

OS AA01

100015 / 20



Companies House

Statement of details of parent law and other  
information for an overseas company

**What this form is for**  
You may use this form to  
accompany your accounts  
disclosed under parent law

**What this form is NOT for**  
You cannot use this form to  
an alteration of manner of co  
with accounting requirement

SATURDAY



A22 \*A5H7ANH7\* #284  
08/10/2016  
COMPANIES HOUSE

**Part 1 Corporate company name**

Corporate name of overseas company ①	Elife Sciences Publications, Ltd							
UK establishment number	B	R	0	1	5	6	3	4

→ Filling in this form  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*  
① This is the name of the company in its home state

**Part 2 Statement of details of parent law and other information for an overseas company**

**A1 Legislation**

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited		② This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.
Legislation ③	California Nonprofit Integrity Act 2004	

**A2 Accounting principles**

Accounts	<p>Have the accounts been prepared in accordance with a set of generally accepted accounting principles?</p> <p>Please tick the appropriate box</p> <p><input type="checkbox"/> No. Go to Section A3</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3</p>	③ Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ④	US GAAP	

**A3 Accounts**

Accounts	<p>Have the accounts been audited? Please tick the appropriate box</p> <p><input type="checkbox"/> No. Go to Section A5</p> <p><input checked="" type="checkbox"/> Yes Go to Section A4</p>	
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# OS AA01

## Statement of details of parent law and other information for an overseas company

**A4****Audited accounts**

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box

 No Go to Part 3 'Signature' Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'

Please insert the name of the appropriate accounting organisation or body

Name of organisation or body

US GAAS

**A5****Unaudited accounts**

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box

 No Yes**Part 3****Signature**

I am signing this form on behalf of the overseas company

Signature

Signature

X



X

This form may be signed by  
Director, Secretary, Permanent representative

# OS AA01

Statement of details of parent law and other information for an overseas company



## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



## Checklist

**We may return forms completed incorrectly or with information missing**

**Please make sure you have remembered the following**

- The company name and, if appropriate, the registered number, match the information held on the public Register
- You have completed all sections of the form, if appropriate
- You have signed the form



## Important information

**Please note that all this information will appear on the public record**



## Where to send

**You may return this form to any Companies House address:**

### England and Wales

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

### Scotland

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

### Northern Ireland

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 N R Belfast 1



## Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)**

**eLife Sciences Publications, Ltd**

**Financial Statements**

**December 31, 2015 and December 31, 2014**

**(With Independent Auditor's Report Thereon)**

**eLife Sciences Publications, Ltd**  
**Financial Statements**  
**December 31, 2015 and December 31, 2014**

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## **Independent Auditor's Report**

The Board of Directors  
eLife Sciences Publications, Ltd

### **Report on the Financial Statements**

We have audited the accompanying financial statements of eLife Sciences Publications, Ltd, which comprise the balance sheets as of December 31, 2015 and December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements

This report is made solely to the company's members, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the company's members those matters we have been engaged to state to them in this 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.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Independent Auditor's Report (continued)**

**Opinion**

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of eLife Sciences Publications Ltd as of December 31, 2015 and December 31, 2014, and the results of its operations and its cash flows for the years then ended in accordance with U S generally accepted accounting principles

KPMG LLP

Justin Shakespeare, Certified Public Accountant, licensed auditor State of California  
for and on behalf of KPMG LLP  
Cambridge, United Kingdom

20 May 2016

**eLife Sciences Publications, Ltd**

Balance Sheets

December 31, 2015 and December 31, 2014

(In thousands)

<b>Assets</b>	<b>2015</b>	<b>2014</b>
<b>Current assets</b>		
Cash and cash equivalents	£ 2,038	1,301
Other receivables	132	154
Total current assets	<u>2,170</u>	<u>1,455</u>
<b>Property, plant, and equipment</b>		
Machinery and equipment	93	78
Leasehold improvements	87	87
	<u>180</u>	<u>165</u>
Less accumulated depreciation and amortization	(128)	(72)
Net property, plant, and equipment	<u>52</u>	<u>93</u>
Total assets	<u>£ 2,222</u>	<u>1,548</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Trade accounts payable	£ 82	151
Accrued expenses	726	474
Deferred income	816	636
Other liabilities	53	40
Total current liabilities	<u>1,677</u>	<u>1,301</u>
<b>Net assets</b>		
Unrestricted net assets	<u>545</u>	<u>247</u>
Total net assets	<u>545</u>	<u>247</u>
Total liabilities and net assets	<u>£ 2,222</u>	<u>1,548</u>

None of the net assets of the Company are either temporarily or permanently restricted

See accompanying notes to the financial statements



**eLife Sciences Publications, Ltd**

**Statements of Activities**

Years ended December 31, 2015 and December 31, 2014

(In thousands)

		<u>2015</u>	<u>2014</u>
Revenues			
Contributions	£	4,154	3,279
Other income		-	3
	Total revenues	<u>4,154</u>	<u>3,282</u>
Expenses			
Program services			
Journal expenses		3,544	3,108
Supporting services			
Management and general		<u>312</u>	<u>290</u>
	Total services expenses	<u>3,856</u>	<u>3,398</u>
	Change in net assets	<u>298</u>	<u>(116)</u>
Net assets, beginning of year		<u>247</u>	<u>363</u>
Net assets, end of year		<u>545</u>	<u>247</u>

All activities relate to changes in unrestricted net assets

See accompanying notes to the financial statements

**eLife Sciences Publications, Ltd**

Statements of Functional Expenses

Year ended December 31, 2015

(In thousands)

	<b>Program services</b>	<b>Supporting services</b>	<b>Total functional expenses</b>
	<b>Journal expenses</b>	<b>Management and general</b>	
Salaries	£ 1,158	84	1,242
Payroll taxes	125	9	134
Employee benefits	60	5	65
Occupancy	141	11	152
Editorial costs	1,294	-	1,294
Professional fees	28	224	252
Marketing expenses	247	-	247
Other expenses	440	(25)	415
Depreciation and amortisation	51	4	55
<b>Total functional expenses</b>	<b>£ 3,544</b>	<b>312</b>	<b>3,856</b>

Year ended December 31, 2014

(In thousands)

	<b>Program services</b>	<b>Supporting services</b>	<b>Total functional expenses</b>
	<b>Journal expenses</b>	<b>Management and general</b>	
Salaries	£ 914	82	996
Payroll taxes	96	9	105
Employee benefits	54	5	59
Occupancy	137	14	151
Editorial costs	905	-	905
Professional fees	329	164	493
Marketing expenses	322	-	322
Other expenses	302	11	313
Depreciation and amortisation	49	5	54
<b>Total functional expenses</b>	<b>£ 3,108</b>	<b>290</b>	<b>3,398</b>

See accompanying notes to the financial statements

**eLife Sciences Publications, Ltd**

**Statements of Cash Flows**

Years ended December 31, 2015 and December 31, 2014

(In thousands)

	<u>2015</u>	<u>2014</u>
Cash flows provided by operating activities		
Change in net assets	£ 298	(116)
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation and amortization	55	54
Changes in operating assets and liabilities		
Decrease in other current assets	22	25
(Decrease) / increase in trade accounts payable	(69)	88
Increase in accrued expenses	252	15
Increase in deferred revenue	180	479
Increase in other liabilities	13	9
Net cash (used in) / provided by operating activities	<u>751</u>	<u>554</u>
Cash flows from investing activities		
Purchases of fixed assets	<u>(14)</u>	<u>(16)</u>
Net cash (used in) investing activities	<u>(14)</u>	<u>(16)</u>
Net increase in cash and cash equivalents	737	538
Cash and cash equivalents, beginning of year	<u>1,301</u>	<u>763</u>
Cash and cash equivalents, end of year	<u>2,038</u>	<u>1,301</u>

See accompanying notes to the financial statements

**eLife Sciences Publications, Ltd**

Notes to Financial Statements

December 31, 2015 and 2014

(Sterling in thousands)

**(1) Summary of Significant Accounting Policies**

**(a) Description of Business**

The Company was incorporated on 6 October 2011 as a limited liability non-profit non-stock corporation in the State of Delaware, USA, with company number 5030732. It is registered in the UK with company number FC030576 and branch number BR015634. It is exempt from USA Federal income tax under section 501(c)(3) of the Internal Revenue Code.

The primary purpose of the Company is to operate exclusively for charitable, scientific and educational purposes, including, but not limited to, the operation of an open access journal for scientific research, as well as such other activities as required to support the mission of such journal.

**(b) Basis of preparation**

The accompanying financial statements have been prepared on the basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Company and changes therein are classified and reported as follows:

*Unrestricted net assets* – Net assets that are not subject to any donor-imposed stipulations.

*Temporarily restricted net assets* – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Company or the passage of time.

*Permanently restricted net assets* – Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Company.

As the Company does not consider that any donor-imposed stipulations exceed those already in place due to the Company's by-laws, all net assets, revenue, gains and losses have been classified as relating to unrestricted net assets.

**(c) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets, the valuation of fixed assets, and other contingencies.

**eLife Sciences Publications, Ltd**

Notes to Financial Statements

December 31, 2015 and 2014

(Sterling in thousands)

**(d) Cash and Cash Equivalents**

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents

**(e) Recognition of Grant Income**

In accordance with ASC 958-605, the Company records contributions received from funders as increases in unrestricted net assets, and presents these contributions as Contributions in the Statement of Activities

Where contributions relate to funding promises, the contributions are recognised to the extent that any associated conditions are substantially met

The Company has received conditional funding promises from its Sponsors. These promises are subject to the contributions being drawn down by the Company to meet expected cash requirements consistent with forecasts approved by the Sponsors. These contributions are recognised as income in the period for which the funding has been authorised by the Sponsors. The available contributions as at the balance sheet date are £30m. The maximum draw down in each year is limited, with a limit of not less than £5m.

Since two of the Sponsors, the Howard Hughes Medical Institute and the Wellcome Trust, are also members of the Company their Contributions in the year of £3,686,000 (2014 £2,311,000) are related party transactions. No amounts from related parties were outstanding at 31 December 2015 (2014 £nil).

**(f) Property, Plant, and Equipment**

Plant, and equipment are stated at cost

Depreciation on plant and equipment is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful life of plant and equipment is 3 years. Total depreciation for the year ended December 31, 2015 was £55,000 (2014 £54,000).

**(g) Research and Development and Advertising**

Research and development and advertising costs are expensed as incurred. Research and development costs amounted to £290,000 in 2015 (2014 £475,000). Advertising costs amounted to £9,000 in 2015 (2014 £18,000).

**(h) Functional Allocation of Expenses**

The costs of providing the various programs and supporting services are summarised on a functional basis in the statement of functional expenses. Certain costs are allocated among the programs and supporting services benefited.

**eLife Sciences Publications, Ltd**

Notes to Financial Statements

December 31, 2015 and 2014

(Sterling in thousands)

**(i) Income Taxes**

The Company is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986. The Company believes that it has taken no significant uncertain tax positions.

**(j) Retirement Plans**

The Company contributes to the defined contribution pension plans of its employees. Contributions payable by the Company are expensed as incurred.

**(k) Long-Lived Assets**

Long-lived assets, such as property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

**(l) Commitments and Contingencies**

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

**(m) Fair Value Measurements**

The estimated fair value amounts for specific groups of financial instruments are presented within the footnotes applicable to such items. Accounts receivable, accounts payable and accrued expenses are stated at the transaction price, which approximates fair value, due to their short term to maturity.

**(n) Recently Issued Accounting Standards**

The company does not consider that any recently issued accounting standards will have a material effect on the financial statements when adopted.

**(2) Significant Risks and Uncertainties Including Business and Credit Concentrations**

The contributions received by the Company from funders is highly concentrated, and relates to three organisations, which contributed 44.5%, 44.2% and 11.3% of the contributions in 2015 respectively (2014: 35.3%, 35.2%, 29.5%).

**eLife Sciences Publications, Ltd**

Notes to Financial Statements

December 31, 2015 and 2014

(Sterling in thousands)

**(3) Fair Value Measurements and the Fair Value Option**

**(a) Fair Value of Financial Instruments**

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments

	2015 (in thousands)		2014 (in thousands)	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	£ 2,038	2,038	1,301	1,301
Other receivables	132	132	154	154
<b>Financial liabilities</b>				
Trade accounts payable	82	82	151	151
Accrued expenses	726	726	474	474
Other liabilities	53	53	40	40

The carrying amounts shown in the table are included in the balance sheet under the indicated captions

The fair values of the financial instruments shown in the above table as of December 31, 2015 and December 31, 2014 represent the amounts that would be received if those assets were sold or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Company's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Company based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, available observable and unobservable inputs.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments

- Cash and cash equivalents, other receivables, trade accounts payable, accrued expenses and other liabilities. The carrying amounts, at face value or cost plus accrued interest, approximate fair value because of the short maturity of these instruments.

**eLife Sciences Publications, Ltd**

Notes to Financial Statements

December 31, 2015 and 2014

(Sterling in thousands)

**(4) Leases**

At December 31, 2014 and 2015 the Company had a noncancelable operating lease, for office property, that may be terminated at the option of the Company in 2016. There are no contingent rentals under the lease agreement.

Minimum rent payments under operating leases are recognized on a straight-line basis over the term of the lease including any periods of free rent. Rental expense for operating leases (except those with lease terms of a month or less that were not renewed) during 2015 and 2014 consisted of the following:

	(in thousands)	<u>2015</u>	<u>2014</u>
Minimum rentals	£	73	73

Future minimum lease payments under noncancelable operating leases as of December 31, 2015 and 2014 are:

	(in thousands)	<u>2015</u>	<u>2014</u>
<i>Years from balance sheet date</i>			
One year		51	73
Two years		-	51
Total minimum lease payments	£	51	124

**(5) Retirement plans**

The Company makes contributions into employees' defined contribution pension plans. All employees are eligible to participate. The Company contributes between 6% and 10% of pay.

Total retirement plan costs for the year ended December 31, 2015 were £64,000 (2014: £58,000).

**(6) Commitments and Contingencies**

The Company is not engaged in any legal proceedings.

**(7) Subsequent events**

The Company has evaluated subsequent events from the balance sheet date through 20 May 2016, the date at which the financial statements were available to be issued, and determined that there are no other items to disclose.