

Company Registration No. 09095787

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED

Report and Financial Statements

31 December 2019



HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED**REPORT AND FINANCIAL STATEMENTS 2019**

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HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED

GENERAL INFORMATION

DIRECTORS

S P Darlington-Cramond
A LaPaz
J Oei

Resigned 31 March 2020

SECRETARY

G M Williams Hamer

REGISTERED OFFICE

Cromwell Place
Hampshire International Business Park
Lime Tree Way
Basingstoke
Hampshire RG24 8YJ

SOLICITORS

CMS Cameron McKenna
Mitre House
160 Aldersgate Street
London EC1A 4DD

AUDITORS

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

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED

STRATEGIC REPORT

Business review

The principal activity is that of a holding company.

The directors have reviewed and considered business risks relating to Holtzbrinck Publishing Investments 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 made a loss of £258,000 for the year to 31 December 2019 (2018: £258,000).

Dividends

No dividend was paid for the year ended 31 December 2019 (2018:£Nil). The directors do not recommend the payment of a final dividend.

Covid-19

The directors have identified the Covid-19 pandemic as a non-adjusting post balance sheet event and considered the impacts of the pandemic on the entity. The principal risk identified is the recoverability of assets, the company's investments and intercompany receivables relate to a company involved in the open access publishing industry which has not been significantly impacted by the pandemic. The financial position of the investment in question has been reviewed and the directors are confident that their financial position supports the value of the investment. Details of the assessments made can be seen in Note 11 to the financial statements.

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

DocuSigned by:



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S P Darlington-Cramond
Director

27 August 2020

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED

DIRECTORS REPORT

Company Registration No. 09095787

The directors present their report and Company financial statements for the year ended 31 December 2019.

Principal activities

The principal activity is a holding company for a company registered in Switzerland.

Directors and their interests

During the year no director, or their spouses or dependent children, has held any beneficial 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.

Asset and capital structure

Equity and gearing

The Company has no external net 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 10 to the financial statements.

Corporate social responsibility

The Company recognises its responsibilities towards the communities in which the business operates worldwide and takes a responsible attitude to compliance with local laws, regulations and customs. The Company places emphasis on ensuring that its employees operate within an environment which recognises equal opportunities for development of all employees. The Company recognises its responsibility towards protecting the environment. The Company has a policy of using paper from renewable resources where possible and works with its suppliers to encourage the use of paper produced following these principles. The Company expects high standards of corporate responsibility from its business partners, and has commenced a programme of audit inspections to verify that appropriate standards are adhered to by its supplies.

Going concern

Going concern has been assessed, taking into account the Company's current financial position and after assessing the impact of Covid-19, and taking into account the nature of the holding company.

The liabilities in the accounts are due to related parties and attract non-cash interest. The amounts are repayable on demand however the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and meet their liabilities as they fall due in the next 12 months based on the aforementioned support provided by the ultimate parent. Based on enquiries performed the directors are confident that the ultimate parent can provide such support. On this basis they continue to adopt the going concern basis of accounting in preparing the financial statements.

Post balance sheet events

Covid-19 has been identified as a non-adjusting post balance sheet event, details of the considerations and risks assessed by the directors are detailed in Note 11 to the financial statements

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED


DIRECTORS REPORT (continued)

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

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

DocuSigned by:

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S P Darlington-Cramond
Director

27 August 2020

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED

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 HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Holtzbrinck Publishing Investments Limited for the year ended 31 December 2019 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 11, including a summary of significant accounting policies. 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 2019 and of its loss 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.

Emphasis of matter – effects of COVID-19

We draw attention to Note 11 of the Financial statements, which describes the economic and social consequences the company is facing as a result of COVID-19 which is impacting the wider UK and global economies as well as the company's ability to operate normally. Our opinion is not modified in respect of this matter.

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 HOLTZBRINCK PUBLISHING INVESTMENTS 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 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.

Use of our report

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

Ernst & Young LLP

Ryan Squires (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton

27 August 2020

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2019**

	Note	2019 £'000	2018 £'000
Continuing operations			
Finance costs	3	(907)	(756)
Finance income	3	<u>588</u>	<u>437</u>
Loss before tax		(319)	(319)
Income tax credit	5	<u>61</u>	<u>61</u>
Loss for the year		<u>(258)</u>	<u>(258)</u>
		<u></u>	<u></u>
Total comprehensive loss		<u>(258)</u>	<u>(258)</u>

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED**STATEMENT OF FINANCIAL POSITION**
as at 31 December 2019

ASSETS	Note	2019 £'000	2018 £'000
Non-current assets			
Investments in associate	6	10,373	10,373
Trade and other receivables	7	4,440	3,897
		<u>14,813</u>	<u>14,270</u>
Current assets			
Trade and other receivables	7	307	186
Income tax receivable	5	-	61
		<u>307</u>	<u>247</u>
TOTAL ASSETS		<u><u>15,120</u></u>	<u><u>14,517</u></u>
EQUITY AND LIABILITIES			
Shareholders' Equity/ (deficit)			
Issued capital	8	-	-
Share premium		2,000	-
Accumulated losses		(1,360)	(1,102)
TOTAL EQUITY/ (DEFICIT)		<u>640</u>	<u>(1,102)</u>
Current liabilities			
Trade and other payables	9	14,480	15,619
TOTAL LIABILITIES		<u>14,480</u>	<u>15,619</u>
TOTAL EQUITY AND LIABILITIES		<u><u>15,120</u></u>	<u><u>14,517</u></u>

These financial statements were approved by the Board of Directors on 27 August 2020

Signed on behalf of the Board of Directors.

DocuSigned by:

Simon Cramond

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S P Darlington-Cramond
Director

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2019****Attributed to equity and reserves of the Company**

	Issued Capital £'000 (Note 8)	Share Premium £'000 (Note 8)	Accumulated Losses £'000	Total Equity £'000
2019				
At 1 January 2019	-	-	(1,102)	(1,102)
Issued Capital	-	2,000	-	2,000
Loss for the year	-	-	(258)	(258)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss	-	-	(258)	(258)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	2,000	(1,360)	640
	<hr/>	<hr/>	<hr/>	<hr/>

Attributed to equity and reserves of the Company

	Issued Capital £'000 (Note 8)	Share Premium £'000 (Note 8)	Accumulated Losses £'000	Total Deficit £'000
2018				
At 1 January 2018	-	-	(844)	(844)
Loss for the year	-	-	(258)	(258)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss	-	-	(258)	(258)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	-	(1,102)	(1,102)
	<hr/>	<hr/>	<hr/>	<hr/>

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED**STATEMENT OF CASH FLOWS
for the year ended 31 December 2019**

	2019	2018
	£'000	£'000
Cash flows from/(used in) operating activities		
Operating loss	-	-
Increase in trade and other receivables	(664)	(651)
Decrease in tax receivable	61	-
(Decrease)/ increase in trade and other payables	(1,139)	909
Income tax received	61	61
Net cash flows (used in)/from operating activities	(1,681)	319
Cash flows from/(used in) investing activities		
Interest paid	(907)	(756)
Interest received	588	437
Net cash flows used in investing activities	(319)	(319)
Cash flows from financing activities		
Increase in share premium	2,000	-
Net cash flows used in financing activities	2,000	-
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at 31 December	-	-

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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

The financial statements of the Company for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 27 August 2020. 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 Company's financial statements 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 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 GvH Vermögensverwaltungsgesellschaft XXXIII mbH. This entity is incorporated in Germany and its registered address is Gänsheidestrasse 26, 70184 Stuttgart, 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.

Covid-19

The directors have identified the Covid-19 pandemic as a non-adjusting post balance sheet event and considered the impacts of the pandemic on the entity. The principal risk identified is the recoverability of assets, the company's investments and intercompany receivables relate to a company involved in the open access publishing industry which has not been significantly impacted by the pandemic. The financial position of the investment in question has been reviewed and the directors are confident that their financial position supports the value of the investment. Details of the assessments made can be seen in Note 11 to the financial statements.

Going concern

Going concern has been assessed, taking into account the Company's current financial position and after assessing the impact of Covid-19, and taking into account the nature of the holding company.

The liabilities in the accounts are due to related parties and attract non-cash interest. The amounts are repayable on demand however the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and meet their liabilities as they fall due in the next 12 months based on the aforementioned support provided by the ultimate parent. Based on enquiries performed the directors are confident that the ultimate parent can provide such support. On this basis they continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Summary of significant accounting policies (continued)****New 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 2019 unless otherwise stated. Adoption of these revised standards and interpretations did not have any material impact on the Company's financial statements.

- IFRS 16 Leases
- IFRS 23 Uncertainty over Income Tax Treatment
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Amendments to IFRS 19 Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 Long-term interests in associates and joint ventures
- Annual improvements 2015-2017 cycle IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes, IAS 23 Borrowing Costs

New Standards adopted in the period (continued)

IASB have issued the following standards and interpretations with an effective date after the date of these financial statements:

Standard or interpretation	Title
Effective from 1 January 2021	
IFRS 17	<i>Insurance contracts</i>

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

The effective dates stated here are those given in the original IASB/IFRIC standards and interpretations. As the company prepares its financial statements in accordance with IFRS as adopted by the European Union, the application of new standards and interpretations will be subject to their having been endorsed for use in the EU via the EU Endorsement mechanism. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the group's discretion to early adopt standards.

3. Other income and expenses

	Note	2019	2018
		£'000	£'000
Interest receivable	9	588	437
Interest payable	9	(907)	(756)
		<u>(319)</u>	<u>(319)</u>

4. Staff costs and directors' emoluments

The Company does not employ any staff or directors in its own right. Directors' remuneration is paid by other Group entities for their role in the Company as well as their role in the other Group entities. Directors' emoluments relating to the Company are therefore considered to be immaterial as the directors' role in the Company is incidental to their overall role in the Group.

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****5. Taxation**

A deferred tax asset has not been recognised in respect of this tax loss carry forward as there is no future anticipated income against which the loss could be utilised.

	2019	2018
	£'000	£'000
Tax credited on the income statement		
Current income tax:		
Current income tax credit	61	61
Total current income tax credit	<u>61</u>	<u>61</u>

(b) Reconciliation of the total tax credit

A reconciliation of income tax credit applicable to accounting loss before income tax at the statutory income tax rate to income tax credit at the Company's effective income tax rate for the years ended 31 December 2019 and 2018 is as follows:

	2019	2018
	£'000	£'000
Accounting loss before income tax	(319)	(319)
At UK statutory income tax rate of 19% (2018: 19%)	(61)	(61)
Income not subject to corporation tax	-	-
Expenses not deductible for tax purposes	-	-
Adjustments in respect of prior years	-	-
Changes in temporary differences	-	-
Pension deductions taken to reserves	-	-
Increase tax loss carry forwards not recognised in deferred tax	-	-
Other	-	-
At effective income tax rate of 19.12% (2018: 19.12%)	<u>61</u>	<u>61</u>

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6. Investments in associate**

	2019 £'000	2018 £'000
Cost of investment as at 1 January	10,373	10,373
Cost of investment as at 31 December	<u>10,373</u>	<u>10,373</u>

7. Trade and other receivables

	Note	2019 £'000	2018 £'000
Current			
Other related parties	9	307	186
Other debtors		-	61
		<u>307</u>	<u>247</u>
Non-current			
Other related parties	9	<u>4,440</u>	<u>3,897</u>

Included in Non-current receivables are loans repayable from associated undertakings of £4,440k (2018: £3,897k). This balance is interest bearing and repayable by 31 August 2022. The interest rate during the year was 20%, reducing to 12% from 1 January 2020.

8. Issued share capital

Allotted, called up and fully paid:	Number	£
31 December 2019		
Ordinary shares of £1 each		
At 1 January and 31 December 2019	<u>2</u>	<u>2</u>
31 December 2018		
Ordinary shares of £1 each		
At 1 January and 31 December 2018	<u>1</u>	<u>1</u>

Share Premium account

During the year the company issued additional shares, with nominal value of £1. A premium of £2,000,000 was recognised in the share premium account relating to this transaction.

9. Related party disclosures**Associated Undertakings**

The following companies were considered to be associated undertakings:

Note	Country of Incorporation/ Registration	Class of Share	Proportion of shares held by the Group as at 31 December	
			2019	2018
Frontiers Media SA.	Switzerland	Ordinary	30.00%	30.00%

All shares are held directly by the Company.

The principal activity of Frontiers Media S.A. is to act as an academic publisher of peer reviewed open access journals.

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****9. Related party disclosures (continued)**

<i>Related party</i>		Interest received from related parties £'000	Interest paid to related parties £'000	Amounts owed by related parties £'000	Amounts owed to related parties £'000
Ultimate parent company:					
Georg von Holtzbrinck GmbH & Co. KG					
	2019	-	(588)	-	4,440
	2018	-	-	-	-
Immediate holding company:					
GvH Vermögensverwaltungsgesellschaft XXXIII mbH					
	2019	-	(319)	-	10,040
	2018	-	(756)	-	15,619
Fellow undertakings:					
Frontiers Media S.A.					
	2019	588	-	4,440	-
	2018	437	-	3,897	-
Macmillan Publishers International Limited					
	2019	-	-	307	-
	2018	-	-	186	-
	2019	588	(907)	4,747	14,480
	2018	437	(756)	4,083	15,619

The liability due to GvH Vermögensverwaltungsgesellschaft XXXIII mbH, arose in connection with the acquisition of Frontiers Media S.A. (see Note 6 to the financial statements). The loan is repayable upon demand and the interest rate is LIBOR plus 2.5%. During the year £2,000,000 from this balance was converted into equity share capital.

In the prior year, balances owing to the immediate holding company and ultimate parent company were disclosed as all owing to GvH Vermögensverwaltungsgesellschaft XXXIII mbH. In the current period the balances have been allocated across both entities. When comparing the current period with the prior period, disclosure for both entities should be viewed together.

The immediate holding company and ultimate parent

The Company's immediate parent undertaking is GvH Vermögensverwaltungsgesellschaft XXXIII mbH. The Company's ultimate parent undertaking and controlling party is Georg von Holtzbrinck GmbH & Co. KG who, through a 100% owned subsidiary, owns 100% of the ordinary shares in GvH Vermögensverwaltungsgesellschaft XXXIII mbH. Both the immediate and parent undertakings are incorporated in Germany and their registered address is Gänsheidestrasse 26, 70184 Stuttgart, Germany.

10. Financial risk management objectives and policies

The main risk arising from the Company's financial instruments is liquidity risk. The Company is not considered to be materially exposed to interest rate, foreign currency or credit 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.

Liquidity risk

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

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fair value of recognised financial instruments

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

HOLTZBRINCK PUBLISHING INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Post balance sheet events

Since the period end, Covid-19 has been identified as a non-adjusting post balance sheet event. The directors have assessed the risks for the company, and concluded that recoverability of investments in associates is the principal risk. Forecasts of the associate in question have been reviewed and the directors are confident that the financial position of the associate support the value of the investment. The company has a letter of support from the ultimate parent company and therefore expects to be able to meet its liabilities as they fall due.