lease liabilities	8	4,062	3,891
		<u>58,825</u>	<u>58,336</u>
Non-current			
Other payables and accruals	16	1,249	1059
Lease liabilities	8	22,277	26,341
		<u>23,526</u>	<u>27,400</u>

The 'Other related parties' balance includes a £41.9m finance lease creditor due to the Macmillan Scottish Limited Partnership and a £12m payable due to Springer Nature Publishers Holdings Ltd pursuant to an asset-backed pension funding scheme related to the Macmillan Pension Plan deficit.

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

15. Commitments and contingencies

Capital Commitments

At 31 December 2022, Springer Nature Holdings Limited has no capital commitments (2021: £Nil) contracted for but not provided in the financial statements.

Guarantees

Springer Nature Holdings Limited has no contingent liabilities at 31 December 2022 (2021: £Nil).

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

16. Related party disclosures

a) Subsidiary undertakings

At 31 December the following companies were principal subsidiaries:

		<i>Country of incorporation/ registration</i>	<i>Class of share</i>	<i>Proportion of voting rights held by the Group</i>	
				2022	2021
Springer Nature (UK) Limited	1	England and Wales	Ordinary	100.00%	100.00%
Springer Nature Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan Education Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan (SLP) General Partner Limited	1	England and Wales	Ordinary	100.00%	100.00%
Macmillan Magazines Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan Pension Plan Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan Subscriptions Limited		England and Wales	Ordinary	100.00%	100.00%
Springer Nature Two Limited		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%
Macmillan Polska Sp. Z.o.o.		Poland	Ordinary	100.00%	100.00%
College Press Netherlands B.V.		Netherlands	Ordinary	100.00%	100.00%
Springer Nature America, Inc.		USA	Ordinary	100.00%	100.00%
Springer Nature Academic Publishing, Inc.		USA	Ordinary	100.00%	100.00%
Rednova Learning Inc		USA	Ordinary	100.00%	100.00%
Macmillan Botswana Publishing Company (Pty)		Botswana	Ordinary	100.00%	100.00%
Macmillan Boleswa Publishers (Lesotho) (Pty) Limited		Lesotho	Ordinary	100.00%	100.00%
Macmillan Education Eswatini (Proprietary) Limited		Eswatini	Ordinary	100.00%	100.00%
Macmillan Eswatini National Publishers Proprietary Limited		Eswatini	Ordinary	70.00%	70.00%
Macmillan Boleswa Publishers (Pty) Limited		Eswatini	Ordinary	100.00%	100.00%
Macmillan Education Namibia Publishers (Pty) Limited		Namibia	Ordinary	100.00%	100.00%
Edumeds (Pty) Limited		Namibia	Ordinary	100.00%	100.00%
Namibia Publishing House (Proprietary) Limited		Namibia	Ordinary	100.00%	100.00%
Macmillan South Africa (Pty) Limited	2	South Africa	Ordinary	75.00%	75.00%
Editora Nacional de Mocambique		Mozambique	Ordinary	80.00%	80.00%
Macmillan Science and Education Australia Pty Limited		Australia	Ordinary	100.00%	100.00%
Macmillan Publishers (China) Limited		Hong Kong	Ordinary	100.00%	100.00%
Macmillan Information Consulting Services (Shanghai) Co. Limited		China	Ordinary	100.00%	100.00%
Macmillan Education India Private Limited	1	India	Ordinary	100.00%	100.00%
Nature Japan K.K.		Japan	Ordinary	100.00%	100.00%
Macmillan Korea Publishers Limited		South Korea	Ordinary	100.00%	100.00%
Macmillan Publishers (Thailand) Limited		Thailand	Ordinary	100.00%	100.00%
College Press Publishers (Pvt) Limited		Zimbabwe	Ordinary	48.91%	48.91%

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

16. Related party disclosures (continued)

a) Subsidiary undertakings (continued)

	<i>Country of incorporation/ registration</i>	<i>Class of share</i>	<i>Proportion of voting rights held by the Group</i>	
			2022	2021
Macmillan Educación, S.A. de C.V.	Mexico	Ordinary	100.00%	100.00%
Macmillan Publishers S.A.	Peru	Ordinary	95.00%	95.00%
Macmillan do Brasil Editora, Comercializadora, Importadora e Distribuidora Ltda	Brazil	Ordinary	100.00%	100.00%
Macmillan Publishers S.A.	Argentina	Ordinary	0%	100.00%
Editorial Puerto de Palos S.A.	Argentina	Ordinary	0%	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%

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.

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

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

The following companies were considered to be associated undertakings:

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

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>	<i>Income from related parties</i>	<i>Expenses with related parties</i>	<i>Interest received from related parties</i>	<i>Interest paid to related parties</i>	<i>Amounts owed from related parties</i>	<i>Amounts owed to related parties</i>
	£000	£000	£000	£000	£000	£000
Immediate holding company:						
Springer Nature Publishers Holdings Limited						
2022	-	-	-	-	-	12,000
2021	-	-	-	-	-	12,000
Fellow undertakings:						
Springer Nature Limited						
2022	7,747	-	-	-	56,068	-
2021	6,759	3	-	-	53,916	-
Macmillan Publishers Egypt Ltd						
2022	13	-	-	-	10	-
2021	13	-	-	-	-	-
Macmillan Education India Private Limited						
2022	60	-	-	-	48	-
2021	74	-	-	-	-	-
Macmillan Scottish Limited Partnership						
2022	-	-	-	(2,954)	-	41,980
2021	-	-	-	(2,935)	-	41,766

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

16. Related party disclosures (continued)

<i>Related party</i>	<i>Income from related parties</i>	<i>Expenses with related parties</i>	<i>Interest received from related parties</i>	<i>Interest paid to related parties</i>	<i>Amounts owed from related parties</i>	<i>Amounts owed to related parties</i>
<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Springer Nature Three GmbH						
2022	-	-	2,763	-	64,022	-
2021	-	-	1,767	-	60,511	-
Stampdew Limited						
2022	-	-	-	-	-	-
2021	-	-	-	-	-	-
Macmillan Botswana Publishing Company (Pty) Ltd						
2022	11	-	-	-	11	-
2021	4	-	-	-	4	-
Macmillan Boleswa Publishers (Lesotho) (Pty) Ltd						
2022	-	-	-	-	-	-
2021	-	-	-	-	-	-
Macmillan South Africa (Pty) Ltd						
2022	77	-	-	-	77	-
2021	73	-	-	-	73	-
Macmillan Education Eswatini (Proprietary) Limited						
2022	6	-	-	-	32	-
2021	8	-	-	-	26	-
Macmillan Education Limited						
2022	-	-	-	-	-	-
2021	252	-	-	-	-	-

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

16. Related party disclosures (continued)

		<i>Income from related parties</i>	<i>Expenses with related parties</i>	<i>Interest received from related parties</i>	<i>Interest paid to related parties</i>	<i>Amounts owed from related parties</i>	<i>Amounts owed to related parties</i>
		£000	£000	£000	£000	£000	£000
Macmillan Science and Education Australia Pty Ltd							
	2022	-	-	-	-	-	-
	2021	-	-	-	-	28	-
Macmillan Polska Spolka Z.o.o							
	2022	54	-	-	-	54	-
	2021	54	-	-	-	-	-
Macmillan Iberia SA							
	2022	233	-	-	-	242	-
	2021	213	-	-	-	-	-
Ediciones Castillo, SA de C.V.							
	2022	-	-	-	-	-	-
	2021	89	(3)	-	-	-	-
Macmillan Publishers, SA de C.V.							
	2022	-	-	-	-	-	-
	2021	106	(4)	-	-	-	-
Editorial Estrada S.A.							
	2022	28	-	-	-	-	-
	2021	9	5	-	-	401	-
Editorial Puerto de Palos SA							
	2022	-	-	-	-	-	-
	2021	8	-	-	-	-	-
Macmillan Publishers SA (Argentina)							
	2022	-	-	-	-	-	-
	2021	14	-	-	-	-	-

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

16. Related party disclosures (continued)

	<i>Income from related parties</i>	<i>Expenses with related parties</i>	<i>Interest received from related parties</i>	<i>Interest paid to related parties</i>	<i>Amounts owed from related parties</i>	<i>Amounts owed to related parties</i>
	£000	£000	£000	£000	£000	£000
Macmillan do Brasil Editora, Comercializadora, Importadora e Distribuidora Ltda.						
2022	63	-	-	-	-	-
2021	59	-	-	-	-	-
Macmillan Publishers S.A.S (Colombia)						
2022	1	-	-	-	1	-
2021	-	-	-	-	-	-
Macmillan Publishers SA (Peru)						
2022	27	-	-	-	27	-
2021	18	-	-	-	1	-
Others						
2022	274	(17)	-	-	364	17
2021	(3)	(18)	-	-	85	16
Total:						
2022	8,594	(17)	2,763	(2,954)	120,956	53,997
2021	<u>7,750</u>	<u>(17)</u>	<u>1,767</u>	<u>(2,935)</u>	<u>115,045</u>	<u>53,782</u>

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

The ultimate parent

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

Immediate Holding company

Springer Nature Publishers Holdings Limited

Springer Nature Publishers Holdings Limited owns 100% of the ordinary shares in Springer Nature Holdings Limited (2019: 100%). Copies of the financial statements are available from Companies House, Crown Way, Cardiff.

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

17. 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.

Liquidity risk

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

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

Year ended 31 December 2022	Within 1 Year	1 to 5 Years	More than 5 Years	Total
	£000	£000	£000	£000
Non-derivative financial liabilities				
Other non-current liabilities	-	-	1,249	1,249
Lease liabilities	4,062	4,662	17,615	26,339
Trade and other payables	54,763	-	-	54,763
Total	58,825	4,662	18,865	82,352

Springer Nature Holdings Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

17. Financial risk management (continued)

Year ended 31 December 2021	<i>Within 1 Year</i>	<i>1 to 5 Years</i>	<i>More than 5 Years</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Non-derivative financial liabilities				
Other non-current liabilities	-	-	1,059	1,059
Lease liabilities	3,891	8,725	17,616	30,232
Trade and other payables	54,445	-	-	54,445
Total	58,336	8,725	18,675	85,736

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.

18. Events Subsequent to the year end

Subsequent to the year end the Company has approved the surrender of certain of its property leases to a third party, conditional upon circumstances beyond the Company's control.

The event is a non-adjusting post balance sheet event. The effective date of the surrender is unknown and is as at yet conditional on the events described and the financial impact of the transaction will be fully accounted for in 2023 if it completes.