Bloomsbury Publishing Plc

ANNUAL REPORT AND ACCOUNTS 2020

BLOOMSBURY

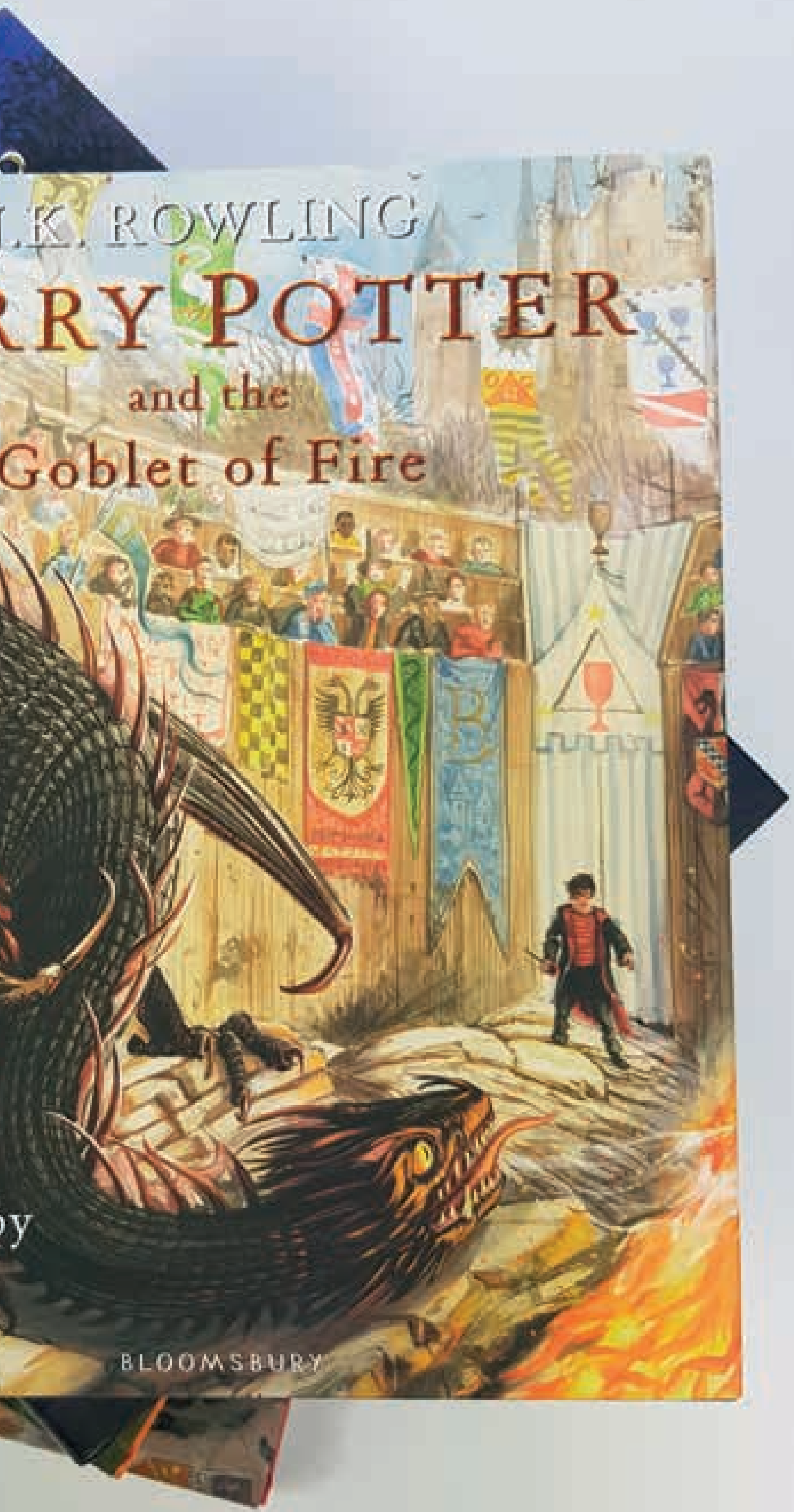
Bloomsbury Publishing Plc is an entrepreneurial, independent, worldwide publisher listed on the London Stock Exchange with offices in London, Oxford, New York, Sydney and New Delhi, and a joint venture presence in China.

Our mission
Our mission is to be an entrepreneurial, independent publisher of works of excellence and originality to a worldwide audience.

Our purpose
Our purpose is to inform, educate, entertain and inspire readers of all ages. We champion a life-long love of reading and learning to help build a reading culture with all the benefits which that brings society.

Our values

- Be independent
- Be entrepreneurial
- Be collaborative
- Be author-focused
- Be ethical
- Be optimistic
- Be determined
- Be sustainable
- Be inclusive



Contents

Year Highlights

Financial highlights

Revenue

£m

£162.8m

+0%

2020	£162.8m
2019	£162.7m
2018	£161.5m
2017	£142.6m
2016	£123.7m

Dividend[1]

pence per share

1.28p

-84%

2020	1.28p
2019	7.96p
2018	7.51p
2017	6.70p
2016	6.40p

Adjusted profit[2]

£m

£15.7m

+9%

2020	£15.7m
2019	£14.4m
2018	£13.2m
2017	£12.0m
2016	£13.0m

Profit before tax

£m

£13.2m

+10%

2020	£13.2m
2019	£12.0m
2018	£11.6m
2017	£9.4m
2016	£10.4m

Adjusted diluted EPS[3]

pence per share

16.77p

+12%

2020	16.77p
2019	14.97p
2018	13.92p
2017	12.63p
2016	15.24p

Diluted EPS

pence per share

13.84p

+13%

2020	13.84p
2019	12.25p
2018	12.06p
2017	9.81p
2016	12.93p

[1] Bloomsbury had intended to declare a final dividend for the year of 6.89 pence per share. This would have resulted in a total dividend for the year of 8.17 pence per share, up 3% on the previous year. As previously announced, Bloomsbury has decided in light of coronavirus to conserve cash and therefore will not be paying a cash dividend. It is now proposed, subject to Shareholder approval, that the dividend is instead settled through the issuance of new ordinary shares by way of bonus issue to Shareholders, with a value equivalent to the proposed final dividend. Further information is set out in the Notice of Annual General Meeting on pages 188 to 196.

[2] Adjusted profit is profit before taxation, amortisation of acquired intangible assets and other highlighted items.

[3] Adjusted diluted EPS is calculated from adjusted profit with taxation on adjusted profit deducted.

- Profit before taxation and highlighted items* grew by 9% to £15.7 million, up from £14.4 million in 2018/2019
- Revenues increased to £162.8 million (2018/2019: £162.7 million) despite the impact of coronavirus on our Chinese sales in January and February
- Profit before taxation grew by 10% to £13.2 million (2018/2019: £12.0 million)
- Diluted earnings per share, excluding highlighted items*, grew by 12% to 16.77p (2018/2019: 14.97p)
- Diluted earnings per share grew by 13% to 13.84p (2018/2019: 12.25p)
- Net cash of £31.3 million at 29 February 2020, up 14% (2019: £27.6 million)
- Cash conversion of 96% (2018/2019: 128%), excluding the acquisition of the rights of Oberon Books Limited
- Subject to Shareholder approval, proposed bonus issue, in lieu of, and with a value equivalent to, proposed final dividend of 6.89p per share

* Highlighted items comprise amortisation of acquired intangible assets and legal, other professional costs and restructuring costs relating to ongoing and completed acquisitions and one-off costs relating to the coronavirus.

Operational highlights

Non-Consumer

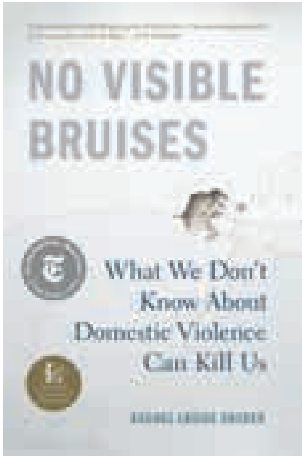
- Excellent Academic & Professional performance, with profit before taxation and highlighted items* up by 58% to £4.8 million (2018/2019: £3.0 million) and revenue up 4%
- Non-Consumer profit before taxation and highlighted items* up by 85% to £6.7 million and revenues grew by 4% to £66.0 million (2018/2019: £63.4 million)
- Non-Consumer profit before taxation grew by 159% to £5.0 million (2018/2019: £1.9 million)
- Bloomsbury Digital Resources ("BDR") revenues up 32% to £8.3 million and moves into profit
- Digital format sales now comprise 22% of Non-Consumer revenues, a CAGR of 18% over four years
- Acquisition of Oberon's rights in December 2019 completed for £1.2 million, strengthening our digital resources with its high quality drama IP
- BDR partnerships with Human Kinetics launched and Taylor & Francis in development as well as the new National Theatre collection included in Drama Online

Read more about our markets on pages 18 to 20

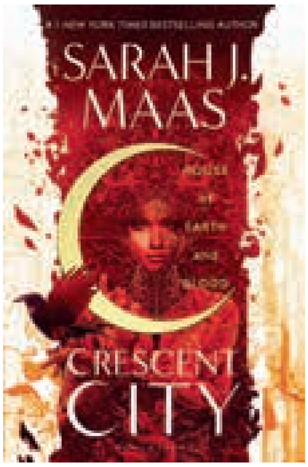
Consumer

- Profit before taxation and highlighted items* of £8.9 million (2018/2019: £10.7 million)
- Consumer revenue of £96.8 million (2018/2019: £99.3 million)
- Strong Adult Trade performance, with revenue up 12% to £37.4 million (2018/2019: £33.5 million) and profit before taxation and highlighted items* of £1.6 million (2018/2019: £0.9 million)
- Children's Trade delivered profit before taxation and highlighted items* of £7.3 million (2018/2019: £9.8 million) and revenue of £59.4 million (2018/2019: £65.8 million)
- Resilient sales of *Harry Potter* titles, in line with last year
- Children's revenue affected by the timing of and fewer frontlist titles from Sarah J. Maas
- Excellent audio performance from our new Audio division, with an expert team delivering 190% revenue growth by focusing on production of key titles and delivering bestsellers
- Appointment of Paul Baggaley as Editor-In-Chief of Bloomsbury Adult Trade, one of the most highly-regarded figures in the industry who joined us from Macmillan in March 2020

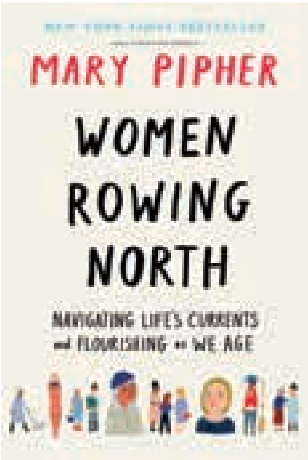
* Highlighted items comprise amortisation of acquired intangible assets and legal, other professional costs and restructuring costs relating to ongoing and completed acquisitions and one-off costs relating to the coronavirus.



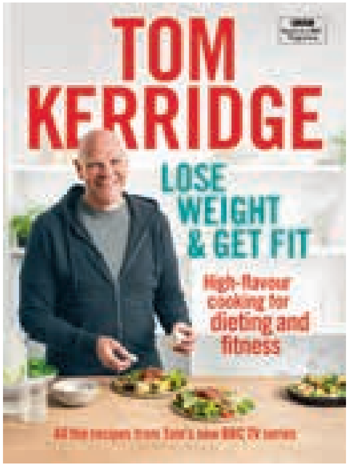
No Visible Bruises by Rachel Louise Snyder was a New York Times bestseller



Crescent City: House of Earth and Blood by Sarah J. Maas was number one on the New York Times bestseller list



Women Rowing North by Mary Pipher was one of Bloomsbury's top selling titles in ebook format



Lose Weight & Get Fit by Tom Kerridge was in the Nielsen Bookscan Non-Fiction Top 10 for four weeks, with its highest position at number 4, and the Sunday Times Manual chart at number 3

Bloomsbury at a glance

Bloomsbury is a global publisher of books and other media for general readers, children, students, teachers, researchers and professionals. Bloomsbury offers authors and illustrators access to these markets in multiple formats and via multiple channels throughout the world. Our entrepreneurial teams in London, Oxford, New York, Sydney, New Delhi and China (through our joint venture partnership with China Youth Publishing Group and its subsidiary Roaring Lion Media) serve all territories.

Our mission and purpose are set out on the front inside cover of this Annual Report; our strategy for achieving our mission and purpose is summarised on pages 22 to 23 of the Strategic Report.

Strong financial position and liquidity

Bloomsbury has grown strongly over the past five years, both through organic digital growth, and by acquisition. The bulk of Bloomsbury's turnover each year comes from its backlist: repeat sales on older titles and services. Over 63% of revenues comes from outside the United Kingdom. An increasing percentage of revenue derives from digital formats, much of which is annuity-based income. Bloomsbury had cash reserves of £31 million at 29 February 2020: the result of better working capital performance over the past five years, as well as a more profitable product mix.

Brand reputation

Bloomsbury's brand reputation is for excellence and originality, and our brand is recognised worldwide due to Bloomsbury's high-calibre authors and illustrators. Our publishing is known for its high production values and award-winning design, and our Academic list for its scholarly excellence and focus on digital delivery to the modern student.

Read more about our business model on page 20

Global markets and partners

Bloomsbury has relationships with over 1,200 customers in over 90 countries worldwide. Bloomsbury's customer base ranges from small independent bookshops to large online retailers. In addition, we have relationships with wholesalers for print and ebooks, which supply retail customers and libraries, both public and academic. Bloomsbury also sells direct to academic and educational institutions, and corporate and professional bodies via our Academic and Professional digital resource platforms, and direct to consumers via our consumer-facing websites.

Diversified portfolio

Bloomsbury has a back catalogue of over 50,000 active titles and digital services. These appeal to a wide range of audiences, with an increasing percentage classified as "must have" for professionals, academics and students. Our Consumer lists are increasingly diverse, with sizeable lists in specific areas of non-fiction, such as sport, crime and natural history, as well as bestselling award-winning fiction lists for both adults and children.

Our two operating divisions

The Group is organised as two worldwide publishing Divisions supported by global back office functions. These Divisions reflect the core customers for our different operations.

Non-Consumer Division

The Non-Consumer Division comprises the Academic & Professional, Special Interest and Education publishing subdivisions within Bloomsbury. The Division provides content for the following end-users:

- Academic institutions
- Libraries
- Corporates
- Professional bodies
- Students and academics
- Primary and secondary schools
- Teachers and trainee teachers

£6.7m profit*

£66.0m revenue

*Profit before taxation and amortisation, and excluding highlighted items

Consumer Division

The Consumer Division publishes trade books for both adults and children in print, ebook and audio book formats in both the UK and the USA, and sells these books globally. The categories of titles that are published in each of these Consumer subdivisions are as follows:

- Adult Trade – fiction, non-fiction and cookery
- Children's Trade – fiction, non-fiction, picture books, pre-school titles and activity books

£8.9m profit*

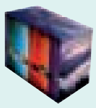
£96.8m revenue

*Profit before taxation and amortisation, and excluding highlighted items

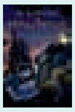
Read more about our publishing Divisions in the Divisional Overview on pages 26 to 35
Full details on each Division's performance are in the Chief Executive's Review on pages 12 to 13

Global Bestsellers 2019/2020

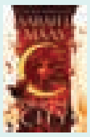
Print

1. 
Harry Potter Box Set: The Complete Collection (Children's Paperback)
J.K. Rowling

2. 
Harry Potter and the Goblet of Fire – Illustrated Edition
J.K. Rowling

3. 
Harry Potter and the Philosopher's Stone
J.K. Rowling

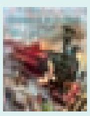
4. 
Dishoom: From Bombay with Love
Shamil Thakrar, Naved Nasir and Kavi Thakrar

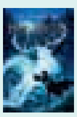
5. 
Crescent City: House of Earth and Blood
Sarah J. Maas

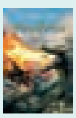
6. 

Lose Weight & Get Fit
Tom Kerridge

7. 
Harry Potter and the Chamber of Secrets
J.K. Rowling

8. 
Harry Potter and the Philosopher's Stone - Illustrated Edition
J.K. Rowling

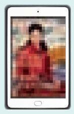
9. 
Harry Potter and the Prisoner of Azkaban
J.K. Rowling

10. 
Harry Potter and the Goblet of Fire
J.K. Rowling

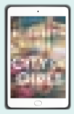
Ebook

1. 
Three Women
Lisa Taddeo

2. 
Priory of the Orange Tree
Samantha Shannon

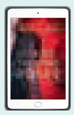
3. 
Dutch House
Ann Patchett

4. 
Women Rowing North
Mary Pipher

5. 
City of Girls
Elizabeth Gilbert

6. 
Kingdom of Ash
Sarah J. Maas

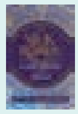
7. 
Circe
Madeline Miller

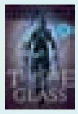
8. 
Court of Thorns and Roses
Sarah J. Maas

9. 
Throne of Glass
Sarah J. Maas

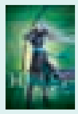
10. 
Court of Mist and Fury
Sarah J. Maas

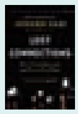
Audio

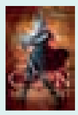
1. 
Silk Roads
Peter Frankopan

2. 
Throne of Glass
Sarah J. Maas

3. 
Priory of the Orange Tree
Samantha Shannon

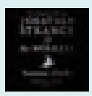
4. 
Heir of Fire
Sarah J. Maas

5. 
Lost Connections
Johann Hari

6. 
Crown of Midnight
Sarah J. Maas

7. 
Norse Mythology
Neil Gaiman

8. 
Chasing the Scream
Johann Hari

9. 
Jonathan Strange & Mr Norrell
Susanna Clarke

10. 
Seven Deaths of Evelyn Hardcastle
Stuart Turton

Note: Rank is based on revenue.

Chairman's Statement

"High rates of cash conversion and a strong balance sheet have always been features of the Company's business, and this year is no exception."

Sir Richard Lambert

Non-Executive Chairman

Bloomsbury Publishing's financial year ended on 29 February 2020 – three weeks before coronavirus locked down the UK economy – and it went well. The results underlined three key features of the Company: the continuing success of its diversification strategy, the growth of its Non-Consumer business, and its strong balance sheet and liquidity.

Profits before tax and highlighted items grew by 9% to £15.7 million, which was in line with market expectations, and adjusted diluted earnings per share rose by 12% to 16.77 pence. Over the past five years, the successful delivery of Bloomsbury's growth strategy has lifted revenues by 32% and profits before tax and highlighted items by 21%.

The feature of these latest results has been the growth of the Non-Consumer Division, where profits before tax and highlighted items rose 85% to £6.7 million. We are now seeing the results from our long-term investment in Bloomsbury Digital Resources, which moved into profits this year after a sales increase of 32% to £8.3 million. Digital format sales now make up 22% of divisional revenues, and have delivered a compound annual growth rate of 18% since 2016.

The Adult Trade side had a strong year, driven by the success of such titles as *The Anarchy* by William Dalrymple, *Such a Fun Age* by Kiley Reid, and *The Dutch House* by Ann Patchett. Profits were down on Children's Trade – for so long the engine of Bloomsbury's growth – despite the continuing resilience of *Harry Potter* titles, where sales were in line with the previous year. The numbers here were affected by the timing of frontlist titles from Sarah J. Maas, whose latest book – *Crescent City: House of Earth and Blood* – has been topping the bestseller lists in the past few months. Overall profits from the Consumer Division came in at £8.9 million before tax and highlighted items, compared with £10.7 million a year earlier.

High rates of cash conversion and a strong balance sheet have always been features of the Company's business, and this year is no exception. Net cash at the year end was up from £27.6 million to £31.3 million, after the acquisition of Oberon Books Limited, which will further strengthen our digital resources with its quality drama products.

In normal circumstances, this performance would have more than justified the continuation of Bloomsbury's extraordinary dividend record – 24 years of uninterrupted growth in the annual cash payment. But these are exceptional times. As the business uncertainties multiplied after the year end with the coronavirus pandemic impacting all aspects of the economy, the Board decided that it was in the best long-term interests of all the stakeholders in the Company – Shareholders, employees, customers, authors and suppliers – to conserve our resources while the storm raged. So, instead of the normal cash dividend, we are proposing that the dividend is settled through the issuance of new ordinary shares by way of a bonus issue to Shareholders, with a value equivalent to a final dividend for the year of 6.89 pence per share.

Since the year end, the Company has taken further steps to strengthen its balance sheet and increase its liquidity. In his Chief Executive's Review, Nigel Newton will spell out these and other measures Bloomsbury has taken to counter the current uncertainties.

The Company's reaction to the crisis has been impressive. It was quicker off the mark than most to protect the wellbeing of its staff as the virus spread. And everyone has adapted with extraordinary pace and commitment to the new conditions of working from home. With a team like this, a very strong balance sheet, a great list of forthcoming titles and continued growth in the digital business, we can be confident that Bloomsbury will pull through these difficult times in good shape.

At the end of February, Nigel Newton was awarded the London Book Fair's Lifetime Achievement Award, for his "huge contribution to the book industry". That seemed a good note on which to end the financial year.

Sir Richard Lambert
Non-Executive Chairman


BLOOMSBURY
DIGITAL RESOURCES
Engaging users with **academically rigorous** and **editorially crafted** content that encourages people to think and explore.
BLOOMSBURY APPLIED VISUAL ARTS
Churchill Archive
BLOOMSBURY FASHION CENTRAL
BLOOMSBURY POPULAR MUSIC
BLOOMSBURY ARCHITECTURE LIBRARY
BLOOMSBURY COLLECTIONS
DRAMA ONLINE
BLOOMSBURY MEDIEVAL STUDIES
BLOOMSBURY FOOD LIBRARY
BLOOMSBURY ENCYCLOPEDIA OF PHILOSOPHERS

Sunday Times bestsellers

Sunday Times bestsellers included *The Anarchy* by William Dalrymple, *City of Girls* by Elizabeth Gilbert, *The Priory of the Orange Tree* by Samantha Shannon, *Mudlarking* by Laura Maiklem, *Three Women* by Lisa Taddeo, *The Dutch House* by Ann Patchett and *Such a Fun Age* by Kiley Reid

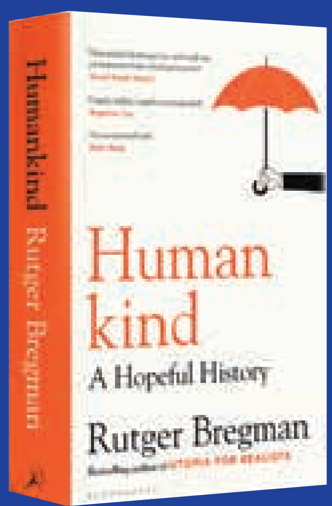
Strategic Report

Chief Executive's Review

"Our Bloomsbury Digital Resources digital growth strategy continues to perform very well, delivering 32% revenue growth year-on-year and generating profit."

Nigel Newton

Founder and Chief Executive



Overview

The year ended 29 February 2020 saw a robust performance by Bloomsbury, particularly given the impact of coronavirus in China in the last two months of the financial year. Group profit before tax and highlighted items increased by 9% to £15.7 million (2018/2019: £14.4 million). Group profit before tax increased by 10% to £13.2 million (2018/2019: £12.0 million).

Our Bloomsbury Digital Resources digital growth strategy continues to perform very well, delivering 32% revenue growth year-on-year and generating profit. This strong growth demonstrated the demand for, and quality of, our digital content, platforms and infrastructure. There was healthy revenue growth both from increased sales of existing products, as well as new partnerships and new products.

In December 2019, we acquired the drama publisher Oberon Books Limited for £1.2 million, further strengthening our presence as the leading publisher in drama and the performing arts. Also in December 2019, we entered the domestic Chinese market with Bloomsbury China, a new joint venture with China Youth Publishing Group and Roaring Lion Media. Continuing our international growth is a key part of our strategy, and this partnership enables the business to further accelerate that goal.

Performance was in line with the Board's expectations and so there was no management bonus for the year (2018/2019: £2.3 million). The highlighted items of £2.5 million consist of the amortisation of acquired intangible assets of £1.7 million (2018/2019: £1.7 million), one-off restructuring costs and legal and other professional fees relating to the acquisitions of £0.6 million (2018/2019: £0.6 million), and one-off costs relating to the coronavirus of £0.2 million. The effective rate of tax for the year was 21% (2018/2019: 23%). The adjusted effective rate of tax, excluding highlighted items, was 19% (2018/2019: 21%). Diluted earnings per share, excluding highlighted items, grew 12% to 16.77 pence (2018/2019: 14.97 pence). Including highlighted items, profit before tax was £13.2 million (2018/2019: £12.0 million) and diluted earnings per share grew 13% to 13.84 pence (2018/2019: 12.25 pence).

Cash and financing

Bloomsbury's cash generation continued to be robust with cash at the year end of £31.3 million, up £3.8 million. During the year, we invested £1.8 million of capital expenditure in BDR, and the £1.2 million cash consideration for the acquisition of Oberon Books Limited was paid on completion in December 2019.

The Group has an unsecured revolving credit facility with Lloyds Bank Plc. The facility comprises a committed revolving loan facility of £8 million in the first half and an additional £4 million in the second half, totalling £12 million, to match Bloomsbury's cashflow cycle, and an uncommitted incremental term loan facility of up to £6 million. The facilities are subject to two covenants, being a maximum net debt to EBITDA ratio of 2.5x and a minimum interest cover covenant of 4x. Subsequent to the year end, the maturity of the facility was extended to May 2022 and the covenants were amended to exclude IFRS 16.

Strategy

Delivering the Bigger Bloomsbury Initiatives

We delivered good results on the eight initiatives announced in May 2019, with highlights including:

- Growing the profits of the Academic & Professional division: Delivered £1.8 million (58%) growth in profit before taxation and highlighted items.
- Maximising the success of Bloomsbury Digital Resources: Moved into profit for the first time and delivered 32% growth in BDR revenue.
- Growing the profits of the Adult division: Delivered £1.6 million profit before taxation and highlighted items, up £0.7 million.
- Reducing our finished goods stock further: Further 1% reduction in inventories on a like-for-like basis.
- Growing the revenues of acquisitions: 49% growth in I.B. Tauris revenues, acquired in May 2018, contributing to the Non-Consumer growth.
- Increasing the focus on Bloomsbury's nine biggest assets, starting with Harry Potter, Sarah J. Maas and Tom Kerridge: Delivered 23 bestsellers globally.

- – Accelerating the growth of Bloomsbury's sales in the USA, Australia and India: International sales are 63% of revenue.
- – Increasing employee engagement through strategic initiatives: Good progress in engagement and delivery of key initiatives.

Following the success of the Bigger Bloomsbury Initiatives, we are now renewing our focus on Bloomsbury's long-term growth strategy, which is aimed at diversifying into digital channels and building quality revenues, increasing earnings and building on the strategic success of the last five years. To achieve this, we are focused on a number of long-term strategic objectives, which include:

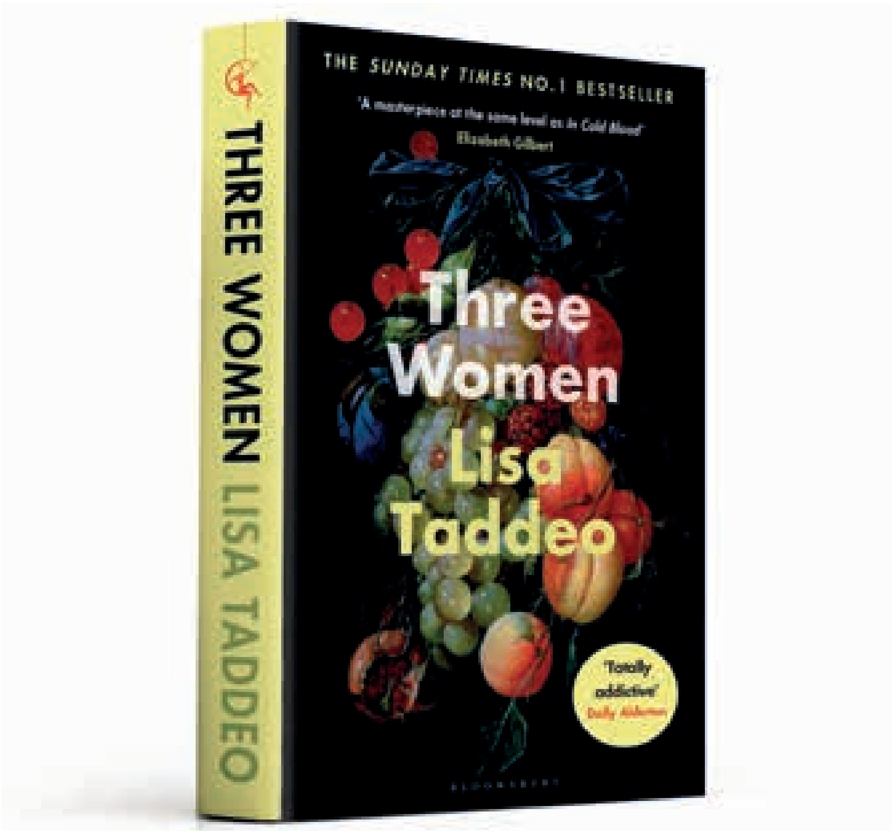
- Non-Consumer
  - – Grow Bloomsbury's portfolio in Non-Consumer publishing. These are characterised by higher, more predictable margins and greater digital and global opportunities.
    Progress 2019/2020: delivered 85% growth in profit before tax and highlighted items and revenue growth of 4%.
  - – Achieve BDR revenue of £15 million and profit of £5 million for 2021/2022.
    Progress 2019/2020: delivered £8.3 million revenue, up 32%.
- Consumer
  - – Discover, nurture, champion and retain high-quality authors and illustrators in our Consumer Division, while looking at new ways to leverage existing title rights.
    Progress 2019/2020: Sunday Times bestsellers included Such a Fun Age by Kiley Reid, The Anarchy by William Dalrymple, City of Girls by Elizabeth Gilbert, Three Women by Lisa Taddeo and The Dutch House by Ann Patchett.
  - – Grow our key authors through effective publishing across all formats alongside strategic sales and marketing.
    Progress 2019/2020: Crescent City: House of Earth and Blood by Sarah J. Maas was Number One on the New York Times bestseller list, and we established our Specialist Audio division.
  - – As the originating publisher of J.K. Rowling's *Harry Potter*, to ensure that new children discover and read it for pleasure every year.
    Progress 2019/2020: Harry Potter and the Philosopher's Stone was the 10th bestselling Children's title on Nielsen BookScan in the UK, 22 years after first publication.
- International expansion
  - – Expand international revenues and reduce reliance on UK market.
    Progress 2019/2020: delivered overseas revenues of 63% of Group revenue; achieved BDR international sales growth of 31% this year.
- Employee experience and engagement

  Our colleagues are among our most important assets, and our success is driven by their expertise, passion and commitment. We understand the importance of attracting, supporting and engaging colleagues wherever they work.
  - – To be an attractive employer for all individuals seeking a career in publishing regardless of background or identity, so adding cultural value to our business operations and performance.

13.84p
diluted earnings per share

+32%
growth in BDR revenue

£13.2m
group profit before tax



Chief Executive's Review

continued

- Focus on targeted initiatives to create an environment that nurtures talent, stimulates creativity and collaboration, is respectful of difference and supports wellbeing. *Progress 2019/2020: continuing focus on employee engagement and development initiatives, including Employee Voice Meetings, Management Development Programme, mentoring scheme, formation of Diversity and Inclusion ("D&I") Networks, which complement and inform the activities of our D&I Focus Group, and introduction of Core Hours to support flexible working.*

- Sustainability
  - Maximise our use of sustainable resources whilst seeking to reduce carbon emissions. *Progress 2019/2020: increased use of print-on demand technology to over 20,000 titles, implementation of Sustainability Working Group to promote positive environmental actions and reduced greenhouse gas emissions from fuel and electricity use.*

Underpinning our strategy, our strengthened balance sheet will help to ensure we have sufficient working capital to weather the impact of coronavirus and to ensure we are able to fulfil our long-term growth plans. We have already implemented cost savings while balancing the need to retain our staff and acquire future titles, as Bloomsbury's proven business model is to commission titles one to two years ahead of publication.

Acquisitions

As previously announced, in December 2019, we acquired the rights of drama publisher Oberon Books Limited for £1.2 million, all of which was satisfied in cash on completion. This acquisition further strengthens our presence as the leading publisher in drama and the performing arts.

Also in December 2019, we entered the domestic Chinese market with Bloomsbury China, a new joint venture with China Youth Publishing Group and Roaring Lion Media. The investment is de minimis.

Post year end in March 2020, as previously announced, we acquired certain assets of Zed Books Limited, the London-based academic and non-fiction publisher. The consideration was £1.75 million, of which £0.875 million was satisfied in cash on completion and the remainder to be paid within 12 months. Zed will operate within Bloomsbury's Academic & Professional division.

Dividend

Bloomsbury had intended to declare a final dividend for the year of 6.89 pence per share. This would have resulted in a total dividend for the year of 8.17 pence per share, up 3% on the previous year. As previously announced, Bloomsbury has decided, in light of coronavirus, to conserve cash and therefore will not be paying a cash dividend. It is now proposed, subject to Shareholder approval, that the dividend is instead settled through the issuance of new ordinary shares by way of bonus issue to Shareholders, with a value equivalent to the proposed final dividend.

Subject to Shareholder approval at our AGM on 21 July 2020, the bonus issue will be made on 28 August 2020 to Shareholders on the register on the record date of 31 July 2020.

Bloomsbury is proud of its strong track record of 24 years of consecutive dividend growth. Our intention would be to reintroduce cash dividend payments as soon as market conditions allow us to do so.

Non-Consumer Division

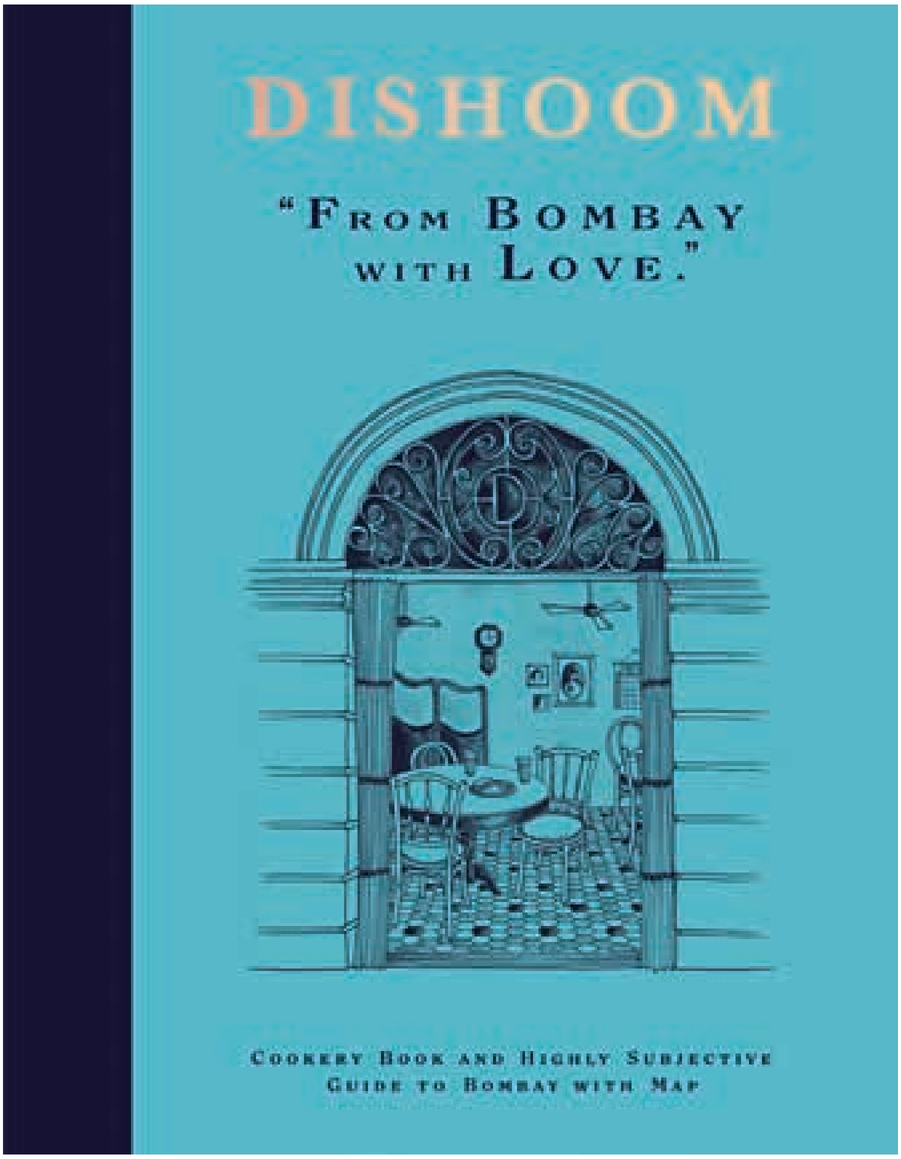
The Non-Consumer Division consists of Academic & Professional and Special Interest. Revenues in the Division increased by 4% to £66.0 million (2018/2019: £63.4 million). Within this, Academic & Professional revenues grew by 4% to £43.1 million (2018/2019: £41.5 million). Profit before taxation and highlighted items for the Non-Consumer Division increased by 85% to £6.7 million (2018/2019: £3.6 million). Profit before taxation grew by 159% to £5.0 million (2018/2019: £1.9 million). The profit growth reflects improved Academic & Professional and Special Interest profitability and the £0.7 million increase in BDR profit.

In the second half, the Special Interest division took over the publishing part of our Content Services division, to generate further synergies following the successful restructure of the Special Interest division. Digital projects, including IZA World of Labor, moved to the Academic & Professional division. Comparatives have been restated to reflect this.

The strategic growth initiative BDR has made Bloomsbury into a leading B2B publisher in the academic and professional information market and significantly accelerated the growth of its digital revenues. Key achievements during the year, which demonstrate the opportunities to further leverage content and market other services on our digital platforms and through the sales infrastructure we have developed, were:

- Launch of five new digital resources during the year as planned;
- Growth of Bloomsbury Collections to over 9,000 front and backlist Bloomsbury Academic titles; over 20% higher than last year. These include titles from I.B. Tauris, the British Film Institute and our newly expanded frontlist collections;
- Launch of the new content partnership with Human Kinetics, the world's leading sports science publisher;
- Development of our content partnership with Taylor & Francis;
- Launch of our content partnership with the National Theatre in September 2019, further endorsing and significantly expanding the video offering of our award-winning Drama Online platform; and
- Continuing our customer retention rate above 90%.

Within Special Interest, profit before taxation and highlighted items has increased by 227% to £1.9 million (2018/2019: £0.6 million) and revenue was 4% higher at £22.9 million (2018/2019: £21.9 million). These results demonstrate the impact of the restructuring under the new Head of Special Interest Publishing, with a clear focus on publishing for key communities and reduced overheads.



Consumer Division
The Consumer Division consists of Adult and Children's Trade publishing. The Consumer Division generated revenue of £96.8 million (2018/2019: £99.3 million). Profit before taxation and highlighted items was £8.9 million (2018/2019: £10.7 million). Profit before taxation was £8.8 million (2018/2019: £10.7 million). The strong performance from the Adult division and resilient *Harry Potter* sales were tempered by the impact of timing and fewer frontlist titles from Sarah J. Maas.

Adult Trade
The Adult division achieved very strong growth with a 12% increase in revenue to £37.4 million (2018/2019: £33.5 million) and profit before taxation and highlighted items increasing by 77% to £1.6 million (2018/2019: £0.9 million), from success in front and backlist titles, and the continued impact of strategic changes in the division.

Bestsellers in the year included *Dishoom: From Bombay with Love* by Shamil Thakrar, Kavi Thakrar and Naved Nasir, Tom Kerridge's *Lose Weight & Get Fit*, the global bestseller, *The Anarchy* by William Dalrymple, the number one *Sunday Times* bestseller *Three Women* by Lisa Taddeo, the *Sunday Times* bestsellers *The Dutch House* by Ann Patchett and *City of Girls* by Elizabeth Gilbert, and the *New York Times* bestsellers *Elderhood* by Louise Aronson and *No Visible Bruises* by Rachel Louise Snyder.

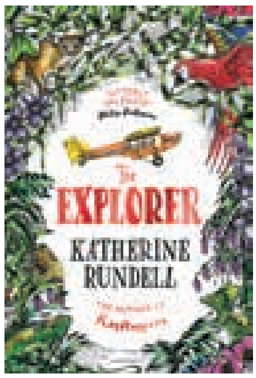
Children's Trade
Children's sales were £59.4 million (2018/2019: £65.8 million). Sales of the *Harry Potter* titles were in line with last year, with the *Harry Potter and the Goblet of Fire Illustrated Edition* by J.K. Rowling and Jim Kay published in October. The standard edition of *Harry Potter and the Philosopher's Stone* was the tenth bestselling children's book of the year on UK Nielsen Bookscan, 22 years after it was first published – every year these classics reach a new generation of readers.

Sarah J. Maas' new bestselling title, *Crescent City: House of Earth and Blood*, was published at the end of the financial year, compared to two new frontlist hardback titles in the previous year, and total sales for this author were 32% lower than last year. Other highlights on the Children's list included the second in Brigid Kemmerer's Cursebreaker series, *A Heart So Fierce and Broken*, the latest title in the *Fantastically Great Women* series by Kate Pankhurst, and backlist titles *We're Going on an Egg Hunt* by Laura Hughes, *Norse Mythology* by Neil Gaiman, *Holes* by Louis Sachar and *The Explorer* by Katharine Rundell, alongside her new novel *The Good Thieves*.

Audio
Bloomsbury's new Audio division has delivered 190% revenue growth by focusing on production of key titles, distributed through an exclusive deal with Audible. This expert team has enabled us to produce 131 titles to date, launching with the Audible bestseller, *The Madness of Crowds* by Douglas Murray, as well as *The Dutch House* by Ann Patchett and *Three Women* by Lisa Taddeo.

£59.4m
Children's revenues

£43.1m
Academic & Professional revenues



Chief Executive's Review

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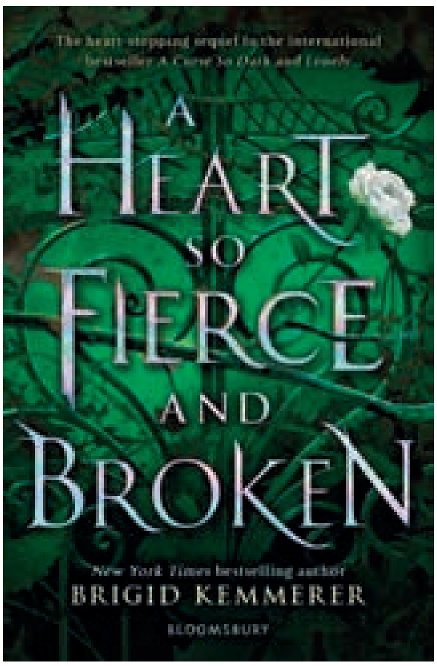


Charitable initiatives

As part of Bloomsbury's ongoing commitment to the wider communities in which we operate, we are proud to support a wide range of charitable initiatives. Highlights include:

- National Literacy Trust: Our three-year partnership with the National Literacy Trust with a particular focus on Hastings, one of the UK's most deprived local authority areas;
- Publishing Children's books in partnership with three leading UK charities: the RSPB, Royal Botanic Gardens, Kew and The Woodland Trust;
- World Book Day: We are extremely proud to support World Book Day, the most important, inclusive reading initiative in the UK;
- Pathways Project: Aiming to increase the representation of underrepresented groups in children's illustration; Bloomsbury led workshops and mentoring;
- Book Aid International and The Soho Center US: Book donations to these charities;
- EmpathyLab: Working closely with this charity and many of our authors, we ensure that children and the books they read support the teaching of empathy;
- In addition, for every copy of *Dishoom: From Bombay with Love* sold, we donate towards the price of a meal for a hungry child to both of Dishoom's chosen charities, Magic Breakfast and The Akshaya Patra Foundation.

IFRS 16

During the year IFRS 16, Leases ("IFRS 16"), was introduced. Adoption of this standard has reduced the amount of rent and lease charges, increased depreciation charges and finance costs and increased the value of assets and liabilities. The net reduction to profit before taxation for the year ended 29 February 2020 was £0.2 million. The impact on EBITDA was an increase of £2.1 million and the impact on operating profit was an increase of £0.3 million.

Throughout this Review, we have used profit before tax and amortisation as this provides the fairest profit comparison between the results to 29 February 2020, which include IFRS 16, and the previous year's results, which have not been restated.

Board changes

As previously announced, Jonathan Glasspool, Executive Director and Managing Director for the Non-Consumer Division, is retiring and will leave Bloomsbury at the end of July 2020, after 20 years' service.

I would like to thank Jonathan for his exceptional contribution to Bloomsbury, building the major Academic & Professional publisher that Bloomsbury sought to add to its trade portfolio. The Academic & Professional division is now an impressive, award-winning business in its own right.

We are delighted that Jenny Ridout, Bloomsbury's Global Head of Academic Publishing, has been promoted to be the new Managing Director of the Non-Consumer Division. Jenny's knowledge of digital and academic publishing, and her proven commercial abilities, are a very strong basis for achieving the growth expectations we have for this part of the business. Jenny has been with Bloomsbury for over 15 years, since the inception of the Division in 2008, and will continue her role as Global Head of Academic Publishing. Jenny also joins Bloomsbury's Executive Committee.

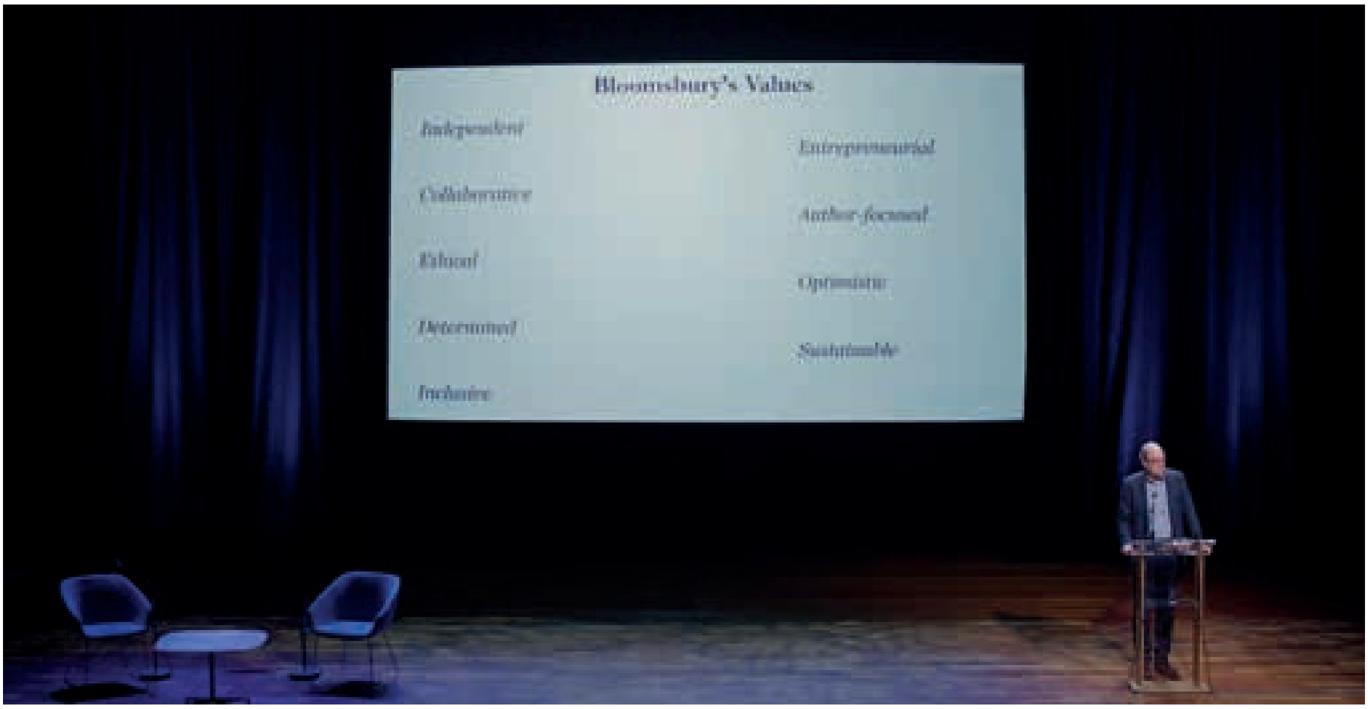
Bloomsbury's purpose, values and culture

Our purpose at Bloomsbury is to inform, educate, entertain and inspire readers of all ages by publishing works of excellence and originality to a global audience. We champion a life-long love of reading and learning to help build a reading culture with all the benefits which that brings society. Embedded in our purpose is the social good that comes from our publishing. Many of our books are in themselves a social good which have made a positive impact on readers and, in a few cases, helped make the world a better place. The *Harry Potter* series, aside from its commercial success, encouraged more reluctant readers – especially boys – to pick up a book and read for pleasure around the world than any other book published at the time. Books about structural racism like *Why I'm No Longer Talking to White People About Race* by Reni Eddo-Lodge and *White Rage* by Carol Anderson have the power to educate and contribute to a change of attitudes in society. Personal narratives like Wendy Mitchell's memoir *Somebody I Used to Know*, about suffering with Alzheimer's, encourage people to come forward to talk about their own personal experience and open up the conversation around important subjects like dementia. And titles such as *The Sustainable(ish) Living Guide* by Jen Gale and *Clearing the Air* by Tim Smedley have informed readers about the climate change crisis and offered practical ways they can be part of the solution in living more sustainably.

Our clear sense of purpose, and our shared values, as set out on the front insider cover of this Annual Report, are the foundation of Bloomsbury's strategy for building a sustainable business and guide our priorities and decision-making throughout the Company. They shape our culture and define Bloomsbury's character. They unite and connect colleagues around the world and are the cornerstone of our approach to publishing.

We are committed to helping authors, both new and established, bring original and powerful works across an array of genres and subjects to readers and learners worldwide, sharing ideas, knowledge and experience, and challenging the status quo. Our independence allows us the freedom to publish in a manner that reflects the value we place on being inclusive by publishing works from a wide spectrum of international – and often contrarian – voices. We are entrepreneurial in the way we seek out new opportunities to reach more readers and learners, whether by entering into new markets, as we have done with Bloomsbury China, or leveraging our digital rights and our resources in response to the increasing demand for digital products. Determination, optimism and high standards underline the actions we take in pursuit of our purpose, and inform our dealings with all our business partners – from authors to suppliers to customers.

During the year, we re-articulated our guiding principles to our colleagues, through Company-wide Employee Voice meetings, an internal management training programme, a fortnightly newsletter from the Chief Executive and, more recently since working from home during the pandemic, with live online video Town Halls attended by over 500 employees worldwide, with questions from staff and answers from



Nigel Newton speaking to Bloomsbury employees about Bloomsbury's values at the Company Highlights event

Chief Executive's review

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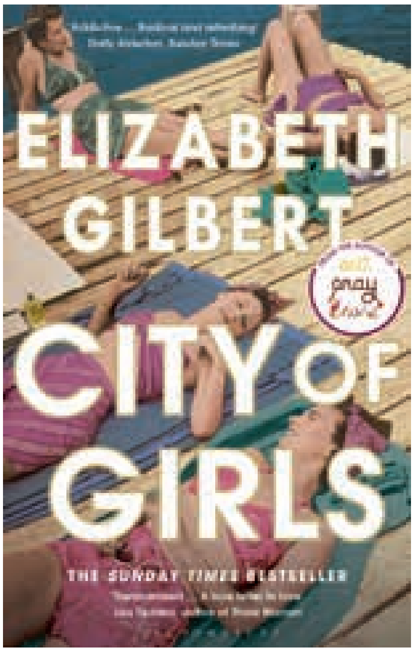


management and in other forums. We continue to monitor and assess Bloomsbury's culture and its alignment with our strategic objectives through direct engagement with our workforce, including, most importantly, by way of the Employee Voice Meetings Programme, more detail about which can be found in the Corporate Responsibility section on pages 50 to 53.

Management action in response to the coronavirus pandemic

People

In response to the coronavirus pandemic, management acted quickly to implement proactive measures to protect our staff and continue working effectively with our authors, illustrators, customers and suppliers. Staff globally are working safely and effectively from home.

Financing

We have extended the maturity of our facilities with Lloyds Bank Plc from May 2021 to May 2022, and amended covenants to exclude IFRS 16.

Cost savings

Management has also taken the following proactive measures to conserve cash and reduce costs:

- Board taking salary or Board fee reductions of 30%, saving £0.03 million per month;
- Salary reductions across the majority of staff, weighted to more senior staff, saving £0.2 million per month;
- Participating in Government schemes in the UK and USA to support staff and businesses, saving £0.7 million per month for the first two months and £0.1 million thereafter;
- Recruitment freeze and furloughing 14 staff, with top-up salaries for the majority of those affected, saving £0.03 million per month; and
- Reducing discretionary spend to a minimum, including marketing and non-essential capital expenditure, saving an average of £0.9 million per month.

Equity Placing

On 17 April 2020, Bloomsbury announced the successful completion of the non-pre-emptive placing of 5.0% of ordinary shares, raising gross proceeds of £8.4 million. Acting in the long-term interests of all stakeholders, this placing strengthened our balance sheet to ensure we have sufficient working capital to weather the impact of coronavirus without damaging Bloomsbury's business; being able to retain our staff and acquire future titles is a crucial part of this.

Future publishing

Our publishing list for 2020/2021 includes *Quidditch Through the Ages Illustrated Edition* by J.K. Rowling and Emily Gravett, *Fantastic Beasts and the Wonder of Nature* in association with the Natural History Museum exhibition, Sarah J. Maas' number one *New York Times* bestseller *Crescent City: House of Earth and Blood, Humankind* by Rutger Bregman, Susanna Clarke's *Piranesi*, Brigid Kemmerer's *A Vow so Bold and*

Deadly, and the authorised History of GCHQ, *Behind the Enigma*, by Professor John Ferris.

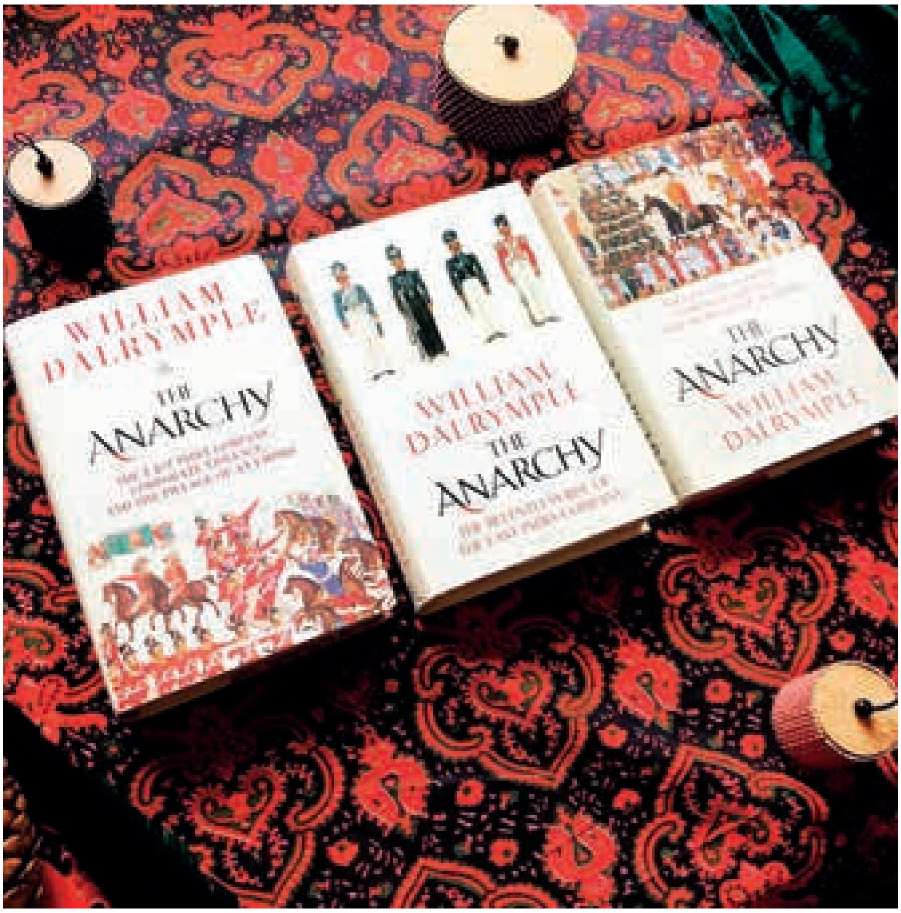
Outlook

There is no immediate certainty around the severity and duration of the impact of the coronavirus pandemic on our business and therefore the Board is unable to provide guidance for the year ending 28 February 2021 at this time.

The coronavirus crisis and imposition of Government lockdowns and restrictions and retail closures continue to impact all our key markets of the UK, USA, Australia and India, as well as many other important markets. Orders for print books, which comprised 79% of the Group's revenue for the year ended 29 February 2020, are being affected in all our markets. Our UK, USA and Australia warehouses remain open and continue supply to customers. We have positive sales prospects through Amazon, even as they prioritise essential crisis services, with strong growth in demand for ebooks.

April 2020 year-to-date revenue is 3% below last year, with print revenues at 87% of last year's sales and academic digital revenues up over 52% year-on-year.

Our strategy of expanding and leveraging our digital rights and products means that we are well placed to benefit from increased demand for our digital resources, audio and ebooks as we are with direct supply from Amazon, Bloomsbury.com, Waterstones.com and most internet retailers selling print books. Strong digital growth continues from academic institutional customers as libraries pivot swiftly to digital resources and reduce print purchases to support remote learning for students. However, academic institutions face major uncertainties over student recruitment, particularly international students, and when students will be allowed to return. This could bring financial uncertainty for many of our digital resource customers.



The Board has modelled a severe but plausible downside scenario, including the impact of coronavirus. This assumes:

- Print revenues are reduced by 60%–65% for the three months of expected global restrictions to July 2020 and gradual recovery through to March 2021;
- Downside assumptions about extended debtor days to the end of 2021; and
- In this scenario, we extend the cost reduction measures already implemented, as set out above.

Under this pessimistic downside scenario, we expect our business model to be able to manage these downside assumptions and stay within the headroom of our current banking facilities.

Should a prolonged downside scenario not materialise, the equity placing proceeds will be used for future growth opportunities. Bloomsbury has a successful track record of acquisitive growth via 26 strategic acquisitions and we continue to see opportunities in the Academic markets.

Nigel Newton
Chief Executive

Marketplace

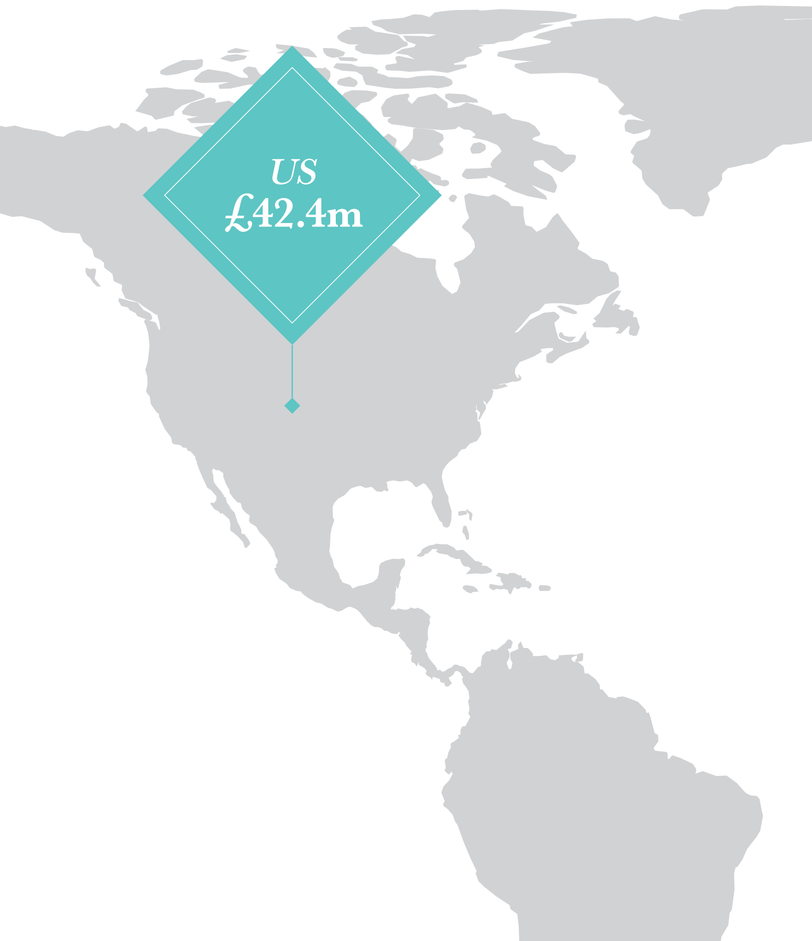
Bloomsbury Publishing Plc is an entrepreneurial, independent, global publisher listed on the London Stock Exchange with offices in London, Oxford, New York, Sydney and New Delhi. Bloomsbury publishes in English across trade and academic markets around the world, and recently entered the Chinese domestic market through a Beijing-based joint venture.

Bloomsbury's publishing cuts across a broad range of sectors, genres and countries, spanning trade fiction to children's books to academic humanities and social sciences monograph publishing. As such, it is interested in a large variety of global trends, many behaving and developing differently depending on the type of publishing and the region it applies to. The most common and longest running global trend is the continued growth of online retail sales across all markets. Other key trends are more driven by the sector of publishing.

In Bloomsbury's Children's and Adult Trade markets, consumers remain loyal to print books but audio books have increased in popularity globally with consumers choosing to also listen to books, particularly when on the go. Children's books remain the growth area of the consumer market, particularly in print formats. Independent and high street retail shops remain challenged as more consumers buy online. The coronavirus pandemic is exacerbating this trend as many high streets across the world have been closed for extended periods of time; it is not known if these retailers will have a v-shaped recovery post the global lockdown ending.

The coronavirus crisis is also impacting the academic publishing market. It is believed that the coronavirus outbreak may have a negative effect on university budgets internationally, and also possibly impact student enrolment, particularly in those universities that are dependent on foreign students' attendance to boost their budgets. However, the global academic library market has remained stable over several years and the demand for digitally delivered academic content has continued to increase. The onset of the coronavirus pandemic has dramatically accelerated this shift. Another long-term trend that continues to make news is that the research and academic bodies in many of Bloomsbury's markets are demanding an increase to the amount of scholarly content published as free-to-view "open access". So far this demand is focused on scientific, technical and medical content and associated journals, and not in the humanities book publishing areas where Bloomsbury publishes.

Each of Bloomsbury's publishing Divisions has identified and tracked these and other ongoing trends, implementing mitigation strategies that place Bloomsbury in a solid position to respond successfully to them, and to future trends.

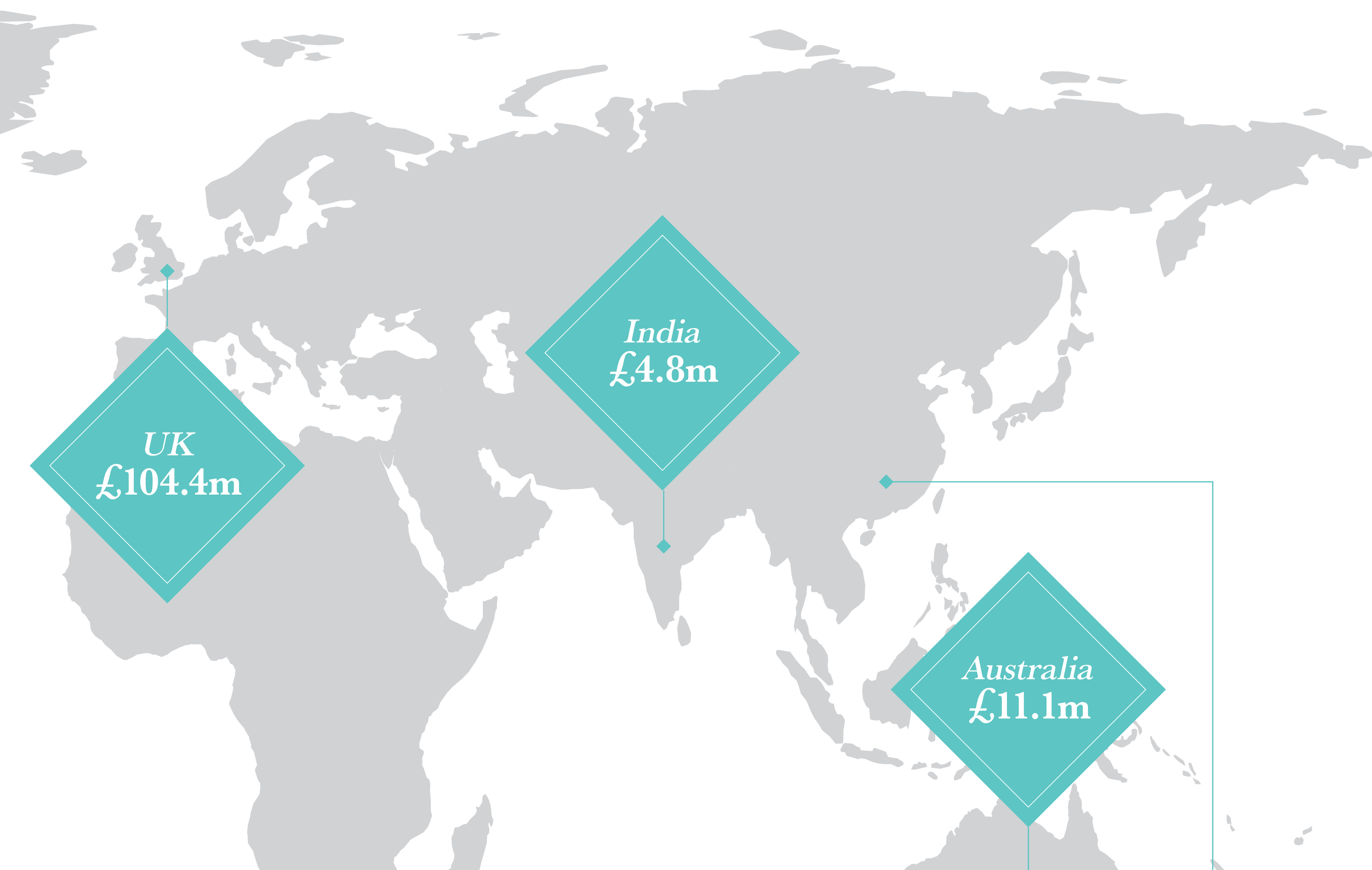


Non-Consumer Division

The Non-Consumer Division consists of the following Bloomsbury publishing sub-divisions: Academic & Professional; Bloomsbury Digital Resources; Special Interest; and Education. The Non-Consumer Division delivered revenue of £66.0m million (2018/2019: £63.4 million). Profit before taxation and highlighted items was £6.7 million (2018/2019: £3.6 million).

The Non-Consumer Division has identified the following key global trends and is responding to them:

- **Shift to digitally delivered academic content:** Bloomsbury has continued to significantly broaden its digital portfolio across all its divisions and experienced academic digital revenue growth of more 32% during the year, compared to overall academic market growth of 1–2%.
- **Open access:** There continues to be increased demand for open access humanities publications, but little funding to enable it to happen. Bloomsbury is well-positioned should this change, as it has long published open access content and offers all its academic authors the option to publish their research work with Bloomsbury on a Gold open access basis.
- **Coronavirus impact on university budgets:** Bloomsbury is significantly broadening its customer base by selling direct to institutions globally, reducing individual country exposure and broadening its customer base.



Consumer Division

The Consumer Division consists of Adult and Children's Trade publishing. The Consumer Division delivered revenue of £96.8m million (2018/2019: £99.3 million). Profit before taxation and highlighted items was £8.9 million (2018/2019: £10.7 million). The Consumer Division has identified the following key global trends and is responding to them.

- **Increase in digital audio book popularity:** Bloomsbury has established a specialist Audio publishing division to maximise the opportunity presented by the increasing popularity of audio books, and during the year delivered significant frontlist success with Lisa Taddeo's *Three Women* and Ann Patchett's *The Dutch House*.
- **Children's books remain growth area:** Bloomsbury's strategic focus on its picture book list delivered 14% growth in UK sales value, and its ongoing implementation of its *Harry Potter* publishing and sales and marketing strategy keeps this leading brand front and centre across global markets.
- **Continued growth of online retail:** There continues to be growth of online retail sales. In the UK, Bloomsbury launched a new initiative offering to support independent retailers during the coronavirus crisis by using Bloomsbury.com to sell and deliver books to their customers.
- **Continued decline in ebook sales:** Though digital audio is thriving, sales of ebooks continues to decline in most markets.

Bloomsbury enters domestic Chinese market

In December 2019, Bloomsbury announced its entry to the domestic Chinese market through a joint venture with China Youth Publishing Group and Roaring Lion Media. China is an increasingly important and fast-growing publishing market for trade and academic publishing. China is expected to continue its growth rate and is projected to surpass the USA as the world's largest economy by 2030.

Business Model

Key resources

- Valuable intellectual property
- Strong financial position and liquidity
- Global brand recognition
- Talent
- Diversified portfolio of content and services
- Access to global markets and partners

Key activities

- Focus on digital publishing
- Growing Bloomsbury's portfolio in Non-Consumer publishing
- Acquisition of rights from authors, illustrators and other copyright owners
- Leveraging existing intellectual property rights
- Strategic acquisitions in key areas of publishing
- International expansion

Channels

- Traditional wholesalers and retailers
- Online retailers – print and digital (ebooks and audio books)
- Digital content aggregators
- Direct to academic and educational institutions, libraries and corporates

Market segments

Non-Consumer

- Academic institutions
- Libraries
- Corporates
- Professional bodies
- Students and academics
- Primary and secondary schools
- Teachers and trainee teachers

Consumer

- Adult Trade: fiction, non-fiction and cookery
- Children's Trade: fiction, non-fiction, picture books, pre-school titles and activity books

Creating value for stakeholders

Consumers and society

Publishing works of excellence and originality to inform, educate, entertain and inspire, supporting literacy and culture and fostering a passion for reading and learning.

Economic and social contribution to our communities through tax contributions, charitable donations and partnerships, and employee time.

Authors and illustrators

Helping our authors and illustrators to create stories and communicate ideas to a global audience, connecting them with readers worldwide through multiple formats and channels.

Shareholders

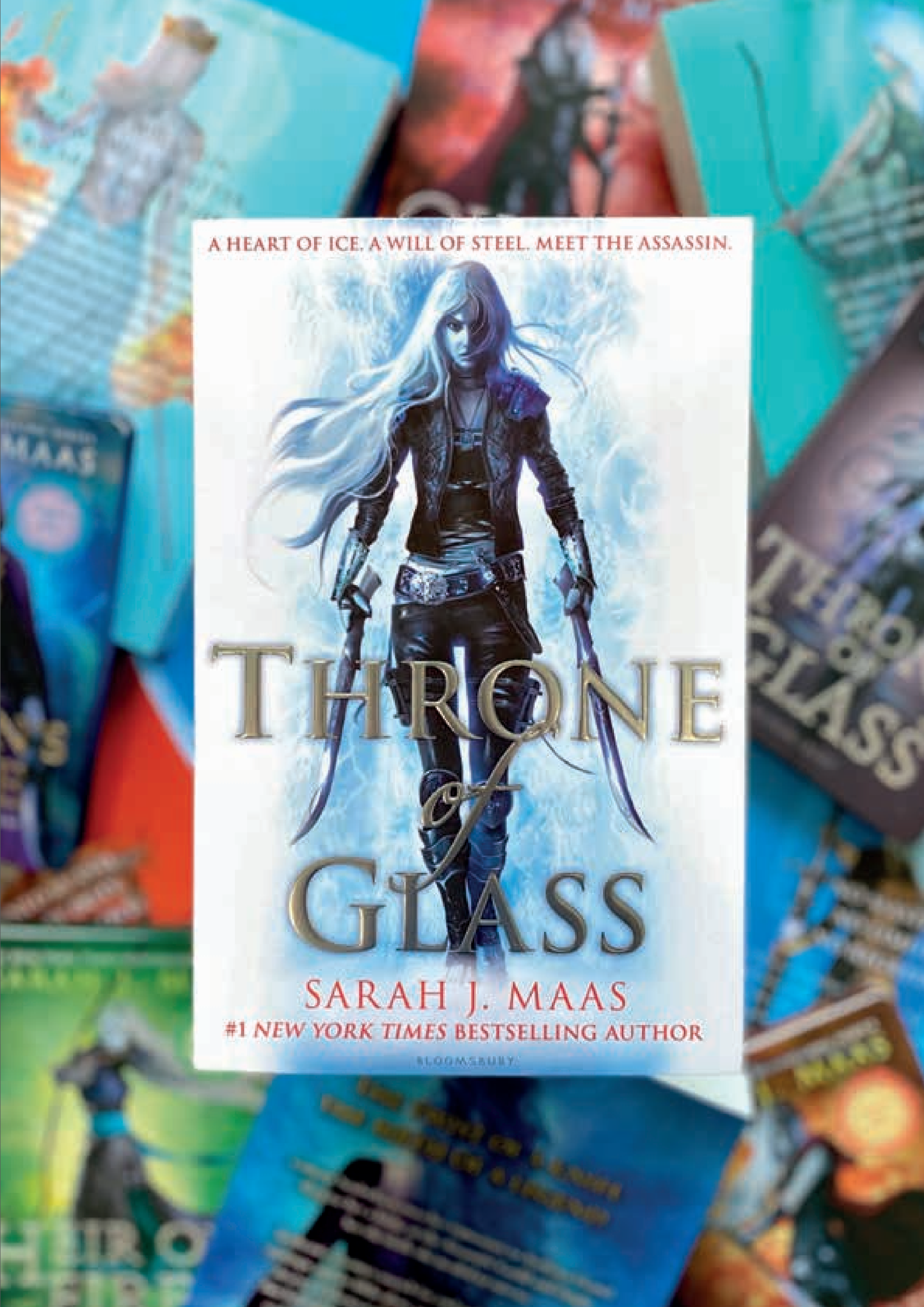
The opportunity to invest in a resilient, global publishing company with a diversified portfolio operating in global markets.

Employees

Creating rewarding work, enabling ongoing professional development. Providing the opportunity to align with a business with a strong socially responsible purpose, entrepreneurial spirit and compelling global opportunity in a dynamic marketplace.

Partners

Generating business activity that creates commercial opportunity for our suppliers, business partners and commercial customers.


A HEART OF ICE. A WILL OF STEEL. MEET THE ASSASSIN.
THRONE of GLASS
SARAH J. MAAS
#1 NEW YORK TIMES BESTSELLING AUTHOR
BLOOMSBURY

Strategy

Our overall growth strategy and long-term focus remains unchanged; to invest in high value intellectual property, to publish works of excellence and originality, to build our diversified portfolio of content and services across our Consumer and Non-Consumer Divisions, and to diversify into digital channels to build quality revenues and increase earnings.

Our strategic priorities

Non-Consumer publishing

- **Grow Bloomsbury's portfolio in Non-Consumer publishing.**

  Non-Consumer publishing is characterised by higher, more predictable margins, is less reliant on retailers and presents greater digital and global opportunities. Non-Consumer revenues are derived from our Academic & Professional, Educational and Special Interest publishing.

  2019/2020 progress:
  - Delivered 85% growth in profit before tax and highlighted items and revenue growth of 4%;
  - Acquisition of drama publisher Oberon Books Limited, strengthening our presence as the leading publisher in drama and the performing arts.

- **Achieve Bloomsbury Digital Resources revenue of £15 million and profit of £5 million for 2021/2022.**

  Our Bloomsbury Digital Resources digital growth strategy, combining digital products of excellence with the strength and range of our partnerships enables us to deliver growth from the high-quality platforms and infrastructure we have built and are continuing to build.

  2019/2020 progress:
  - Delivered £8.3 million revenue, up 32%;
  - Delivered five new products and five new modules; and
  - Established new partnerships with the National Theatre, Taylor & Francis, Human Kinetics and the Donmar Warehouse.

Link to KPIs

1 2 3 4

Consumer publishing

- **Discover, nurture and retain high-quality authors and illustrators, while looking at new ways to leverage existing title rights.**

  2019/2020 progress:
  - *Sunday Times* bestsellers included *Such a Fun Age* by Kiley Reid, *The Anarchy* by William Dalrymple, *City of Girls* by Elizabeth Gilbert, *Three Women* by Lisa Taddeo and *The Dutch House* by Ann Patchett. *New York Times* bestsellers included *Elderhood* by Louise Aronson and *No Visible Bruises* by Rachel Louise Snyder.

- **Grow our key authors through effective publishing across all formats alongside strategic sales and marketing.**

  2019/2020 progress:
  - *Crescent City: House of Earth and Blood* by Sarah J. Maas was Number One on the *New York Times* bestseller list; and
  - Specialist Audio division established.

- **As the originating publisher of J.K. Rowling's *Harry Potter* series, ensure that new children discover and read it for pleasure every year.**

  2019/2020 progress:
  - *Harry Potter and the Philosopher's Stone* was the tenth bestselling Children's title on Nielsen Bookscan in the UK, 22 years after first publication.

Link to KPIs

1 2 4

International expansion

- **Expand international revenues and reduce reliance on the UK market.**

  Continuing our international growth in order to reduce reliance on the UK market as well as take advantage of the biggest academic market in the USA and significant growth potential in India and China is a key part of our strategy.

  2019/2020 progress:
  - Delivered overseas revenues of 63% of Group revenue;
  - Achieved Bloomsbury Digital Resources international sales growth of 31% in international markets; and
  - Entry into the domestic Chinese market with Bloomsbury China: a new joint venture with China Youth Publishing Group and Roaring Lion Media.

Link to KPIs

1 3

Employee experience and engagement

- **Be an attractive employer for all individuals seeking a career in publishing regardless of background or identity, adding cultural value to our business operations and performance.**
- **Focus on targeted initiatives to create an environment that nurtures talent, stimulates creativity and collaboration, is respectful of difference and supports wellbeing.**

Our colleagues are amongst our most important assets, and our success is driven by their expertise, passion and commitment. We understand the importance of attracting, supporting and engaging colleagues wherever they work.

2019/2020 progress:

Continuing focus on employee engagement and development initiatives, including:

- Ongoing Employee Voice Meetings, listening to each of our employees' views;
- Continued provision of Management Development Programme for line managers;
- Introduction of mentoring scheme for early and mid-career employees;
- Formation of Diversity and Inclusion Networks that complement and inform the activities of our Diversity and Inclusion Working Group; and
- Introduction of Core Hours to support flexible working.

Link to KPIs

5 6

Sustainability

- **Maximise our use of sustainable resources while seeking to reduce carbon emissions.**

We recognise our responsibilities to conserve resources and we are committed to monitoring and improving the environmental impact of our operations.

2019/2020 progress:

- Decrease in greenhouse gas emissions from location based and vehicle fuel use*;
- Decrease in greenhouse gas emissions from electricity use*;
- Decrease in water consumption*;
- Increased use of print-on-demand technology: over 20,000 titles; and
- Implementation of Sustainability Working Group to promote positive environmental actions within the Group.

*An analysis of our environmental performance during the year is set out on in the Strategic Report on pages 55 to 57.

Link to KPIs

7

Key to KPIs:

1 Revenue growth
2 Adjusted PBTA
3 Digital resources revenue growth
4 Adjusted operating profit margin
5 Employee engagement
6 Gender diversity
7 Environmental performance

Strategy

continued

In May 2018 we announced our Bigger Bloomsbury Initiative to focus on key growth drivers with targeted strategies across the Group. We delivered good results on the eight initiatives announced in May 2019. Following the success of the Bigger Bloomsbury Initiatives, we are now renewing our focus on Bloomsbury's long-term growth strategy, which is aimed at diversifying into digital channels and building quality revenues, increasing earnings and building on the strategic success of the last five years. To achieve this, we are focused on a number of long-term strategic initiatives as set out on the immediately preceding pages.

Delivering the 2019 Bigger Bloomsbury Initiatives

1 **Growing the profits of the Academic & Professional division:**
- Delivered £1.8 million (58%) growth in Academic & Professional profit before taxation and highlighted items.

2 **Maximising the success of Bloomsbury Digital Resources:**
- Moved into profit for the first time and delivered 32% growth in BDR revenue.

3 **Growing the profits of the Adult division:**
- Delivered £1.6 million profit before taxation and highlighted items, up £0.7 million.

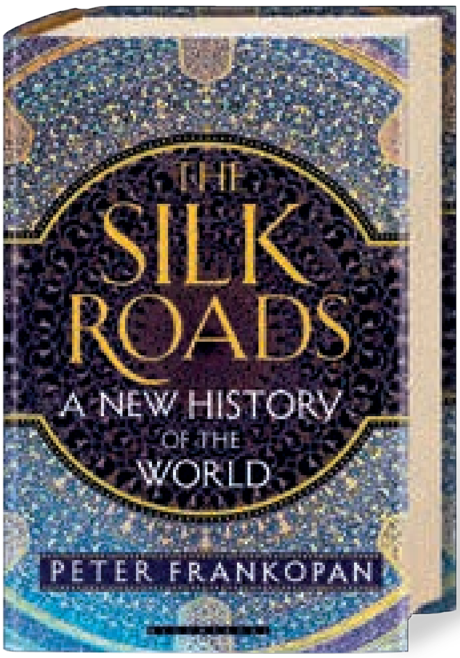
4 **Reducing our finished goods stock further:**
- Further 1% reduction in inventories on a like-for-like basis.

5 **Growing the revenues of acquisitions:**
- 49% growth in I.B. Tauris revenues, acquired in May 2018, contributing to the Non-Consumer growth.

6 **Increasing the focus on Bloomsbury's nine biggest assets, starting with *Harry Potter*, Sarah J. Maas and Tom Kerridge:**
- Delivered 23 bestsellers globally.

7 **Accelerating the growth of Bloomsbury's sales in the USA, Australia and India:**
- International sales 63% of revenue.

8 **Increasing employee engagement through strategic initiatives:**
- Good progress in engagement and delivery of key initiatives.



Key Performance Indicators

Financial measures

Revenue growth

£162.8m
+0%

2020	0%
2019	1%
2018	13%

Link to risks
A

Adjusted PBTA

£15.7m
+9%

2020	£15.7m
2019	£14.4m
2018	£13.2m

Link to risks
A B C D F

Digital resources revenue growth

£8.3m
+32%

2020	32%
2019	34%
2018	20%

Link to risks
B

Adjusted operating profit margin

9.8%
+12%

2020	9.8%
2019	8.8%
2018	8.1%

Link to risks
A B C D F

Non-Financial measures

Employee engagement I

51
Employee Voice Meetings connecting employees with the Board and senior management

6
Active employee Diversity and Inclusion networks

Gender diversity I

28.5%
Female Board members
(2019: 28.5%)

19.7%
UK median gender pay gap
(2019: 21.9%)

71.4%
Female Executive Committee members
(2019: 62.5%)

18.3%
UK mean gender pay gap
(2019: 22.9%)

69%
Female employees
(2019: 71%)

Environmental performance – greenhouse gas emissions

(absolute tonnes CO_2e) J K

22
Vehicle fuel use
(2019: 35)

291
Electricity use: location-based emissions
(2019: 314)

43
Stationary fuel use
(2019: 46)

Key to risks:

A Market B Importance of digital publishing C Acquisitions D Title acquisition E Information and technology systems
F Financial valuations G Intellectual property H Reliance on key counterparties I Talent management
J Legal and compliance K Reputation

Jonathan Glasspool

Executive Director and Managing Director, Non-Consumer Division

Jonathan Glasspool joined Bloomsbury in 1999, was appointed to the Board as Executive Director in 2015 and now oversees the development of Bloomsbury's Academic & Professional publishing business and the other Non-Consumer publishing divisions. Previous roles include being a publisher at Reed Elsevier in Singapore, Melbourne and Oxford.

He started his career at Cambridge University Press. He has an MBA with Distinction from Warwick Business School. Jonathan is also a Governor of Bath Spa University; Chair, Industry Advisory Board, Oxford Brookes Publishing Centre; Chair, Federation of British Artists, and Trustee, Publishing Training Centre.

Divisional Overview

The Non-Consumer Division

The Non-Consumer Division consolidates a number of Bloomsbury publishing divisions: Academic & Professional; Special Interest; Content Services; and Education. A new publishing division, Bloomsbury Digital Resources, was created in May 2016 within the Academic business to focus on institutional digital resources. During the financial year, Bloomsbury purchased Oberon Books Limited, a performing arts publishing company specialising in play-text publishing. This has been integrated into the Methuen Drama imprint. In March 2020, Bloomsbury purchased certain assets of Zed Books Limited, an academic publisher specialising in Africa studies, economics, development, politics and books about the Global South.

The Non-Consumer Division produces a large portfolio of scholarly and B2B digital resources sold direct to institutions, schools and companies worldwide, Over 1,100 international academic institutions and 2,600 corporate customers now purchase digital resources direct from Bloomsbury. The Division publishes a print and ebook programme of over 2,000 new titles per year across the arts, humanities and social sciences, law and tax, as well as specialist content for communities of shared interest in military history (Osprey), natural history (Helm and Poyser), Sport (through Nautical, Reeds, and Wisden), Popular Science (through Sigma); and reference (through Who's Who, Whitaker's, and www.writersandartists.co.uk). In addition to its publishing programme, the Division provides consultancy services to corporations and institutions round the world.

The markets we serve

The Non-Consumer Division serves the following end users:

- The international research community and higher education students, who use our books and digital resources, which are purchased by academic libraries and institutions worldwide;
- UK and Eire professionals, who use our online law, accounting and tax services;
- Corporations and institutions worldwide looking for consultancy and publishing services;
- Niche communities of interest in sports and sports science, nautical, military history, natural history, and popular science; and
- Teachers and trainee teachers looking for content to support Continuing Professional Development and their teaching.

Divisional facts

£66.0m
Revenue – total

£48.9m
Revenue – UK

£13.8m
Revenue – US

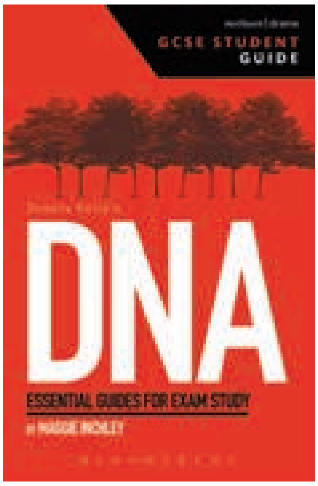
£3.3m
Revenues – other territories

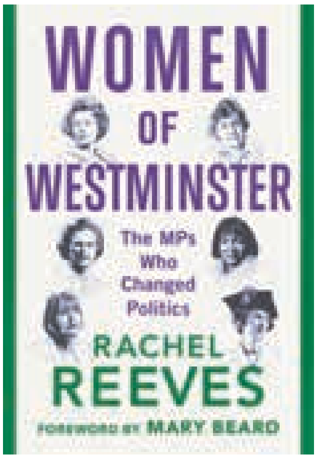
£6.7m
PBTA*

10.42%
PBTA margin*

* PBTA is profit before taxation, amortisation of acquired intangible assets, restructuring costs and legal and other professional fees relating to acquisitions.

Value generating activities	Description
Academic book publishing in print and ebook formats	Required study material for students of humanities, social sciences and applied visual arts. Mainly backlist, print and ebooks, with a significant USA weighting. Sold direct and through industry intermediaries.
Digital academic and B2B services	Online services sold direct to institutions worldwide, e.g. Bloomsbury Professional Online, Drama Online, Bloomsbury Collections and Bloomsbury Fashion Central. Sold direct through subscription or perpetual access.
Professional book and online information publishing	Online and print resources for business practitioners, qualified and trainee solicitors, barristers, accountants and tax practitioners, sold direct through subscription and perpetual access.
Publishing services	Range of end-to-end publishing and content services, digital and print, provided direct to corporations and organisations.
Consultancy and management services	Provided to non-publishers to advise on, implement and manage publishing strategy and projects.
Books, games and special interest digital resources	Specialist content and services for a range of niche communities of interest. Content is sold direct through websites and through retail intermediaries.
Books and online resources for teachers	Content for teachers and trainee teachers.



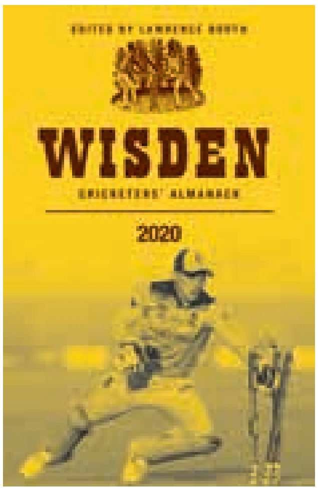


Strategy for growth

- Growing the Division via direct sales to institutions such as law firms, accountancy practices, tax practitioners, and higher education libraries worldwide rather than via traditional third party retailers and content aggregators.
- Increasing investment in repeat purchase, digital services for professional, student and educational use rather than print products.
- Bolt-on acquisitions that strengthen already strong lists.
- Expanding Divisional sales in international markets.

Strategic goals

- Grow institutional revenues internationally, especially in North America.
- Grow revenues from digital-only products and services to £15 million revenue and £5 million profit by 2022.
- Expand number of revenue streams from non-book sources.
- Create rich content and compelling services for niche communities of special interest.



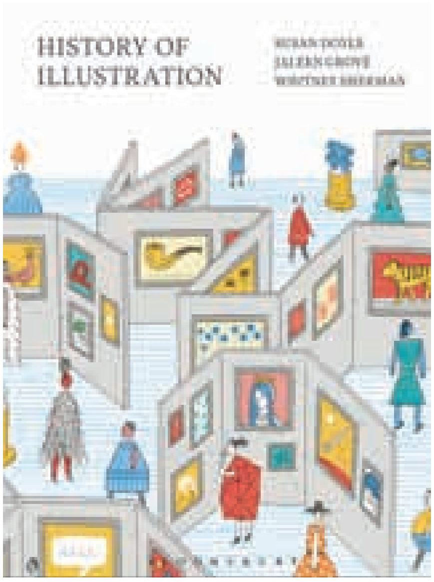
Divisional Overview

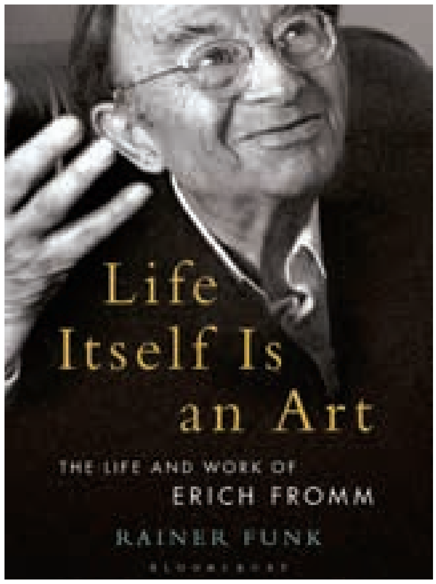
continued

Our books were recognised by Choice* with a number of Outstanding Academic Title awards, including:

1. *Food studies: a Hands-On Guide*
2. *Future sounds: the temporality of noise*
3. *History and film: a tale of two disciplines*
4. *Life itself is an art: the life and work of Erich Fromm*
5. *Literature's children: the critical child and the art of idealization*
6. *Modernism and the law*
7. *Rereading Childhood Books: A Poetics*
8. *The meaning of the circus: the communicative experience of Cult, Art, and Music as an Art History of Illustration*
9. *Contemporary Peruvian cinema: history, identity and violence on screen*
10. *The Shari'a: History, Ethics and Law*
11. *Bloomsbury Popular Music (Bloomsbury Digital Resources)*

*Choice is a publishing unit of the Association of College and Research Libraries.



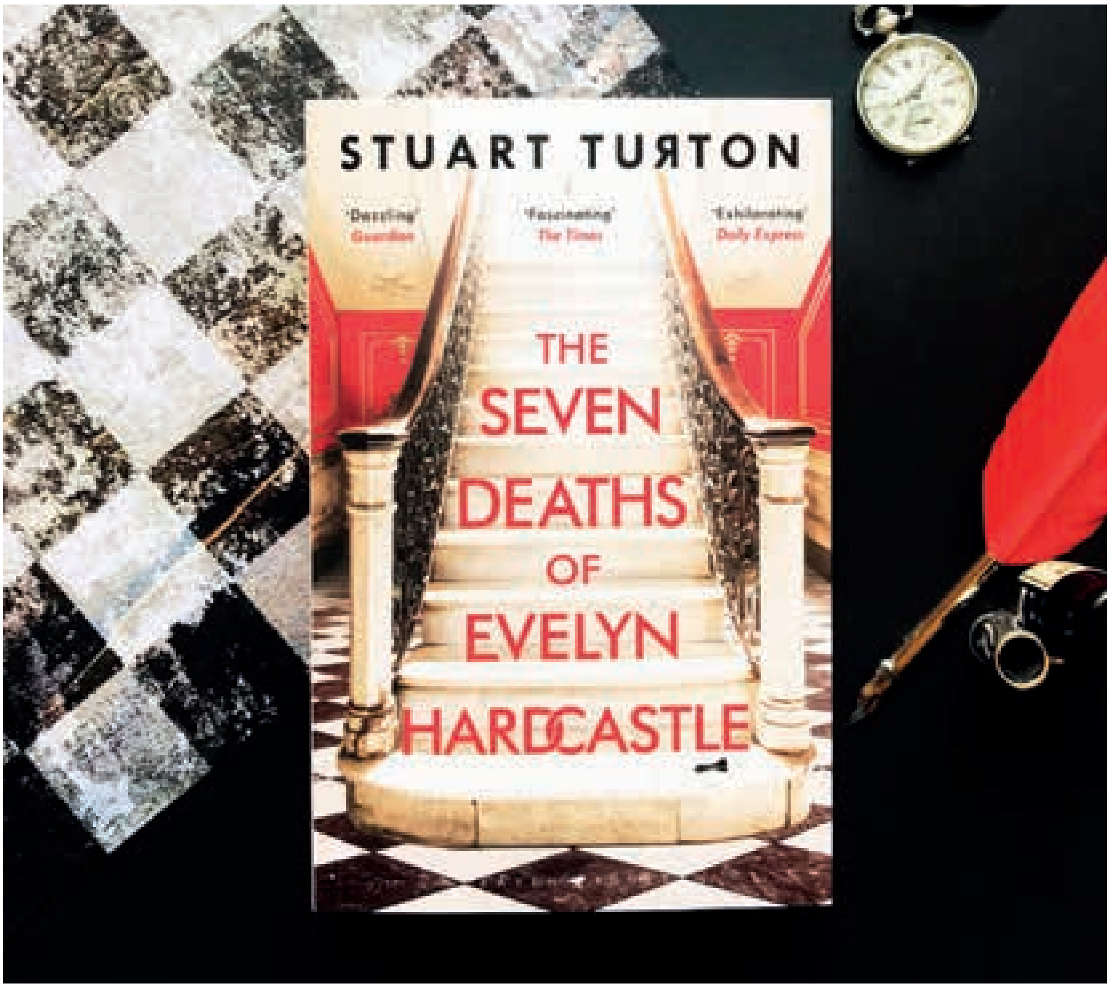


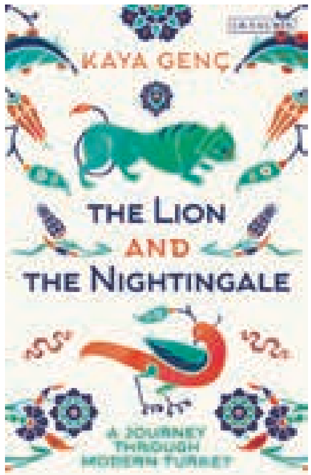
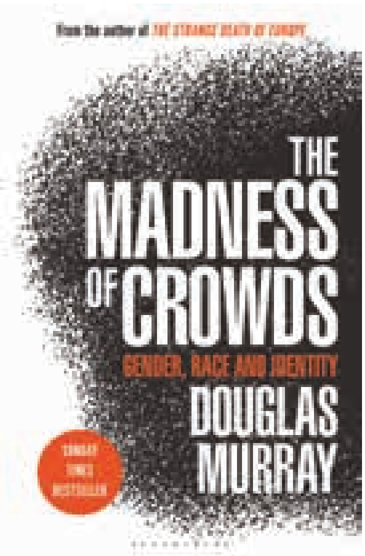
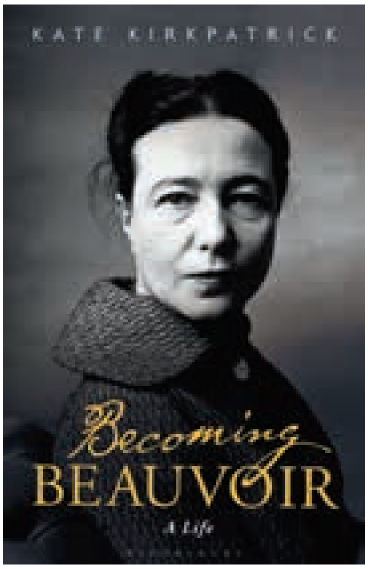
Examples of recent Non-Consumer prizes and awards

- *History of Illustration* **won the Best Edited Collection (Ray and Pat Browne Award) from the Popular Culture Association/American Culture Association.**
- *An Introduction to Popular Culture in the US: People, Politics, and Power* **was awarded the John G. Cawelti Award for the Best Textbook/Primer in Popular and American Culture from the Popular Culture Association/American Culture Association.**
- *When Genres Collide: Down Beat, Rolling Stone, and the Struggle Between Jazz and Rock* **won the IASPM Canada Book prize from the International Association for the Study of Popular Music – Canada Branch.**
- *The Politics of 1930s British Literature* **won the ISCHE First Book Award.**
- *Fellini's Eternal Rome* **won the Flaiano Prize from Premi Flaiano.**
- *Shakespeare on the Record* **was awarded the Harley Prize from the British Records Association.**
- *Empire of the Winds* **was given the Penang Book Prize for 2019 from the Penang Institute.**
- *Nomads and Soviet Rule* **won the Alexander Nove Prize from BASEES.**
- *Feminist Judgments in International Law* edited by Loveday Hodson and Troy Lavers **was awarded the 2020 ASIL Certificate of Merit for a Preeminent Contribution to Creative Scholarship.**
- *Secured Credit in Europe* by Teemu Juutilainen **won the 2016–2018 KG Idman Prize.**
- *Unity in Adversity* by Charlotte O'Brien **was awarded the 2019 SLSA Book Prize.**
- Among many Bloomsbury finalists, *A Cultural History of Work Volumes 1–6* **was awarded the PROSE Award for Multivolume Reference.**
- *Feminist Judgements in International Law* **was recognised by the 2019–2020 ASIL Book Awards with the Certificate of Merit for a Preeminent Contribution to Creative Scholarship, from the American Society of International Law.**

Shortlistings of note

- **2020 British Book Awards (administered by the Bookseller):** Academic, Educational and Professional Publisher of the Year.


STUART TURTON
'Dazzling'
'Fascinating'
'Exhilarating'
THE SEVEN DEATHS OF EVELYN HARDCASTLE

SUSANNA CLARKE
JONATHAN STRANGE & MR NORRELL

KAYA GENÇ
THE LION AND THE NIGHTINGALE
A JOURNEY THROUGH MODERN TURKEY

THE MADNESS OF CROWDS
GENDER, RACE AND IDENTITY
DOUGLAS MURRAY

KATE KIRKPATRICK
Becoming BEAUVOIR
A Life

THE PRIORY OF THE ORANGE TREE
SAMANTHA SHANNON

continued

Emma Hopkin

Managing Director, Consumer Division

Emma is responsible for all Consumer publishing. She joined Bloomsbury in 2011 to run the Children's publishing business and was promoted to manage the Adult Trade Division as well in 2016 following a Company restructure. Previously, she was Managing Director of Macmillan Children's Books. She has also held sales and marketing roles at Houghton Mifflin, Pan Macmillan and Routledge.

The Consumer Division

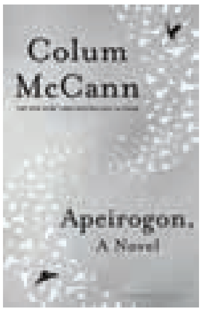
The Consumer Division publishes books for both adult and child readers. It publishes around 600 new titles per year and these books are published in print, ebook and audio book formats under the following imprints: Bloomsbury Absolute, Bloomsbury Activity Books, Bloomsbury Children's Books, Bloomsbury Circus, Bloomsbury Publishing and Raven Books.

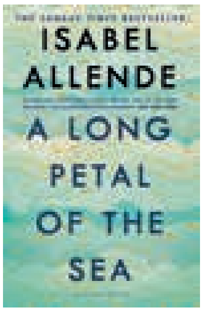
The Division publishes cookery, fiction and non-fiction titles on our Adult Trade list – and activity books, fiction, non-fiction, picture books and preschool titles on our Children's Trade list. Our main publishing operations are based in London and New York, and are coordinated by experienced editorial and publishing staff so that authors and their works are supported throughout the world.

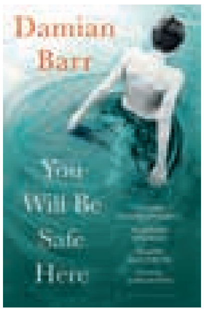
Known for the quality and the prize-winning calibre of the list, we publish authors such as George Saunders, Madeleine Miller, Lisa Taddeo, Kamila Shamsie, Peter Frankopan and Khaled Hosseini on our Adult Trade list, Stuart Turton on our Raven Books imprint, and Neil Gaiman, Sarah J. Maas, J.K. Rowling and Brigid Kemmerer on our Children's Trade list.

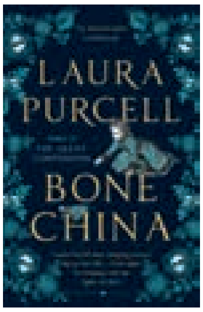
The markets we serve

Our publishing serves the global bookshop and online retail market, in print, audio and ebooks; and rights sales to foreign publishing houses. The UK market is the largest market based on Divisional sales.









Divisional facts

£96.8m
Revenue – total

£55.5m
Revenue – UK

£28.6m
Revenue – US

£12.7m
Revenues – other territories

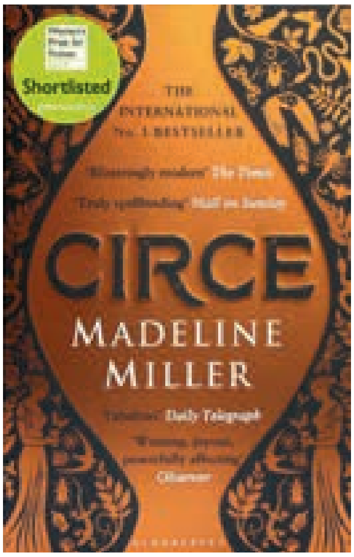
£9.8m
Revenue – ebooks only worldwide

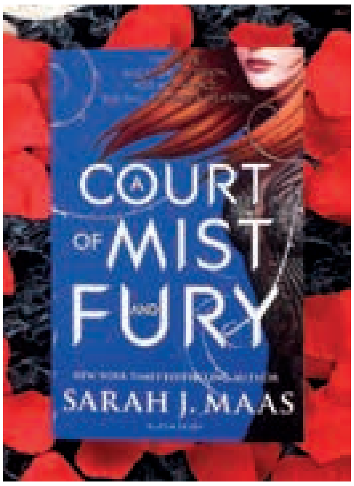
£8.9m
PBTA*

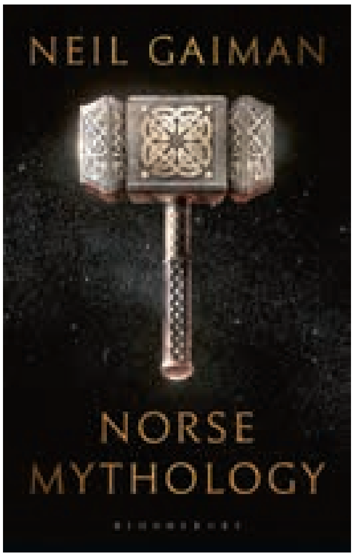
9.2%
PBTA margin

*PBTA is profit before taxation, amortisation of acquired intangible assets, restructuring costs and legal and other professional fees relating to acquisitions.

Value generating activities	Description
Children's Trade publishing	Publishing and promoting activity books, fiction, non-fiction, picture books, preschool books in print, audio book and ebook formats.
Harry Potter publishing	Reimaging and promoting J.K. Rowling's children's novels with illustrated editions by Jim Kay, Chris Riddell and Olivia Lomenech Gill. Our ambition is to introduce new children to reading these books for pleasure every year.
Adult Trade fiction	To publish bestselling, award-winning fiction in print, audio and ebook formats.
Adult Trade non-fiction	To publish bestselling and award-winning non-fiction in the following areas: biography, food and drink, history, memoir, popular science and popular psychology, including some illustrated books.







Strategy for growth

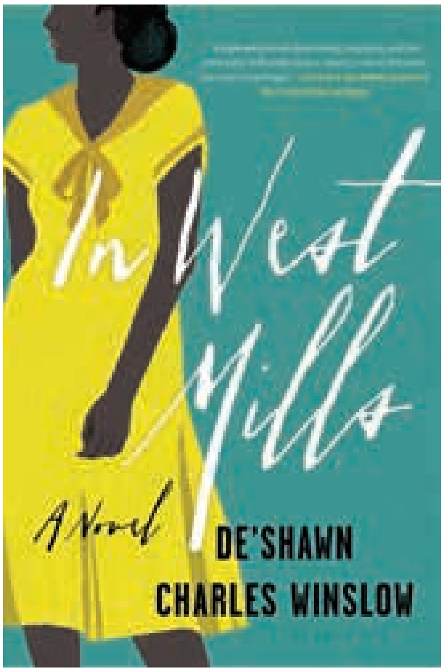
- Growing the lists by focused and global acquisition of titles.
- Increased exploitation of the backlist.
- Growing and building brands by winning major literary prizes, winning slots in retail promotions and gaining exceptional media coverage and TV/film tie-ins.
- Ensuring strategic sales and marketing planning is in place for established and new brands.
- Attracting and retaining talent to the list by providing excellent author care.

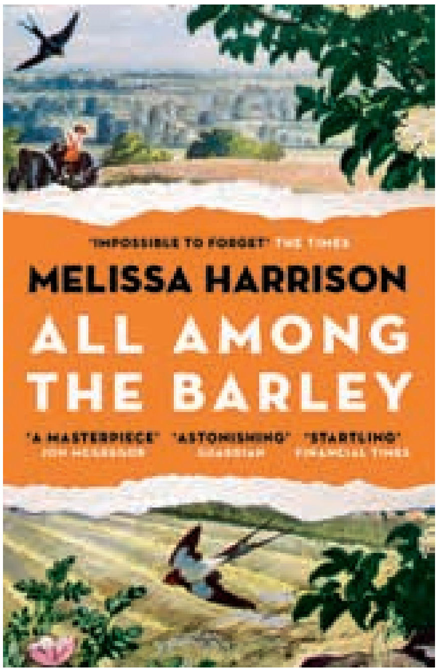
Strategic goals

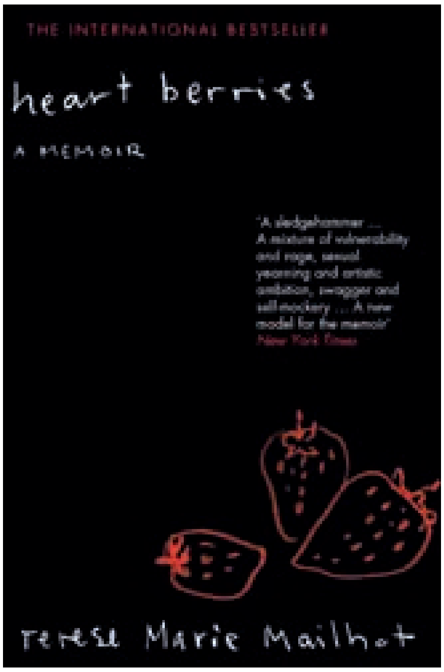
- Grow Adult Trade market share in UK and USA.
- Grow Children's Trade market share in UK and USA.
- Ensure our titles are regularly listed on *The New York Times* bestseller and *Sunday Times* bestseller charts.
- Focus on audio publishing and integrating it into our publishing strategy.

Divisional Overview

continued







Examples of recent prizes and awards: Adult Trade division

USA winners

1. 2019 National Book Award Distinguished Contribution to American Letters Lifetime Achievement Award
Edmund White

2. 2019 Center for Fiction Awards First Novel Prize
In West Mills by De'Shawn Charles Winslow

UK winners

1. The ALA Carnegie Medal for Excellence in Non-fiction
Heavy by Kiese Laymon

2. The Charleston John Maynard Keynes Prize
Mary Robinson (author of *Climate Justice*)

3. The EU Prize for Literature
All Among the Barley by Melissa Harrison

4. The Kitschies Red Tentacle
Circe by Madeline Miller

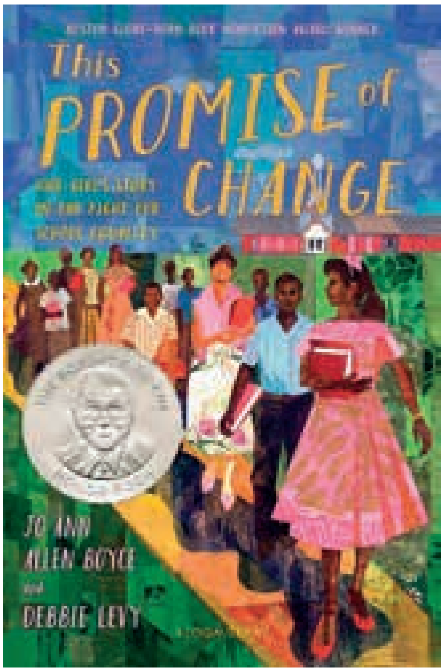
5. The Kerry Group Irish Novel of the Year Award
Travelling in a Strange Land by David Park

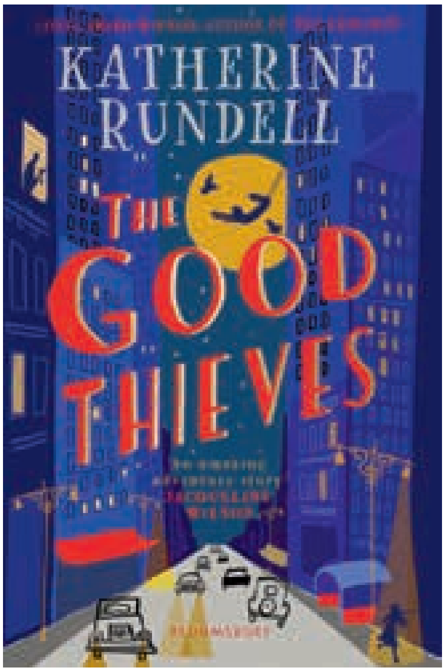
6. Whiting Award in Non-fiction
Heart Berries by Terese Marie Mailhot

7. Last Laugh Award
A Shot in the Dark by Lynn Truss

8. National Geographic Traveller Reader Awards
Around the World in 80 Trains by Monisha Rajesh

9. Guild of Food Writers Award, Food Book Award
Lateral Cooking by Niki Segnit





Examples of recent prizes and awards: Children's Trade division

USA winners

1. 2019 National Book Award Young People's Literature
1919: The Year that Changed America by Martin Sandler

2. 2019 The Boston Globe Horn Book Awards
This Promise of Change by Jo Allen Boyce and Debbie Levy

3. 2020 ALAN Award for lifetime contribution to adolescent literature
Nikki Grimes

4. 2020 AAAS/Subaru SB&F Prize for Excellence in Science Books Hands On Science Book:
Can you Crack the Code? by Ella Schwartz

UK winners

1. Blue Peter Book Award Winner of Winners
Harry Potter and the Philosopher's Stone by J.K. Rowling

2. Laugh Out Loud Book Awards
I Bet I Can Make You Laugh by Joshua Siegal

3. Foyles Book of the Year
The Good Thieves by Katherine Rundell

4. Sainsbury's Book Award
The Awesome Book of Space by Adam Frost

5. Books are my Bag Readers Award (young adult)
Toffee by Sarah Crossan

Design Awards UK Winners

ABCD (Academy of Book Cover Design) award in SciFi/Fantasy category
Folk by Zoe Gilbert

British Book Design and Production Awards, Brand/Series Identity
Eat Like a Local

Shortlistings of note: UK

ABCD (Academy of Book Cover Design) in SciFi/Fantasy category
Circe by Madeline Miller

ABCD (Academy of Book Cover Design) in SciFi/Fantasy category
Red Birds by Mohammed Hanif

Waterstones Beautiful Book of the Year
Circe by Madeline Miller

British Book Design and Production Awards
Everest: The Remarkable Story of Edmund Hillary and Tenzing Norgay by Alexandra Stewart and Joe Todd Stanton
The Silk Roads: A New History of the World, Illustrated Edition by Peter Frankopan and Neil Packer
The Tales of Beedle the Bard, Deluxe Illustrated Edition by J.K. Rowling and Chris Riddell

Shortlistings of note: US

The 2019 Original Art Show
Migration by Jenni Desmond
Moth by Daniel Egneu

Divisional Overview

continued

Adult Trade division

Shortlistings of note: UK

- **The International Dylan Thomas Prize:**
  Folk by Zoe Gilbert
- **The International Dublin Literary Award:**
  Lincoln in the Bardo by George Saunders
  Home Fire by Kamila Shamsie
- **Orwell Prize for Political Writing:**
  The Growth Delusion by David Pilling
- **RSL Ondaatje Prize:**
  Small Days and Nights by Tishani Doshi
- **CWA Awards:**
  To The Lions by Holly Watt (CWA Ian Fleming Steel Dagger for best thriller)
  The House on Half Moon Street by Alex Reeve (CWA Sapere Historical Dagger for best historical crime novel)
- **The Rathbones Folio Prize:**
  Can You Tolerate This? by Ashleigh Young
- **Irish Book Awards:**
  This is Happiness by Niall Williams (Novel of the Year)
  Nicole Flattery (Newcomer of the Year, and Short Story of the Year, for her story *'Parrot'*)
  Louise Kennedy (Short Story of the Year)
- **Wilbur Smith Adventure Writing Prize:**
  To the Lions by Holly Watt
- **Books Are My Bag Readers Awards Fiction:**
  Circe by Madeline Miller
- **Books Are My Bag Readers Awards Beautiful Book:**
  Circe by Madeline Miller
- **Jhalak Prize:** *Suncatcher* by Romesh Gunesekera
- **Palestinian Book Awards:** *Zaitoun* by Yasmin Khan
- **Guild of Food Writers Award, First Book Award**:
  The New Art of Cooking by Frankie Unsworth
- **Jhalak Prize:** *Built* by Roma Agrawal

Shortlistings of note: US

- **2019 The Booker Prize:**
  10 Minutes, 38 Seconds in this Strange World by Elif Shafak (finalist)
  The Man Who Knew Everything by Deborah Levy (longlisted)
- **2019 PEN America Literary Awards John Kenneth Galbraith Award for Nonfiction:**
  One Person, No Vote by Carol Anderson
- **2019 National Book Critics Circle Awards: Nonfiction:** *No Visible Bruises* by Rachel Louise Snyder
- **2019 LA Times Book Prize Art Seidenbaum Award for First Fiction:**
  In West Mills by De'Shawn Charles Winslow
- **2019 LA Times Book Prize Current Interest:**
  No Visible Bruises by Rachel Louise Snyder
- **2019 NAACP Image Awards Outstanding Literary Work Poetry:** *A Bound Woman Is a Dangerous Thing* by DaMaris B. Hill

Children's Trade division

Shortlistings of note: UK

- **An Post Irish Book Awards: Dept 51 @ Eason Teen & Young Adult Book of the Year:**
  Toffee by Sarah Crossan
- **Books Are My Bag Readers Awards: Children's Fiction:** *The Good Thieves* by Katherine Rundell
- **An Post Irish Book Awards: Specsavers Children's Book of the Year (Senior):**
  The Lost Tide Warriors by Catherine Doyle
- **An Post Irish Book Awards: Dept 51 @ Eason Teen & Young Adult Book of the Year:**
  The M Word by Brian Conaghan
- **An Post Irish Book Awards: Dept 51 @ Eason Teen & Young Adult Book of the Year:**
  All The Invisible Things by Orlagh Collins
- **Goodreads Choice Award 2019:**
  A Curse So Dark and Lonely by Brigid Kemmerer
- **Laugh Out Loud Book Awards 2020: Picture Book**
  Baby's First Bank Heist by Jim Whalley, illustrated by Stephen Collins
- **Laugh Out Loud Book Awards 2020: (9–13)**
  I Swapped My Brother on the Internet by Jo Simmons, illustrated by Nathan Reed
- **Laugh Out Loud Book Awards 2020: (9–13)**
  Kid Normal and the Rogue Heroes by Greg James and Chris Smith illustrated by Erica Salcedo

Shortlistings for British Book Awards

- **Children's Book of the Year:**
  The Good Thieves by Katherine Rundell
- **Narrative Non Fiction Book of the Year:**
  Three Women by Lisa Taddeo
- **Lifestyle Non Fiction Book of the Year:**
  Dishoom: From Bombay with Love by Shamil Thakrar, Kavi Shakrar and Naved Nasir
- **Editor of the Year:** Alexis Kirschbaum

Shortlistings of note: USA

- **2019 NAACP Image Awards Outstanding Literary Work Children:**
  Ruby Finds a Worry by Tom Percival
- **2020 Edgar Awards Young Adult:**
  Wild and Crooked by Leah Thomas

Group functions supporting our publishing divisions

Sales, Marketing and Sales Operations

Kathleen Farrar is Managing Director – Group Sales and Marketing and joined Bloomsbury in 1998. She began her publishing career in Sydney, Australia, and has held various senior sales and marketing roles.

Description of service to the Group

- Provide sales and marketing services to the Group across print, ebooks, digital audio books and digital platforms.
- Manage marketing budgets to maximise marketing spend return on investment across the Group. Deliver profitable sales across retail and wholesale channels.
- Manage retail relationships including Group terms negotiations.
- Manage Sales Operations function.

Contribution to strategic aims

- Manage Group sales and marketing campaigns and deliver global sales and marketing KPIs.
- Provide professional and excellent author care across all divisions.
- Maximise profits from all sales channels and regularly review pricing in print and digital to increase net revenue.
- Manage print numbers with the Operations team to control stock expenditure.

Production

Louise Cameron is Group Production Director. She joined Bloomsbury through the acquisition of Continuum International Publishing in 2011, having begun her career in publishing in 1988, and has held various senior production and editorial roles.

Description of service to the Group

- Cost-efficient on-time delivery of high-quality print and digital product for sale globally.
- Devise, document and manage Production-editorial operations.

Contribution to strategic aims

- Optimise margins through Group-based tender processes for pre-press, manufacturing and freight, and through efficient operations.
- Provide framework for digital publishing strategy by drafting and managing XML-first workflows, with allied future proofing of content and IP storage.
- Support global stock control initiatives with agile and flexible print models.

Finance and Technology

Penny Scott-Bayfield is Group Finance Director and is also responsible for technology and internal controls and risk management (see Board biographical details).

Description of service to the Group

- Provide finance and royalty administration services to the Group.
- Provide information, communication and technology services to the Group, across back office and customer-facing systems.
- Evaluate, implement and test internal controls in connection with effective risk management.

Contribution to strategic aims

- Financial reporting, forecasting and business partnering to drive delivery of results, efficiencies and support decision-making across Bloomsbury.
- Provide exemplary author care through excellent royalty services.
- Deliver digital platforms to grow digital revenues in line with Bloomsbury Digital Resource growth strategy.
- Provide technology services across the Group to support business strategy and effective and efficient working.

Read more about our strategy on pages 22 to 24

“Profit before tax increased by 10% to £13.2 million (2019: £12.0 million)”

Penny Scott-Bayfield

Group Finance Director

Financial Review

Revenue

In 2020, Group revenues increased to £162.8 million (2018/2019: £162.7 million).

Non-Consumer Division revenues grew by 4%, generated by 4% growth in both Academic & Professional, and Special Interest division sales. Academic & Professional revenue included the 32% growth in Bloomsbury Digital Resources (“BDR”). Total revenues in the Consumer Division were 3% below last year, with strong Adult division growth of 12% while Children’s was impacted by fewer key frontlist titles.

In the second half, the Special Interest division took over the publishing part of our Content Services division, to generate further synergies following the successful restructure of the Special Interest division. Digital projects moved to the Academic & Professional division. Comparatives have been restated to reflect this.

Revenues by territory

Revenues sold overseas totalled £102.0 million, being 63% of total revenues.

The chart on the right shows where Group revenues were generated for the year ended 29 February 2020.

Revenues by type

Digital sales grew by 16%, driven by growth in BDR revenues, up 32%, and in audio sales, up 190%, with ebook sales growth of 1%. Print sales reduced by 3% in the year, with increased Adult sales and resilient Non-Consumer sales offset by lower Children’s print revenues. Rights and services revenues increased by 12%, generated by strong sales of Consumer title rights.

The chart on the right shows the proportion of Group revenue that each product type generates.

Profit

Profit before tax and highlighted items increased by 9% to £15.7 million (2018/2019: £14.4 million). Profit before tax increased by 10% to £13.2 million (2018/2019: £12.0 million).

The increased profit was driven by the excellent performance of the Non-Consumer Division, with profit before taxation and highlighted items up 85% to £6.7 million. Within this, Academic & Professional profitability increased by 58%, including profit generated by BDR for the first year, an increase of £0.7 million, and Special Interest profitability increased by 227%.

The operating profit margin increased year-on-year to 8.3% from 7.4%, with improved profitability and 0.2% from the impact of IFRS 16. The operating profit margin before highlighted items increased year-on-year to 9.8% from 8.8%, with 0.2% from the impact of IFRS 16. This was driven by the Academic & Professional performance. Administrative expenses, excluding highlighted items, were down by 2%.

Highlighted items in the year were: the amortisation of acquired intangible assets of £1.7 million (2018/2019: £1.7 million), legal, other professional and restructuring costs relating to ongoing and completed acquisitions of £0.6 million (2018/2019: £0.6 million) and one-off costs relating to the coronavirus of £0.2 million (2018/2019: nil).

Interest

The net finance cost was £0.2 million (2018/2019: £0.1 million net finance income). The finance income of £0.3 million relates to bank interest and the unwinding of interest on long-term revenue contracts. The finance cost of £0.5 million predominantly relates to interest on lease liabilities.

Taxation

The tax charge of £2.7 million (2018/2019: £2.8 million) is a reported effective rate of tax of 20.6%, lower than the reported rate of 23.3% for the prior year. Excluding the effect of highlighted items, the effective tax rate for the Group was 19.0% (2018/2019: 21.4%). The lower tax rate this year is primarily due to the profit mix in overseas territories.

Earnings per share

Diluted earnings per share before highlighted items were up by 12% to 16.77 pence (2018/2019: 14.97 pence), as a result of the growth in profit. Diluted earnings per share after deducting highlighted items were up by 13% to 13.84 pence (2018/2019: 12.25 pence). Information on distributable reserves can be found on page 175. Information on the dividend can be found in the Chief Executive's Review on page 12.

New standards

IFRS 16, Leases, was adopted during the year.

At the transition date of 1 March 2019, the adoption of IFRS 16 resulted in the Group recognising right-of-use assets of £13.6 million and lease liabilities of £14.5 million. There is a reduction of £0.3 million for prepaid rental amounts now netted against the right-of-use assets and a reduction of £1.2 million to liabilities for deferred rent-free amounts netted against the right-of-use asset.

Prior to the adoption of IFRS 16, rental payments were charged to the income statement on a straight-line basis. Under IFRS 16 rental costs in the income statement are replaced with depreciation on the right-to-use asset and interest charges on the lease liability. The adoption of IFRS 16 gives rise to a net £0.2 million charge in profit before tax for the year ended 29 February 2020.

See note 2w of the financial statements for the impact assessment of the adoption of IFRS 16.

Capital structure

Our balance sheet at 29 February 2020 is summarised in the table below:

	2020 £m	2019 £m
Goodwill and acquired intangible assets	**58.8**	59.5
Internally generated intangible assets	**7.9**	7.3
Investments	**0.5**	0.3
Property, plant and equipment	**1.9**	2.1
Net right-of-use assets and lease liability	**(1.2)**	–
Net deferred tax assets	**0.4**	–
Working capital	**49.9**	45.9
Other non-current assets and liabilities	**0.2**	1.0
Total net assets before net cash	**118.4**	116.1
Net cash	**31.3**	27.6
Total net assets	**149.7**	143.7

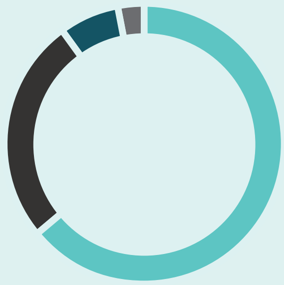
Net assets per share were 199 pence (2019: 190 pence). The main movements on the balance sheet are in right-of-use assets, lease liabilities, working capital and cash. Right-of-use assets and lease liabilities have been recognised during the year on the adoption of IFRS 16. Working capital has increased due to strong sales at the end of the year, increasing trade debtors, and higher royalty advances. The increased profit, partly offset by increased working capital, has driven the £3.7 million improvement in net cash.

Inventories increased by 4% to £27.2 million (2019: £26.1 million). On a like-for-like basis, excluding the effect of acquisitions (reduced by £0.2 million) and on a constant currency basis (reduced by £0.3 million), this increase was 2% or £0.6 million. Included in inventories, finished goods, on a like-for-like basis, excluding the effect of acquisitions (reduced by £0.1 million) and on a constant currency basis (reduced by £0.3 million), reduced by 1%. Trade and other liabilities increased by 2% to £61.8 million (2019: £60.6 million). Trade payables are up £3.0 million to £25.4 million (2019: £22.4 million) due to timing of title releases and printing. Accruals are £3.4 million lower than last year at £19.7 million (2019: £23.1 million) primarily as there is no management bonus payable for the year (2019: £2.3 million).

Cash

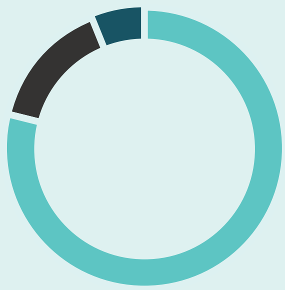
Cash and cash equivalents were £31.3 million (2019: £27.6 million). Cash flow conversion in the year was 96% (2019: 128%).

The net cash generated from operating activities, including the effect of highlighted items, was £16.6 million (2019: £15.0 million). This movement is due to a combination of increased profit and the impact of IFRS 16 classification changes (£2.0 million), offset by increased working capital. Cash used in investing activities was principally the cost of internally generated intangible assets such as product and system development as well as the acquisition of Oberon Book's publishing rights ("Oberon") and the investment in the joint venture; Beijing CYP & Gakken Education Development Co., Ltd. Cash used in financing activities mainly comprised dividend payments of £6.0 million (2019: £5.7 million).



Revenues by territory

- UK 64%
- USA 26%
- Australia 7%
- India 3%



Revenues by type

- Print 79%
- Digital 15%
- Rights and Services 6%

Financial Review

continued

Liquidity

The Group has an unsecured committed revolving credit facility with Lloyds Bank Plc. The facility comprises £8.0 million in the first half and an additional £4.0 million in the second half, totalling £12.0 million, to match Bloomsbury's cashflow cycle. The facilities are subject to two covenants, being a maximum net debt to EBITDA ratio of 2.5x and a minimum interest cover of 4x. Post year end, the maturity of the loan facilities was extended from May 2021 to May 2022. The Group's net cash position changes over the course of the year as a result of the seasonality of the business with the most significant expenses being the payment of royalties in March and September, and the most significant sale receipts being in February from Christmas sales.

Acquisitions

In December 2019, the Company acquired Oberon for £1.2 million, all of which was paid in cash at completion. For the year ended 29 February 2020, Oberon contributed £0.2 million of revenue to the Academic & Professional division.

Also in December 2019, we entered the domestic Chinese market with Bloomsbury China, a new joint venture with China Youth Publishing Group ("CYPG") and Roaring Lion Media ("RLM"). The investment is de minimis.

Alternative performance measures

The Board considers it helpful to provide performance measures that it uses to assess the operating performance of the Group.

The Annual Report presents non-GAAP measures alongside the standard accounting terms prescribed by IFRS and the Companies Act, as the Board considers they would be beneficial to users.

These measures exclude Income Statement items arising from significant non-cash charges and major one-off initiatives, which are highlighted in the Income Statement because, in the opinion of the Directors, separate disclosure is helpful in understanding the underlying performance of the business that underpins long-term value generation. The Income Statement items that are excluded from adjusted profit measures are referred to as highlighted items.

Alternative performance measures are used by the Board and management for planning and reporting, and have remained consistent with prior year. The Group's definition of adjusted performance measures may not be comparable to other similarly titled measures that are used by other companies. A reconciliation of the adjusted profit measures to their corresponding statutory reported figures can be found on the face of the Income Statement in conjunction with note 4 and note 9 on Earnings Per Share.

Both adjusted profit measures and highlighted items are presented together with statutory measures on the face of the Income Statement. Details of the charges and credits presented as highlighted items are set out in note 4 to the financial statements. The basis for treating these items as highlighted is as follows:

Highlights

£162.8m Revenue	£15.7m Adjusted PBTA
16.77p Adjusted diluted EPS (pence per share)	12.2% ROCE

Amortisation of acquired intangible assets

Charges for amortisation of acquired intangible assets arise from the purchase consideration of a number of separate acquisitions. These acquisitions are strategic investment decisions that took place at different times over a number of years, and so the associated amortisation does not reflect current operational performance.

Other highlighted items

Other highlighted items are recorded in accordance with the Group's policy set out in note 4 of the financial statements. They arise from one-off major initiatives such that in the opinion of the Directors; separate disclosure is helpful in understanding the underlying performance of the business that underpins long-term value generation. Examples include major restructuring initiatives or legal and professional fees arising from an acquisition. In the opinion of the Directors, separate disclosure is helpful in understanding the underlying performance and future profitability of the business.

Tax related to highlighted items

The elements of the overall Group tax charge relating to the above highlighted items are also treated as adjusting. These elements of the tax charge are calculated with reference to the specific tax treatment of each individual highlighted item.

Return on capital employed

Return on capital employed is calculated as profit before tax with other highlighted items and net finance costs added back, divided by average capital employed for the last two years. Capital employed is gross assets excluding cash and cash equivalents, deferred tax assets and current tax receivables less trade and other payables and lease liabilities.

Cash conversion

Cash conversion shows how well the Company is converting profit into cash. It is taken from the following GAAP measures:

	2020 £m	2019 £m
Cash generated from operating activities	**18.3**	17.5
Settlement of pre-existing acquisition liabilities	**0.1**	1.2
IFRS 16 presentation changes	**(2.0)**	–
Adjusted cash generated from operating activities	**16.4**	18.7
Less: Purchase of property, plant and equipment	**(0.3)**	(0.5)
Less: Purchase of intangible assets	**(3.1)**	(2.9)
Net cash generated	**13.0**	15.3
Operating profit	**13.5**	12.0
Cash conversion	**96%**	128%

Constant currency measures

Constant currency measures are disclosed in order to eliminate the effect of the movement in foreign exchange rates. Changes in exchange rates used to record non-sterling businesses result in a lack of comparability between periods since equivalent local currency amounts are recorded at different sterling amounts in different periods. Results using constant currencies are disclosed where they have a material impact on those numbers, enabling a better understanding of the underlying performance.

We have therefore restated the current year revenue at the prior year exchange rates below. The currency adjustment is calculated by applying the monthly foreign exchange rates used in 2019 to convert the overseas revenue into sterling. This has been applied on a month-by-month basis to the 2020 revenue. This method allows better comparability given the seasonality of the business.

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non-Consumer £'000	Total £'000
Group revenue 2020 – reported	59,354	37,416	96,770	43,123	22,879	66,002	162,772
Currency adjustment	(319)	(301)	(620)	(283)	(83)	(366)	(986)
2020 – currency adjusted	59,035	37,115	96,150	42,840	22,796	65,636	161,786
2019 – reported	65,800	33,454	99,254	41,514	21,911	63,425	162,679

	United Kingdom £0'000	North America £'000	Australia £'000	India £'000	Total £'000
Group revenue 2020 – reported	104,440	42,415	11,107	4,810	162,772
Currency adjustment	–	(1,293)	379	(72)	(986)
2020 – currency adjusted	104,440	41,122	11,486	4,738	161,786
2019 – reported	100,959	45,846	11,586	4,288	162,679

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non-Consumer £'000	Total £'000
Group operating profit before highlighted items 2020 – reported	7,400	1,667	9,067	4,906	1,974	6,880	15,947
Currency adjustment	46	(40)	6	(54)	(25)	(79)	(73)
2020 – currency adjusted	7,446	1,627	9,073	4,852	1,949	6,801	15,874
2019 – reported	9,784	891	10,675	3,043	576	3,619	14,294

Where no reconciliation is provided above for alternative performance measures, sufficient information is included in the narrative to be able to perform a reconciliation.

Penny Scott-Bayfield
Group Finance Director

Risk Factors and Risk Management

The focus of Bloomsbury's risk management process is on identifying, evaluating and managing risk, with the goal of supporting the Group in meeting its strategic and operational objectives. Further explanation of the Group's risk management and internal control framework is provided in the Corporate Governance section on page 86, and is summarised below.

Risk management: Risks facing the business are identified and assessed on a regular basis

↓

Internal control: Internal controls are designed and deployed to mitigate these risks to an accepted level

↓

Assurance: Assurance activities assess whether the controls are effective and risks are mitigated to an acceptable level in practice

The Board

↓

Audit Committee

↓

Operational level

Bloomsbury's risk management framework is designed to provide the Board with oversight of the most significant risks faced by the Group. During the year, the Company implemented a new process to review, identify and monitor emerging and existing risks, assess the level of risk in each case and identify those risks that are considered to be significant to the Group.

The rating of risks takes into account the likelihood of the risks happening and the potential financial and non-financial impacts they could have. Risks are rated twice:

- The first rating is based on the potential exposure if nothing is done to manage or mitigate the risk, in order to assess the significance of the risk to the Group's business and provide a baseline ("gross risk rating"); and
- The second rating takes into account the mitigations and controls currently in place to manage the risk and/or the impact of the risk, and indicates the current status of the risk ("net risk rating"). This informs decisions about what additional action may be required to further mitigate the risk, according to the Company's risk appetite.

The most material risks are those which have a higher probability and which, if they were to occur, would have a material impact on the Company's financial results, strategy, reputation or operations. These risks are classed as the Group's principal risks.

Outlined in the table starting on page 41 of this section of the Annual Report, and shown on the risk heat map on this page, are the principal risks that management have identified to the Group. These risks are included in the table on the basis of the gross risk rating described above; the actions taken in mitigation and the controls applied to manage these risks are described alongside each risk. The risk heat map illustrates the net risk ratings of these risk areas after mitigation and controls.

The risk register is monitored and reviewed internally throughout the year.

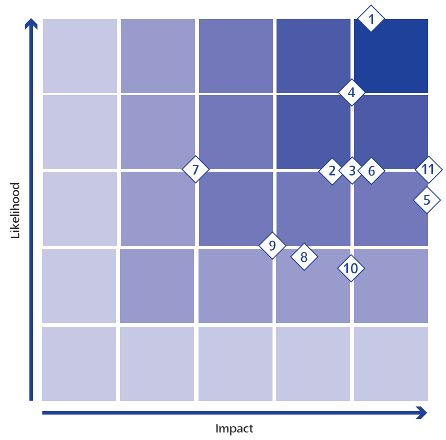
Not all the risks listed in the table starting on page 41 of this section of the Annual Report, are within management's control and other factors besides those listed could also affect the Group. Actions being taken by management to mitigate risk factors should be considered in conjunction with the cautionary statement to Shareholders on page 73 of the Directors' Report with regards to forward-looking statements. Details on financial risk management are given in note 25.

The coronavirus pandemic, which has resulted in the imposition of Government lockdowns, restrictions and retail closures in all our key markets of the UK, USA, Australia and India, as well as many other important markets, is an ongoing risk which management and the Board actively continue to monitor. This is discussed further under the section headed "Market" in the table starting on page 41 of this section of the Annual Report.

Principal risks

The table starting on the next page provides a description of the risks that management considers significant for the Group's business. Other risks besides those listed could also affect the Group and are monitored throughout the year.

The relative net risk ratings of the principal risks (after mitigation and controls) are illustrated schematically in the following chart:



1. Market
2. Importance of digital publishing
3. Acquisitions
4. Title acquisition (Consumer publishing)
5. Information and technology systems
6. Financial valuations
7. Intellectual property
8. Reliance on key counterparties
9. Talent management
10. Legal and compliance
11. Reputation

During the year, the Company implemented a new process to identify and monitor emerging and existing risks, and to assess the level of risk in each case and the likely impact on the Group's business should the risk occur, in order to identify those risks that are considered to be significant to the Group. The table on pages 41 to 44 summaries those risks which are considered significant, being risks which have a higher probability and which, if they were to occur, would have a material impact on our financial results, strategy, reputation or operations, together with the action taken, and controls implemented, by management to mitigate these risks.

Key area	Risk	Description	Mitigation
Market	A	**Market volatility: Impact of the coronavirus pandemic** Sales of print books in the Group's key markets are being impacted by the imposition of Government lockdowns, restrictions and retail closures.	• Close monitoring of revenue streams and affected supply chains, with increased marketing and sales activities focused on unaffected retail channels such as online retailers, supermarkets and the Company's own website Bloomsbury.com. • Increased focus on promoting digital book sales (ebooks and audio books) and BDR products (as academic institutional customers pivot to digital resources to support remote learning for students).
		Increased dependence on internet retailing Growth of online retailers may impact on the discoverability of Bloomsbury titles and lead to a reduction in sales channels available to the Group.	• Grow expert marketing teams skilled in internet sales. • Engage with multiple internet retailers and support independent retailers. • Focus on promoting sales from the Company's own website and on direct sales to customers. • Increase focus on developing other marketing opportunities and other revenue streams, e.g. Academic & Professional digital products, rights and services.
		Sales of used books Sales of used books for academic purposes erode backlist sales.	• Digital subscriptions are offered to support B2B model by selling direct to institutions rather than to students.
		Rental of textbooks USA readers may license books from retailers for a limited period at a lower cost to buying books, with no revenues or royalty paid to the publisher.	• Develop digital platforms to deliver, on a subscription basis, the content that readers demand.
Importance of digital publishing	B	**BDR revenues and profit** Revenue and profit from BDR products and services may not grow in line with our stretching targets.	• Develop a portfolio of high-quality online content services in markets we understand well. • Use third party content and content partnerships to scale up projects quicker and create economies of scale.
		Higher project and development costs may be required or incurred than were budgeted for, impacting profit.	• Annual and monthly BDR budgets and reforecasts are monitored against BDR targets on a weekly basis. • The business case for each BDR product requires approval by the Group Finance Director and Managing Director of the Non-Consumer Division. Costs and profitability by project are tracked and reviewed against budget on a monthly and quarterly basis by senior management to identify any corrective action required. Any budget overspend requires approval of the Group Finance Director and Managing Director of the Non-Consumer Division.
		Unforeseen circumstances may delay development of new online content services.	• Standardise the digital delivery platform to simplify and speed up the development and implementation of new digital content services.
		Reduced budgets for academic libraries and institutions may impact on revenue.	• Adoption of flexible sales models where budgets for annual subscriptions are restricted. • Broaden the international institutional customer base so that the Company is not reliant on sales in specific territories.

Risk Factors and Risk Management

continued

Key area	Risk	Description	Mitigation
Acquisitions	C	**M&A activity** Acquisitions could deliver lower than expected return on investment. Poor acquisitions may result in potential impairment charges.	• Potential acquisition targets are assessed by the members of the Executive Committee. Thorough pre-acquisition due diligence is conducted by relevant functions, including finance, legal, publishing and sales. Capital allocation for acquisitions is determined at Group level and approved by the Board. Integration plans are developed at Divisional level and are implemented by a cross-functional team of experts, with Divisional oversight. • Regular reports are presented to the Board throughout the year on post-acquisition performance, including an assessment of any variation to the expected return on investment.
Title acquisition (Consumer publishing)	D	**Commercial viability** Titles may be acquired that are not commercially or critically successful.	• Advances over a certain limit are required to be authorised by the Chief Executive and Group Finance Director. • Financial forecasts are prepared prior to acquisition to predict commercial success. • Focus on acquiring world rights where possible in order to increase sales opportunities and mitigate the risk posed by competing editions in open markets.
Information and technology systems	E	**Cybersecurity/malware attack** Unauthorised access to the Company's systems may result in fraud, data privacy breach, theft of intellectual property, inability to access, or damage to, vital systems and assets, thus causing financial and reputational damage to the Group.	• Clear responsibility for systems, restrictions on software installation, increasing use of the cloud, information back-up, monitoring security risks, internal control reviews of the systems and up-to-date anti-virus software are amongst the measures in place. • Training provided to all staff on cybersecurity risk.
		Inadequate internal access controls or security measures Inadequate controls over certain processes could lead to sensitive data being inadvertently revealed internally or externally.	• Sensitive personal data is stored securely and protected with password controls or encryption. User access controls are embedded in the Company's finance systems.
Financial valuations	F	**Judgemental valuation of assets and provisions** Significant assets and provisions in the balance sheet depend on judgemental assumptions, e.g. goodwill, advances, intangible rights, inventory and returns provisions.	• Consistent and evidence-based approach to assumptions. • Board approval of key assumptions.

Key area	Risk	Description	Mitigation
Intellectual property	G	**Erosion of copyright** Erosion of traditional copyrights.	• Continue policy of support for copyright and intellectual property rights as a fundamental facet of publishing.
		Erosion of territorial copyrights as a result of global internet retailing.	• Continue to police infringements of the Group's territorial copyrights and take appropriate action to enforce such rights.
		Open access.	• Develop digital services that deliver mixed open access and proprietary content in the form that customers demand and will continue to pay for.
		Infringement of Group IP by third parties Failure to adequately manage and protect the Group's intellectual property rights (including trademarks and copyright) may damage the value of our core assets and impact on profits.	• Adopt robust anti-piracy and procedures. • Undertake targeted enforcement action against third party infringers. • Ensure appropriate digital rights management protection of ebooks and digital formats.
Reliance on key counterparties	H	**Failure of key counterparties or breakdown in key counterparty relationships** The failure of key counterparties could result in a significant disruption to the Company's business activities, resulting in lower levels of trading and revenues. A breakdown in key commercial relationships could impact on future publishing opportunities.	• Relationships with key counterparties are closely monitored and actively managed by senior managers. This includes frequent and regular engagement with key counterparties in order to ensure open communication and cooperation and to identify potential issues that may impact on the Company's business at the earliest opportunity. Other mitigations include having appropriate contracts and service level agreements in place, and interrogating the business continuity plans of key counterparties.
Talent management	I	**Failure to retain key talent and create the conditions in which the Group's employees can thrive** Loss of key talent could lead to loss of skill and knowledge from the business, result in decreased efficiency, impact on staff motivation and undermine external relationships.	• Continued focus on employee development through training and mentoring programmes for early and mid-career employees. • Provision of executive coaching for senior staff. • Ongoing Employee Voice Programme, allowing every employee to have their voice heard directly by senior management and the Board. HR initiatives are implemented in response to matters raised during Employee Voice Meetings. • Formal appraisal system provides the opportunity to identify learning and development opportunities to support career progression and succession planning. • Formation of a Diversity and Inclusion Working Group and related Diversity and Inclusion networks. • Global staff turnover by Division and functional area is reported to the Executive Committee and monitored against agreed thresholds.

Risk Factors and Risk Management

continued

Key area	Risk	Description	Mitigation
Legal and compliance	J	**Breach of key contracts by the Company** Breach of a key contract by the Company could result in a claim for damages and/or termination of the contract by the relevant counterparty, resulting in financial loss to the Group.	• Relevant individuals within the business who are engaged in activities which relate to or are governed by key contracts are made aware of the terms of such contracts. Legal advice is sought from the Group's legal function where appropriate to ensure performance by the Company in accordance with contractual terms.
		Failure to comply with applicable regulations Failure to comply with regulations relating to the reporting of annual financial reports may lead to a range of sanctions including fines, imprisonment, reputational damage and delisting.	• Annual Report and Accounts is reviewed internally by the Head of Group Finance and the Group Finance Director, and externally by the Group's appointed Auditor. Material balances are tested in accordance with relevant standards. The Group Company Secretary advises on content requirements under relevant regulation/legislation.
		Failure to comply with privacy regulations may result in significant fines and reputational damage.	• Mitigation in respect of the risk of a data breach is noted above in connection with Information Technology and Systems. • Since the introduction of the General Data Protection Regulation ("GDPR"), which came into force in May 2018, the Company has implemented a range of measures to ensure compliance with the requirements of GDPR. These include the implementation of policies and guidance in key areas, the provision of training to employees, reviewing and updating the Company's data collection methods and marketing communications, updating supplier terms and conditions, and updating privacy policies on the Company's websites. The Company has appointed a Data Protection Officer to oversee GDPR compliance.
Reputation	K	**Investor confidence** City confidence undermined by events outside of the Company's control, e.g. collapse of a retailer.	• Diversify the portfolio of products and services to reduce dependencies on individual customers, sales channels and markets.

Changes during the year

Acquisitions have been added as a principal risk as growth through acquisitions represents a key element of the Group's strategy.

Reliance on key counterparties has been added as a principal risk. The outbreak of the coronavirus pandemic has highlighted the potential risks to the Group associated with the failure of key counterparties and/or the disruption to services provided by such counterparties.

Talent management has been added as a principal risk. The Group recognises that the success of its business is dependent on attracting and retaining appropriately skilled talent to deliver high quality and original products and services.

Legal and compliance has been added as a principal risk in recognition of the potential impact of failing to perform in respect of key contractual arrangements, the failure to comply with regulatory requirements applicable to listed companies, and the failure to comply with increased regulation around data privacy.

Brexit was added as a risk during 2018/2019 due to the uncertainty arising from the prolonged negotiation process for the UK's departure from the EU. The Company has implemented measures and undertaken logistical planning to mitigate potential interruptions to its supply chain and operations that may arise as a result of the UK's departure. As a result of such measures, Brexit is no longer considered a principal risk to the Group.

Volatility of paper costs has been removed from the risk register as this is no longer considered a principal risk. Provision for production variances are factored into the Group's budget at the beginning of each fiscal year. The Group's contracts with its printers typically fix prices for printing work for a period of time, and include provisions to control the extent to which increases in the costs of paper may be passed on to the Group. As a result of these mitigating measures, this is considered to pose a moderate risk to the Group.

Viability statement and going concern assessment

Provision 31 of the 2018 UK Corporate Governance Code requires the Board to assess the viability of the Group over a period significantly longer than 12 months from the date the financial statements are approved. The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity.

The Group prepares five-year plans for each of the global publishing divisions and for the Group. As well as the existing backlist titles, the projections for the first three years of the plan are based on the future title, online platform and other income pipelines. There is inherently less certainty in years four and five.

The Board therefore concludes that three years is an appropriate period for the viability statement.

The Group's principal risks (see pages 41 to 44) and its approach to managing them have been taken into account for the purposes of assessing viability, both in connection with the period covered by the viability statement and longer term. We have evaluated all the principal risks above and focused our sensitivity analysis on what the Board believes to be the key risks to viability:

- Market volatility: including the impact of the coronavirus pandemic;
- Increased dependence on internet retailing; and
- Failure of key counterparties or breakdown in key counterparty relationships.

We have developed plausible downside scenarios for each of these risk areas and quantified the impact on the Group's revenue, profit and cashflows. All scenarios modelled significant impact on print revenues and delayed customer payments due to the coronavirus.

The analysis took account of the Group's current funding, forecast requirements and existing banking facilities.

The severe but plausible downside scenario, including the impact of coronavirus, assumes:

- Print revenues are reduced by 60%–65% for the three months of expected global coronavirus restrictions to July 2020 and gradual recovery through to March 2021;
- Downside assumptions about extended debtor days to the end of 2021; and
- Cost reduction measures already implemented.

Under this severe but plausible downside scenario, the Group has sufficient liquidity to be able to manage these downside assumptions.

Through this analysis, the Board concludes that the Group does not face a risk to longer-term viability except in the event of remote combinations of material events.

The Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements, being the period of the detailed going concern assessment reviewed by the Board, and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 28 February 2023.

Corporate Responsibility

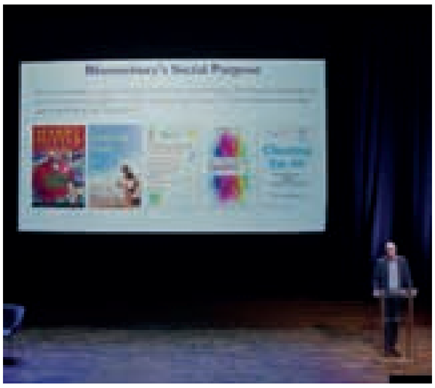
Our literary heart and social purpose

At the heart of our business is a strong social purpose – to inform, educate and entertain, to inspire a love for reading and learning, to promote literacy and to help build a reading culture.

Bloomsbury's activities have a significant beneficial social impact globally through the publication of a diverse and inclusive range of titles from an international author base, and by providing access to a wide range of resources to support learning and research at different levels of the educational system.

Through our publishing, we celebrate diversity and creativity, encourage dialogue and debate, champion free speech and human rights, and challenge the status quo; all fundamental aspects of a democratic and culturally rich society. Many of our books are in themselves a social good, driving change.

In addition to the social purpose that guides Bloomsbury's activities generally, the Board aims to take account of other social, environmental and ethical issues which may be relevant to Bloomsbury's operations.



Nigel Newton speaking to Bloomsbury employees about Bloomsbury's social purpose at the Company Highlights event

Our community

Our publishing teams share a common passion for promoting the enjoyment of reading and high-quality literature that is often cutting edge and provides new authors with opportunities to establish themselves. Our Children's Trade division is focused on promoting literacy for young readers of all abilities and ages, including specialist ranges for "Hi-Low" pupils (high age, low attainment), which provide parents and teachers with the tools needed to engage their children in reading.

In addition to our direct commercial activities and with a focus mainly on promoting literature, literacy and education, we actively support numerous organisations worldwide including schools, universities, libraries and other good causes and charities. We also encourage the spare time involvement of staff worldwide in supporting good causes and in the promotion of literature, literacy and education. These voluntary activities by employees are often directly or indirectly assisted by the business and by Bloomsbury colleagues. The following examples illustrate the range of Bloomsbury's support and support by its employees for good causes worldwide:

Corporate donating

- Bloomsbury has adopted the National Literacy Trust ("NLT"), a charity dedicated to giving disadvantaged children the literacy skills they need to succeed and to improving reading, writing, speaking and listening skills in the UK's poorest communities, as its house charity. During the year, we made a donation of £10,000 to the NLT and we have been working with the NLT to support activities aimed at developing literacy in Hastings, one of the ten worst cities in the UK for adult and child working class literacy (more information about Bloomsbury's support of the NLT is set out in the Charitable Partnerships section below).
- In 2019, Bloomsbury published *Dishoom: From Bombay with Love*, written by the head chef and co-founders of the successful Dishoom restaurant chain, Shamil Thakrar, Naved Nasir and Kavi Thakrar. Inspired by Dishoom's Meal for a Meal Initiative, Bloomsbury has donated a portion of its proceeds from book sales to Dishoom's charity partners, Magic Breakfast (UK) and the Akshaya Patra Foundation (Mumbai), to help children in need by providing healthy breakfasts to the most vulnerable. To date, in New Delhi and London, our donations have enabled the provision of 31,689 breakfasts for homeless people, something we are extremely proud of.
- In August 2018, Bloomsbury published *Sea Prayer*, a powerful book by Khaled Hosseini in response to the Syrian refugee crisis. By donating £1 per every copy sold to UNHCR – the UN refugee agency – Bloomsbury has, to date, raised over £100,000 in support of UNHCR's activities caring for refugees around the world.
- In June 2020, Bloomsbury made a donation of $10,000 to Black Lives Matter.
- We support good causes that promote literacy and literature. We are a proud sponsor of, and partner with, World Book Day, the most important, inclusive reading initiative in the UK, established by UNESCO to promote reading amongst children and adults, Their mission is to give every child and young person a book of their own. In 2019, we published *Bad Mermaids meet the Witches* by Sibeal Pounder in support of World Book Day and in 2020, *Kid Normal and the Loudest Library* by Greg James and Chris Smith. During the year, we made a donation to the Waterstones Children's Laureate in support of the 2019–2022 award.
- Our US office has also provided sponsorship to a number of non-profit groups involved in the promotion of literacy, human rights and the freedom of expression, including PEN America, The Center for Fiction, the National Coalition Against Censorship, and Literacy Partners.
- Our Australia office supports the Indigenous Literacy Foundation (the national charity of the Australian Book Industry, which aims to address the literacy gap arising in remote indigenous communities across Australia and reduce the disadvantage experienced by children in such communities across Australia) ("ILF"), with fundraising and time given for administrative support. During the year, Bloomsbury's Australia office made a modest donation to ILF, to match funds donated by Bloomsbury employees.

- Our US, UK and Australia offices donate, or provide at a reduced cost, a substantial quantity of books and games each year, which includes donations of mainstream titles to schools, libraries and organisations supporting education, e.g. our US office donated over 248,000 children's books to the Soho Center that promotes quality childcare nationally with a special focus on children's literacy, school readiness, and school success, and our UK office donated over 17,000 books to Book Aid International. Our Australia office has donated books to the Children's Book Council of Australia and, in response to the Australian bushfires, donated books to go in care packs for children impacted by the bushfires, and for use in auctions and fundraising sales in aid of bushfire appeals. Other donations of books and Osprey games worldwide have been to good causes not related to literature and education such as Barnardo's, Oxfam, the Red Cross, the Salvation Army and smaller organisations local to our offices worldwide.

Charitable partnerships

- Bloomsbury has entered into a three-year partnership with the NLT with the mission of supporting the NLT in its efforts to overcome literacy challenges facing the residents of Hastings – identified by Ofsted as one of the country's worst performing boroughs, and by the NLT as one of the towns in the UK with the worst literacy rates. Bloomsbury's annual financial support will help the NLT to deliver outreach activities via schools, community centres and food banks to help children and adults of Hastings who are most in need. In addition to financial support, Bloomsbury will provide access to the skills and expertise of its staff and authors to the NLT along with significant book gifting, competitions and promotional support. To date, our partnership with the NLT has involved an array of reading events based in the NLT's Hub in Hastings, including town-wide reading moments, competitions and meet-and-greet sessions with Radio One celebrities and Kid Normal authors, Greg James and Chris Smith.
- Our Children's publishing division publishes books in partnership with three leading UK charities whose key focus is nature conservation and wildlife. They are the RSPB, Royal Botanic Gardens, Kew, and The Woodland Trust. These partnerships involve the publication of titles by Bloomsbury that support the activities of these charities, and embed their public mission statements into the commercial world of bookselling, reaching far beyond their membership pool with titles across all age groups from 3 years and above. We are experts at commissioning high profile authors with excellent credentials and, in many cases, who have empathy and links with these charities. Our longevity in sustaining these collaborations is evident in our relationship with the RSPB. It now spans nearly ten years, with sales of over 750,000 units and includes nearly 30 successful books that remain perennial favourites, reprinting year-on-year. A royalty is paid to the relevant charity for each book sold.
- Bloomsbury also works closely with EmpathyLab, which is the first organisation to build children's empathy, literacy and social activism through a systematic use of high-quality literature. The strategy builds on new scientific evidence showing the power of reading to build real life empathy skills. Working closely with this charity and many of our authors, we ensure that children and the books they read support the teaching of empathy.
- We sponsor achievement prizes for students within USA and UK universities, invite students to visit us for presentations on working in publishing and support careers fairs for students to promote publishing as a career.
- Bloomsbury's Chief Executive is President of Book Aid International that gifts approximately 500,000 books a year to libraries in Africa.
- Jonathan Glasspool, one of Bloomsbury's Executive Directors, is Senior Independent Governor at Bath Spa University, as well as Chair of Federation of British Artists. Both organisations have a substantial education remit in the creative arts.

Through our publishing we celebrate diversity and creativity, encourage dialogue and debate, champion free speech and human rights, and challenge the status quo; all fundamental aspects of a democratic and culturally rich society.

Corporate Responsibility

continued

Patronus on a Postcard

To celebrate the 20th anniversary of *Harry Potter* and the Prisoner of Azkaban by J. K. Rowling, Bloomsbury worked with BookTrust, the UK's largest children's reading charity, to challenge 26 artists to create original, postcard-sized masterpieces of Patronus animals, with all proceeds going to BookTrust. The auction proved a huge success with the original artworks receiving combined bids of over £12,000.

Jim Kay's postcard-sized illustration of the stag Patronus

Elizabeth Gilbert speaking about her book *City of Girls* at an event at the How to Academy

Staff volunteering

- A significant number of our employees worldwide, both through a Bloomsbury coordinator and privately, are involved in formal volunteer reading schemes and regularly attend schools in the UK and the USA. These provide supervised reading support to young readers, often from disadvantaged backgrounds where their opportunities to develop reading skills may be hindered.
- Bloomsbury employees attend schools and colleges to give talks that have included on careers, such as in digital publishing and IT, and on reading skills required in the workplace. They have also assisted young people with interview practice, career mentoring and school magazines. They are unpaid public speakers at presentations, have published articles and hosted discussions on publishing topics and are volunteers for literary festivals and societies for young publishers. Bloomsbury employees also support primary schools, e.g. giving classroom talks on writing.
- Many employees worldwide are involved in their local communities typically promoting literacy, literature and education, such as by sitting on committees, as governors of schools, by supporting special interest groups and as trustees and supporters of publishing industry and arts voluntary organisations. For example, one UK employee volunteers for a local charity and attends the local primary school to help young children with their reading. USA employees also support various organisations; one employee is a board member of the Children's Book Council, and another is a mentor at a not-for-profit organisation connecting self-identified people of colour who are interested in publishing and literature to publishing professionals. An employee in our Australia office has, for many years, been a volunteer at ILF, mentioned in the Corporate Donating section, donating an hour each week at ILF's head office to support ILF outreach initiatives and fundraising activities.
- The main Board Directors commit significant spare time outside of work to book-related charities, not-for-profit organisations and higher education.

Staff donating

Bloomsbury employees worldwide often call on their colleagues for fundraising sponsorship such as with marathons, cake sales and many other employee-inspired activities. For example, an employee in the UK office ran the Brighton Marathon for Breast Cancer Care with a large proportion of the funds raised donated by Bloomsbury employees. A team also collected over 5,000 stamps for Macmillan Cancer Support as part of their stamp appeal. Bloomsbury also held a Christmas Crafternoon for Mind, the mental health charity. Our US office participates in food, coat and feminine hygiene product drives, and donates these to the homeless and vulnerable communities in New York City; and groups of employees arrange visits to charity centres at Christmas to sing carols.

Promoting diversity amongst writers and illustrators

In addition to promoting diversity within its own workforce, Bloomsbury is also active in promoting diversity amongst writers and illustrators.

- **Pathways Project:** The Pathways Project specifically aims to increase the representation of underrepresented groups in Children's illustration and Bloomsbury led the first week of workshops and mentoring for their first intake of 30 mentees in December 2019.
- **Spread the Word:** Spread the Word kickstarts the careers of London's best new writers, and energetically campaigns to ensure that publishing truly reflects the diversity of the city. They support the creative and professional development of writing talent by engaging those already interested in literature and those who will be, and by advocating on behalf of both. Four Bloomsbury editors spoke at a workshop on their London writes award programme.
- **Writing Squad:** Writing Squad is a development programme for writers aged 16 to 21 living, working or studying in the north of England. Bloomsbury hosted a workshop and party for five new writers introducing them to publishing and to literary agents.

Literary events for the community

Bloomsbury's public events series, The Bloomsbury Institute, produced 19 literary events during the year and welcomed over 1,000 writers, editors and publishers into Bloomsbury's London offices for its talks, workshops and panel events with Bloomsbury authors. In 2019, it hosted collaborative events in partnership with London Horror Festival, BookMachine, the Publishing Training Centre and the London Library. The Bloomsbury Institute events are open to the public on a ticketed basis, and are free for Bloomsbury staff to attend.

Our response to the coronavirus pandemic

Bloomsbury has undertaken a number of initiatives to help support and inspire the community during the crisis:

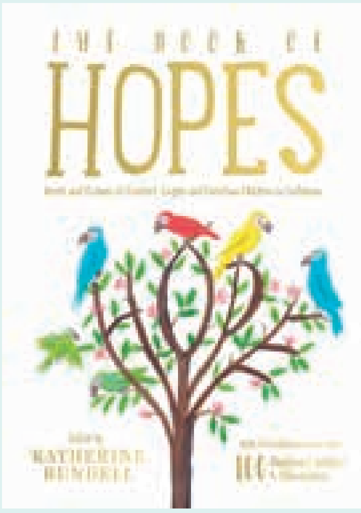
- Recognising that many people will be combining working from home and looking after children, we made our Bloomsbury Education online product Bloomsbury Early Years free to all. Whilst the activities are aimed at children aged up to five years old and tied into the curriculum in England for that age group (the "EYFS"), there is plenty of inspiration for children who are a bit older too.
- We have given free online access to textbooks to support school and university students and instructors with remote learning, both through partnerships with Kortext, Vitalsource, BibliU, Redshelf and Classoos, and direct to customer. This also includes additional online resources and activities for home learning, including videos, lesson plans and teaching tools.
- The National Theatre Collection on Bloomsbury's online resource Drama Online was made available for free to pupils and teachers at UK state schools and state-funded further education colleges via remote access from home. Over 2,600 state schools and colleges signed up to the National Theatre Collection in the first two weeks of this offer going live to access these resources at home. Bloomsbury also extended the free trial period for academic institutions including universities, libraries and independent schools until the end of May 2020 to continue to support the educational community across the globe.
- In response to the nearly immediate migration to online classes, Bloomsbury Digital Resources created an expanded access initiative to present Bloomsbury as part of a solution to the educational issues created by this unprecedented crisis. This initiative allows libraries to gain free access to all of our online resources so their faculty, staff, and students can take advantage of our rich trove of scholarly databases, ebooks, and historical archives during this time of rapid transition to digital learning, research, and teaching. In addition to extending gratis access, we have conducted outreach via email, social media, and other channels to our author base, library contacts, faculty, and many more to ensure that those with new access have the information they need about the features and tools to make best use of our resources. The response has been significant. Since 1 March 2020, Bloomsbury Digital Resources has set up 4,317 trials for 947 unique institutions. We will continue to build out our digital learning strategy as we focus on providing more solutions for a rapidly shifting academic landscape.
- In April 2020, Katherine Rundell launched *The Book of Hopes: Words and Pictures to Comfort, Inspire and Encourage Children in Lockdown* with the support of Bloomsbury's editorial and publicity teams. Curated by Katherine, this extraordinary collection has contributions from over 110 children's writers and illustrators – "professional hunters of hope" – including Lauren Child, Frank Cottrell Boyce, Sophie Dahl, Emily Gravett, Anthony Horowitz, Greg James and Chris Smith, Catherine Johnson, Michael Morpurgo, Patrick Ness, Axel Scheffler, Danny Wallace, Jacqueline Wilson and of course, Katherine Rundell herself. Dedicated to "the doctors, nurses, carers, porters, cleaners and everyone currently working in hospitals", *The Book of Hopes* is available to read for free in full on the NLT website. We intend to publish *The Book of Hopes*, a gift book based on the project, this autumn in support of NHS Charities Together.

Partnership with the NLT

Since Bloomsbury's partnership with the NLT began in July 2019, Bloomsbury has worked with the NLT to host events for the authors of the *Kid Normal* series, Greg James and Chris Smith, and an exclusive storytelling night in Hastings Library for Harry Potter Book Night.

In 2020, we will support the NLT's emergency appeal to help the people of Hastings avoid the worst impact of the global coronavirus pandemic. We are doing this by funding the Hastings Hub Facebook page and donating 25,000 books to children and adults in need.

In April 2020, The Book of Hopes was launched by Katherine Rundell with the support of Bloomsbury's editorial and publicity teams, and is available to read for free in full on the NLT website. Bloomsbury will publish a gift book in autumn 2020 in support of NHS Charities Together.



Members of the Publishing Training Centre attend an event hosted by the Bloomsbury Institute

Corporate Responsibility

continued

The Bloomsbury London Book Fair team celebrate Nigel Newton's London Book Fair Lifetime Achievement Award

Bloomsbury employees at the Company Highlights event

51
Employee Voice Meetings

6
Active employee Diversity and Inclusion networks

Our people

Bloomsbury is a people business, and the success of our business is in large part driven by the expertise, passion and commitment of our workforce. Our colleagues are a key asset of the business and our employment policies and practices are directed at creating a workplace that attracts, motivates, develops and retains high-calibre employees. Effective engagement with employees is an essential aspect of achieving this.

Bloomsbury has in place a wide range of effective mechanisms to engage with employees. A key element of our engagement strategy is our Employee Voice Meeting ("EVM") programme. This programme allows employees to have their voices heard directly by senior management and by the Board. EVMs are held routinely throughout the year, with a selection of employees from different levels across the Group being invited to attend scheduled meetings by rotation. These meetings provide every employee of Bloomsbury with the opportunity to share their views on Bloomsbury's strategy, communications, training, compensation and benefits, and other matters of concern or interest to them with Bloomsbury's senior management and the Board. Meetings are chaired by members of the Executive Committee on rotation, and Non-Executive Directors are also invited to attend these meetings. Employees are encouraged to share their honest views on the understanding that the matters discussed will not be attributed to particular individuals in the reports, which are provided to the other members of the Executive Committee or the Board on the outcomes of the meetings. The Executive Committee and the Board are provided at each of their respective meetings with the minutes of EVMs on an anonymous basis together with a list of the key themes arising out of EVMs.

This form of engagement with employees across the Group enables senior management and the Directors of Bloomsbury to keep a finger on the pulse of the organisation and to gain unfiltered feedback from employees on Bloomsbury's strategy, communications, employee compensation and benefits, and approach to employee development, as well as employees' views on the senior leadership team overall. The Board and the Executive Committee discuss and approve new policies based on the outcome of these meetings.

EVMs also provide an effective means for the Board and senior management to monitor the Company's culture in order to ensure that it aligns with the Company's values and purpose, and continues to support the delivery of the Company's strategy.

Other mechanisms, in addition to EVMs, through which Bloomsbury engages with employees including:

- Town Halls;
- Employee networks and focus groups;
- Weekly newsletters to all employees globally;
- The Company's bi-annual Highlights meeting; and
- Monthly divisional meetings.

Bloomsbury's formal appraisal programme also provides the opportunity for colleagues to give and receive feedback on performance and discuss opportunities for career development.

In response to the coronavirus pandemic and the transition to working from home by Bloomsbury's workforce globally, we have significantly increased the frequency of communications with employees with the objective of providing clear guidance on measures being taken by Bloomsbury in response to the pandemic, and to provide assistance, support and reassurance to employees in the face of the challenges posed by the crisis. This has included regular communications from the Chief Executive to all staff, including by way of online Town Halls, daily updates from Bloomsbury's Health & Safety Committee, the establishment of numerous online social networks to enable colleagues to connect with one another during the period of lockdown and social distancing, and the provision of access to private medical consultations over the telephone.

Employment policies and HR initiatives

We promote a supportive and inclusive culture that fosters diversity and encourages professional development, active participation and the exchange of ideas.

During the year, the Group continued to implement and develop a wide range of strategic HR initiatives directed at further promoting this culture and creating a rewarding and inclusive work environment and ongoing professional opportunities for colleagues, while also responding appropriately to matters raised during EVMs. These initiatives are reflected in the Group's employment policies and practices set out on pages 52 to 53, which include:

- The ongoing provision of a Management Development programme for all UK line managers across all departments within the business to support personal development, career progression and the ability to grow their leadership and management capabilities so that they are equipped to progress in their careers;
- The operation of a Mentoring Scheme to enable employees in the business to succeed and develop in their roles with the help of a mentor;
- The provision of executive coaching for employees in senior leadership positions;
- Following the completion of a Diversity and Inclusion survey, the setting up of Diversity and Inclusion networks to address the priorities identified pursuant to that survey and support the activities of our Diversity and Inclusion Working Group;
- The implementation of Core Hours (9.30 am to 4.00 pm) working in order to allow employees to choose a working pattern which suits them;
- The implementation of Summer Hours to support more flexible working by enabling employees to finish work early on Fridays over the summer months;
- The refinement of Bloomsbury's formal appraisal programme to provide greater focus on identifying opportunities for career development;
- The revision of the annual leave policy, to grant staff additional holiday in the period between Christmas and New Year, so that employees are no longer required to take this period from their personal annual holiday allowance;
- The reduction of notice periods for entry level and early career roles, and the reduction of probationary periods for the same level of roles;
- The provision of a global Employee Assistance Programme to support employee wellbeing and mental health. This service is provided by an independent company and provides all employees with free, confidential access to counselling and support for work issues and personal issues.

Prospective apprentices from the London Apprenticeship Scheme attending a Career Kickstarter Day at Bloomsbury

Corporate Responsibility

continued

Key employment policies and practices

Supported by territory heads of HR, the managing directors of the publishing divisions, the heads of each Group function and managing directors of regional offices have responsibility for the employment matters (including human rights) of their teams. The Chief Executive has overall Board-level responsibility for employment matters. For example, where employment matters have a Group-wide impact or cannot be resolved at a lower level in the business then they may be referred to the Chief Executive.

Key features of the Group's employment policies and practices are:

Employment policy	Description
Employee engagement	Through the EVM programme, Bloomsbury encourages employees to share their views with management and with each other on matters relating to employee interests and the conduct of Bloomsbury's business overall. In turn, Bloomsbury provides a good degree of openness and transparency on its activities and performance through information provided to employees. Employees are kept updated by way of the engagement mechanisms outlined above on matters affecting them individually and relating to the performance of the Group as a whole, including information about ongoing HR initiatives, daily sales figures, book releases and related publicity, project achievements, corporate news and commentary from external media and other sources. Weekly and other regular team meetings and internal bi-annual conferences bring employees together from across the Group's worldwide sites allowing colleagues to formally and informally share information about the business and develop strong working relationships.
Employee development	Bloomsbury is acquisitive and has benefited from an intake of high calibre entrepreneurs who support the Group's capacity to innovate. The Group develops its management structure to serve the changing needs of the business. This creates opportunities for individuals to progress to increasing levels of seniority as they gain capabilities and expertise. Recruitment is supported by territorial Human Resources functions, enabling vacancies across our offices worldwide to be filled internally where employees of an appropriately high calibre seek new opportunities. Bloomsbury supports personal and professional development through a range of training programmes, one being the Management Development Programme. This programme is designed to promote personal growth and enhance leadership and relationship skills, and is specifically targeted at line managers. Our objective is to provide these individuals with the tools and training they need to achieve more in their existing roles and to advance through the organisation if their achievements merit it. Our Mentoring Scheme provides support and development to employees who choose to participate by sharing the wealth of knowledge and experience that the Bloomsbury workforce has to offer, along with opportunities to connect with colleagues across departments and divisions. The Scheme enables the mentee to tap into the existing knowledge, skills and experience of their mentors, and enhance these areas for themselves to aid their own career development.
Performance and merit	Senior employees agree personal objectives and are rewarded based on performance determined by the Group's results and the achievement of such objectives. Senior managers are accountable for the performance of their teams and determine the most appropriate approach to performance management for each team. All employees participate in Bloomsbury's formal annual appraisal process which serves as mechanism for managing performance and identifying opportunities for career development. Promotions and external recruitment are based on merit and ensure that the most suitable person is selected for each position.
Employee participation in share schemes	The Group offers UK employees the opportunity to participate in an all-employee HM Revenue & Customs approved Sharesave scheme to encourage employee participation in the performance and growth of the Group. High performing senior managers may also be eligible to participate in the Company's Long Term Incentive Plan.
Flexible working	We encourage family-friendly working practices such as flexible working hours and recognise that experienced employees returning to work following maternity, paternity or other career breaks are an asset. Our Core Hours Working policy encourages and supports flexible working by allowing employees to choose a working pattern which suits them. The Summer Hours policy also enables employees to finish work early on Fridays over the summer months.

Employment policy	Description
Health and wellbeing	The global Employee Assistance Programme is available to support employee wellbeing and mental health. This service is provided by an independent company and provides all employees with free, confidential access to counselling and support for work issues and personal issues. In addition, employees have access to an on-site massage therapist and to free consultations with a private GP.
Social and literary events	Bloomsbury's public events series, The Bloomsbury Institute, is open to all staff and provides the opportunity for Bloomsbury employees to meet the authors we publish. In addition, Bloomsbury runs an internal "Lunches Live" catered events series for employees, which feature the authors of Bloomsbury's forthcoming publications in conversation with their editor. Bloomsbury's Social Committee organises informal social events to connect staff from across the Company.
Human rights	Bloomsbury is committed to meeting its responsibility to respect human rights. The regional Human Resources managers monitor for human rights issues and ensure any remedial action that is needed is taken promptly. Bloomsbury is committed to complying with employment and other legislation applicable to the locations in which it employs people, ensuring the human rights of individuals are protected. Bloomsbury's Modern Slavery and Human Trafficking Statement can be found on our investor relations website www.bloomsbury-ir.co.uk.
Ethical behaviour	We expect employees, Directors, and subcontractors to behave ethically in their work relationships and dealings with third parties on behalf of Bloomsbury. Compliance with ethical behaviour Group policies such as for anti-bribery and corruption, dealing in Bloomsbury shares and modern slavery and human trafficking is an employment term of Group employment contracts. Bloomsbury's Whistleblower policy enables employees, other categories of workers and third parties to have any concerns relating to the Group confidentially addressed. Details of these policies can be found at www.bloomsbury-ir.co.uk.
Equality of opportunity	Bloomsbury has a diverse workforce and follows a policy that no employee or other person receives more or less favourable treatment on the grounds of gender, sexual orientation, colour, race and ethnic origin, nationality, religion, disability or age. The Human Resources function monitors compliance with the policy and with applicable legislative requirements to ensure the equality of opportunity in the recruitment, selection and promotion of employees. Grievance and disciplinary procedures protect employees from discriminatory behaviours and attitudes. Further information on our approach to diversity and inclusion is set out below under the heading Diversity.
Disabled persons	Group policy is to offer equal treatment in respect of the recruitment, training, career development and promotion of disabled persons. Should people become disabled during the course of their employment, the Group will seek to retain their services and to provide retraining where necessary.

Employment KPIs

The senior management team monitors staff-related KPIs (e.g. joiners and leavers) on an ongoing basis in order to assess the effectiveness of the Group's policies and practices in attracting and retaining talent.

Health and safety

Bloomsbury's Facilities Manager reports to the Chief Executive in respect of Health and Safety ("H&S") and heads an H&S team that ensures compliance with the Company's H&S policy. At least annually, the Board and the senior management team review H&S including risks assessments, developments and incident reports. The H&S team works closely with management and employees to ensure that the H&S policy is effectively communicated, implemented and maintained across the business. Managers of the worldwide sites are accountable for ensuring their areas of the business are in compliance with H&S policy.

The Group maintains H&S risk assessments and accident books for all its locations worldwide (including where there is no local legal requirement to do so) and staff are encouraged to report all accidents or near misses.

During the year, there were no serious injuries, fatalities or reportable incidents. Accidents have typically included infrequent bumps and scalds from hot drinks associated with the office environment.

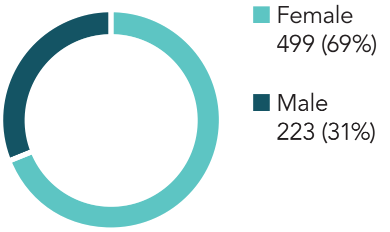
Corporate Responsibility

continued

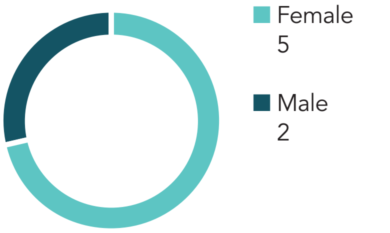
Diversity

We have a diverse workforce and management team led by a gender diverse Board. The majority of senior managers and employees worldwide in the Group are women. As at 29 February 2020 the number of employees by each gender is:

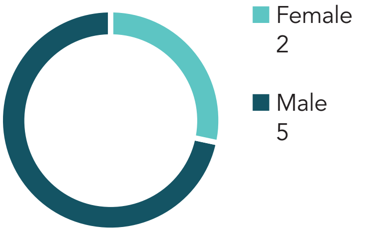
All employees of the Group[1]



Senior managers of the Group[2]



Directors of the Group Parent Company



[1] Excludes workers who are freelance consultants and temps.

[2] Includes the heads of publishing divisions, Group functions and country heads who are not Executive Directors on the parent Company Board.

In line with UK regulations, Bloomsbury has provided information on its gender pay gap in the UK (see www.bloomsbury-ir.co.uk). We have benchmarked our Gender Pay Gap against the publishing industry and will continue to identify best practices that can reduce the pay gap.

We recognise that attracting talented people from all walks of life enriches our business and performance and the lives of our employees. Diversity and inclusion is essential to our productivity, creativity and innovation, and to creating an environment in which our employees feel able to do their best work. A Diversity and Inclusion Working Group was established during 2019 with the aim of fostering a working environment that is welcoming and supportive of differences and individual wellbeing, while at the same time promoting an inclusive culture in which our workforce feels connected by a common purpose and shared values.

During the year, the Company asked all UK staff to participate in a Diversity and Inclusion survey in order to gain a better understanding of the demographics of our workforce and identify areas of priority for the Diversity and Inclusion Working Group to address.

Some of the actions we have taken in response to the survey and to promote diversity within Bloomsbury (as well as to support increased diversity within the wider publishing ecosystem) are as follows:

- Six support networks have been established (BAME, Carers, Disabled, LGBTQ+, Parents/Guardians and Mental Health) to promote an inclusive and supportive culture within Bloomsbury. These networks also complement the activities of the Diversity and Inclusion Working Group by providing valuable feedback and helping to set priorities for future action;
- A Diversity and Inclusion Policy to formalise the Company's approach towards diversity and inclusion has been approved by the Board and adopted;
- Employees will be provided with ongoing training in unconscious bias, equality and diversity to reinforce Bloomsbury's culture of equal treatment of all employees;
- Working with the Publishers' Association and LDN Apprenticeships, Bloomsbury helped to establish the country's first Publishing Assistant Apprenticeship programme. This scheme places young candidates from lower socio-economic backgrounds into publishing houses for a year of continuous learning through work experience and individual study modules, and leads to the award of a Level 3 Publishing Assistant Apprenticeship Standard accredited by AIM Awards. It launched in October 2019, when Bloomsbury welcomed two apprentices to the Academic Production department. Bloomsbury continues to sit on the programme's Advisory Board; and
- On an ongoing basis, Bloomsbury partners with Creative Access – an organisation dedicated to recruiting under-represented talent into the creative industries – not only to attract and hire promising candidates into entry-level and early-career roles, but to build their careers through training and awareness programmes for the employee and employer.

The Board, supported by the Nomination Committee, oversees the diversity and inclusion initiatives across the Group and is committed to developing a strong and diverse talent pipeline in connection with effective succession planning. The Board receives regular updates on strategic HR initiatives across the Group with a view to ensuring that the strategies in place are effective in promoting a culture that upholds Bloomsbury's principles of inclusion, diversity and equality.

The environment

Bloomsbury is mindful of its relationship with the environment and takes its environmental responsibilities seriously. We aim to reduce the environmental impact of our business wherever possible.

The Executive Committee of Bloomsbury, led by the Chief Executive, have overall responsibility for the development of Bloomsbury's environmental policy and the Company's approach to sustainability.

During 2019/2020, we established a Sustainability Working Group to expand the Group's activities in respect of environmental performance. The Working Group's focus is to consider ways in which we can improve our environmental footprint by becoming more energy efficient and developing sustainable working practices. The Working Group has created three sub-groups in order to action change where appropriate both within Bloomsbury and in collaboration with our business partners (The Individual, The Corporate and The Collaborative).

The Sustainability Working Group reports to the Executive Committee, which considers and, where appropriate, approves action aimed at reducing our impact on the environment.

Our direct operations are predominantly office-based and are considered to have a relatively low impact on the environment. The impact on the environment of our business predominantly arises from the activities the Group subcontracts to its suppliers including the printing, production, distribution, recycling and disposal of printed books. The Group's consumption of natural resources, although relatively minor, is significantly impacted by ambient weather conditions beyond our control and by the buildings we lease.

Lights are generally fitted with motion detectors and our office policy is to turn off lights and non-essential electrical equipment out of hours when not in use. We only use energy-efficient light bulbs and we are rolling out a programme to upgrade these to LED lamps where possible.

We use 100% recyclable cardboard packaging for our shipments from our offices and do not purchase any plastic packaging.

We supply point of use drinking water and do not supply plastic or paper cups.

We are ESOS compliant and have recently taken advice from Energy Team (UK), who carried out phase two of our ESOS compliance. We continue to consider and apply their recommendations to reduce our carbon footprint.

We have previously taken advice from the Carbon Trust and continue to apply their recommendations to reduce our carbon footprint. For example, the roll-out of LED lamps to replace energy-efficient lamps, ensuring heating systems are regularly maintained and programmed efficiently, and turning off unnecessary electrical equipment out of hours, amongst other measures.

The key areas where we are active in reducing the direct and indirect environmental impact of the business include:

Print-on-demand

Changes in technology and the print supplier base are increasingly making it economic to print books at the time and in the quantity needed for sale and/or in direct response to market demand. This reduces the CO_2 generated by pulping, recycling and transporting unsold books.

Online publishing and e-formats

Our strategy embraces digital publishing and the potential benefits this may bring to the environment. Our focus on digital formats and products allows millions of students to access essential resources without using paper, and enables consumers to purchase Bloomsbury titles in ebook and audio book formats should they wish to avoid the consumption of paper products.

Book manufacture

We are committed to reducing the environmental impact of our products and to controlling the materials used to produce them. To that end, we work only with Forestry Stewardship Council ("FSC") and the Programme for the Endorsement of Forest Certification ("PEFC") accredited suppliers, and we use FSC materials for over 90% of the Group's output. Where FSC-accredited materials are not available we specify alternatives from known and reputable sources. We make regular trips to suppliers' factories to monitor their recycling and other locally relevant environmental initiatives.

Building and office facilities

Most of our employees travel to work by public transport and we support part-time and homeworking. We provide bicycle storage for staff who ride to work. For most employees we have implemented separate recycling bins for different waste materials so that a significant proportion of our office waste is recycled. Paper and cardboard collection points are provided in every room and next to every photocopier. All general waste is disposed of in clear sacks for sorting at the relevant recycling centre.

Corporate Responsibility

continued

Greenhouse gases, waste generation and water consumption

We report on our greenhouse gas emissions as required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. We also report on our greenhouse gas emissions, waste production and water consumption in alignment with the 2006 Government Guidelines; Environmental Key Performance Indicators: Reporting Guidelines for UK Businesses. In respect of greenhouse gases, we report in respect of stationary fuel use (onsite consumption of natural gas and diesel), vehicle fuel use, refrigerant use and electricity use in kWh, converted to CO_2e following the protocols provided by the Department for Environment, Food and Rural affairs ("DEFRA"). Emissions have been categorised against the Greenhouse Gas Protocol scopes of reporting. The analysis of the Group's Scope 1 and Scope 2 emissions, together with waste production and water consumption, is performed by an independent external adviser, Trucost, based on data we have provided, including utility bills, vehicle fuel data, and expenditure on business travel. This information is unaudited and is shown in the tables below and on page 57 of this section of the Annual Report.

Environmental performance

During the year, there was a decrease (in absolute tonnes CO_2e) in emissions from stationary fuel use (-6%), a decrease in emissions from vehicle fuel use (-39%), a decrease in location-based emissions from electricity use (-7%), and a decrease in water consumption (-41%) as compared to the previous reporting period.

However, during the year there was an increase in total Scope 1 Greenhouse gas emissions and waste production in comparison with the preceding year. Analysis of the reasons for this increase indicates that it arose from the following factors:

- The inclusion for the first time of refrigerants in reporting for Bloomsbury's US office. This data was not previously available; and
- A significant office move involving the relocation of a large number of employees from Bloomsbury's main London office to newly occupied premises, and the vacating of a second London office upon termination of the lease, generating an increased volume of waste in the form of furniture, office materials, packaging and other waste.

Greenhouse Gas Emissions: Scope 1

Greenhouse gases	Definition	Data source and calculation methods	Quantity: Absolute tonnes CO_2e 2019/2020	Quantity: Absolute tonnes CO_2e 2018/2019	Quantity: Normalised tonnes CO_2e per £m revenue 2019/2020	Quantity: Normalised tonnes CO_2e per £m revenue 2018/2019
Scope 1 direct impacts						
Stationary fuel use	Emissions from natural gas and diesel consumption in utility boilers.	Annual consumption in kWh collected from fuel bills, converted according to DEFRA guidelines for the London office (Headquarters). Data scaled up by number of employees to estimate emissions for Alton, Haywards Heath, Dublin and Edinburgh serviced offices. Natural gas was not used in US, India and Australia offices. This year, India office has diesel consumption in utility boilers and US office has fuel oil consumption. A new office at Bath is added this year for analysis whereas office at Salem Road was closed by middle of last year.	**43**	46	**0.3**	0.3
Refrigerants	Emissions from refrigerant leakage.	Refrigerant R410A used in US office in 2019/2020 financial year.	**49**	0[1]	**0.3**	0.0
Company cars	Emissions from petrol and diesel consumption.	Annual consumption in litres calculated from fuel bills for the UK and India. Converted according to DEFRA guidelines. There are no company cars in Australia and the US offices.	**22**	35	**0.1**	0.2
Total Scope 1			**114**	81	**0.7**	0.5

[1] Refrigerant used in the USA was not tracked previously

Greenhouse Gas Emissions: Scope 2

Greenhouse gases	Definition	Data source and calculation methods	Quantity: Absolute tonnes CO_2e 2019/2020	Absolute tonnes CO_2e 2018/2019	Normalised tonnes CO_2e per £m revenue 2019/2020	Normalised tonnes CO_2e per £m revenue 2018/2019
Scope 2 Impacts						
Electricity use – location-based emissions	Greenhouse gas emissions resulting from electricity purchased.	Annual consumption of directly purchased electricity in kWh collected for the London, Alton, Haywards Heath, Oxford, Salem Road, US, Australia and India offices. Data scaled up by the number of employees to estimate emissions for the operations in the rest of UK offices. kWh data converted to emissions according to DEFRA, EPA and IEA guidelines.	**291**	314	**1.8**	1.9
Electricity use – market-based emissions	Market-based emission for purchased electricity.	Calculated by using purchased electricity data in kWh and residual mixes for UK and US. For India and Australia, average grid emission factors are used from IEA as no residual emissions are yet determined by Governments in these countries.	**366**	382	**2.2**	2.4
Total Scope 2			**291**	314	**1.8**	1.9

Other environmental indicators

Water	Definition	Data source and calculation methods	Quantity: Absolute cubic metres 2019/2020	Absolute cubic metres 2018/2019	Normalised cubic metres per £m turnover 2019/2020	Normalised cubic metres per £m turnover 2018/2019
Water consumption	Directly purchased water	Annual volume of water purchased provided for London, Oxford and India offices. Disclosed UK data was scaled up using number of employees to estimate water consumption in the rest of UK, US and Australia offices.	**4,255**[1]	7,196	**26**	44

[1] This decrease may be due in part to a change in calculation methods from the preceding year

Waste	Definition	Data source and calculation methods	Quantity: Absolute tonnes 2019/2020	Absolute tonnes 2018/2019	Normalised tonnes per £m turnover 2019/2020	Normalised tonnes per £m turnover 2018/2019
Landfill	General office waste (which includes a mixture of paper, card, wood, plastics and metals) sent to landfill sites	Annual quantity of waste generated in London offices, Oxford, India and Australia are provided. UK disclosed data scaled up to estimate quantity for operations in the rest of UK and US offices.	**76.58**	74.99	**0.47**	0.46
Recycled	General office waste sent to recycling facilities	Annual quantity of waste generated in London offices, Oxford, India and Australia are provided. UK disclosed data scaled up to estimate quantity for operations in the rest of UK and US offices.	**98.71**	57.96	**0.61**	0.36

Corporate Responsibility

continued

Engagement with stakeholders

We believe that effective engagement with out key stakeholders, and consideration of their interests, is an essential aspect of our ability to achieve our mission and purpose, and ensuring Bloomsbury's continued success.

A summary of the ways in which we engage with key stakeholders and consider their interests in conducting our business is set out below.

Shareholders

Why they matter

Our Shareholders provide capital, including for growth, while providing challenge and feedback on our business model and strategic plans. We rely on their confidence, support and investment to deliver our strategy and Bloomsbury's long-term sustainable success.

What matters to them

- Long-term value creation through a mix of capital appreciation and dividends;
- Timely and relevant information on performance against expectations;
- Dividend Policy;
- Remuneration Policy;
- Strategy for future growth; and
- Opportunities for engagement with management.

Ways we engage

Our Executive Directors maintain an investor relations annual plan, which includes:

- Presentations given to Shareholders upon the release of annual or interim results;
- Meetings with current and prospective Shareholders following annual and interim results;
- Feedback from institutional and private client brokers following investor engagement; and
- Reporting to the Board on investor matters and investor feedback.

The Chairman offers meetings with our top ten Shareholders twice a year.

The Company's Annual Report and Accounts provides information about the Company's performance and governance.

Key information and investor presentations are published on the Company's investor relations website (www.bloomsbury-ir.com).

The Company's Annual General Meeting ("AGM") provides a forum for all Shareholders to address questions to the Board and vote on key resolutions.

In 2019, Shareholders with a holding over 1% were consulted in respect of proposed revisions to the Company's Remuneration Policy, which will be put to Shareholders for approval at the 2020 AGM.

How we consider the interests of our stakeholders

The Board is kept informed of all feedback received as part of Shareholder meetings and consultations.

Shareholder feedback on Bloomsbury's strategy and performance has been positive; this has affirmed Bloomsbury's commitment to its current strategy and areas of focus. See the Strategic Report on pages 10 to 17, which explains the Company's performance and investment decisions during 2019/2020.

The Board recognises that Bloomsbury has a broad range of investors and aims to deliver long-term sustainable value while recognising their diverse interests (e.g. capital appreciation vs divided earnings). The Board considers these diverse interests in approving annual budgets and longer-term strategic planning.

Shareholder feedback on the proposed revisions to the Company's Remuneration Policy have been taken into account and reflected in the Policy, which will be put to Shareholders for approval at the 2020 AGM.

Feedback received from Shareholders in response to the Annual Report and Accounts, and at the Company's AGM in respect of matters relating to governance, are taken into consideration by the Board in deciding whether any revisions to its corporate framework are required.

Authors and illustrators

Why they matter

Authors are the lifeblood of our Company.

What matters to them

- Publication of the author's works to a high and consistent standard, in line with the author's vision for the work;
- Effective sales and marketing representation in relevant markets;
- Appropriate compensation;
- Timely and relevant information on the publication process and sales and marketing strategy for their works; and
- For academic authors, to maximise their impact on the scholarly community, secure tenure and promotion at academic institutions, secure research funding and enhance their professional reputation.

Ways we engage

Supporting authors in realising their best works and ensuring that their works are brought to market successfully requires close collaboration throughout the entire publishing process, from editorial and design, to sales and marketing, to production and distribution.

Frequent and ongoing engagement with authors and/or their literary agents enables us to help authors achieve their vision and to address any concerns they may have during the publishing process.

In respect of academic publications, monthly production surveys and post-publication editorial surveys are conducted with authors in order to monitor author satisfaction and address any issues identified.

Authors are also provided with a review and marketing update three months following publication of their works, so that they are kept informed of relevant marketing activities.

How we consider the interests of our stakeholders

Topics raised during the engagement process vary from author to author. A key topic of engagement in respect of new acquisitions will be terms, including the scope of rights granted and royalties payable.

Other topics of engagement include the quality of editorial work, jacket design, marketing and publicity campaigns and sales activities. These are considered and responded to on a case by case basis.

Author surveys have yielded a consistently high level of scores. The Board is provided with survey results for consideration and to identify ways in which author satisfaction can be improved or enhanced.

Corporate Responsibility

continued

Engagement with stakeholders

Employees

Why they matter
Our employees are key to delivering Bloomsbury's purpose and strategy, and are the driving force behind Bloomsbury's sustainable success.

What matters to them
- Recognition and fair remuneration;
- Career development and progression;
- To work in a stimulating, positive, ethical and inclusive environment for a business with a strong social purpose;
- To have a voice in Bloomsbury's business;
- Engagement with management; and
- The long-term health of the business.

Ways we engage
Information about the ways we engage with our employees is set out on pages 50 to 53 of the Strategic Report.

How we consider the interests of our stakeholders
Information about how we consider the interests of our employees and the outcome of our engagement is set out on pages 50 to 53 of the Strategic Report.

Suppliers

Why they matter
Building strong relationships with our suppliers enables us to obtain the best value and quality of service. We rely on our suppliers to provide specialist services, which enable us to bring our publications and products to market. We wish to work with suppliers who understand our priorities and will adhere to our way of working and to our values.

What matters to them
- Shared success;
- Appropriate compensation for services provided;
- Prompt payment;
- Predictable workloads;
- Provision of timely information required to manage service provision;
- Clear processes; and
- Impact of legislative or regulatory changes which may impact on service provision.

Ways we engage
Engagement with key suppliers is ongoing and frequent, and is managed by the Heads of the relevant functional divisions. Regular formal meetings as well as day-to-day engagement ensure close collaboration and the effective flow of information required for the successful and timely provision of services.

In the case of printers, this includes the successful delivery of finished stock according to Bloomsbury's publication schedules.

In the case of Bloomsbury's distributors, this includes the ability to meet customer demand and expectations, exercise effective credit control, and appropriately manage stock levels.

How we consider the interests of our stakeholders
Significant issues arising out of engagement with key suppliers were reported to the Board for consideration, including engagement over commercial terms.

Various supplier reporting processes have been strengthened, including in respect of credit risk, bad debt and retail customer charges and returns.

Factors impacting on the provision of services (such as internal restructuring by print supplier or restrictions on storage space) were taken into account by Bloomsbury in placing work with relevant suppliers.

The Board is committed to high standards of ethical business conduct. The policies and procedures relevant to business conduct are available to all employees and are incorporated by reference into our contracts with suppliers.

Customers – wholesale and retail

Why they matter
Wholesalers and retailers are Bloomsbury's primary route to market.

Collaboration with such parties is an important aspect of ensuring a work is published successfully.

Regular engagement with key customers builds trust and nurtures long-term relationships, which in turn encourages support for Bloomsbury titles.

Wholesale and retail customers provide valuable insight into consumer trends and advice on optimum release dates in order to maximise sales.

What matters to them
- Maximising sales;
- Maximising revenue and margins;
- Ensuring a level playing field across wholesalers and retailers;
- Reliability of publishing schedules;
- Timely delivery of stock; and
- Promotional support.

Ways we engage
Senior management meets with key customers at relevant book fairs.

Bloomsbury's sales team meets regularly with customers, to discuss forthcoming titles and publishing programmes. Sell-ins to customers occur on a monthly, quarterly or annual basis, depending on the customer.

Our sales and marketing teams liaise with key retailers on an ongoing basis on a range of matters with a view to maximising sales.

How we consider the interests of our stakeholders
Key topics of engagement included:

- Commercial terms;
- Sales activity and sales trends;
- Matters relevant to maximising the success of particular titles, including cover designs, publication dates, marketing plans and retailer promotions;
- Promotional support for individual titles; and
- Logistical issues.

Corporate Responsibility

continued

Engagement with stakeholders

Customers – academic and educational institutions, corporate customers

Why they matter

Academic and educational institutions and professional organisations are becoming increasingly important customers in respect of Bloomsbury's digital products, and consequently for the delivery of our long-term strategy of focusing on digital opportunities to grow our business.

What matters to them

- Access to high quality, relevant and comprehensive content to support academic courses and research, and in the case of professional organisations, the activities of their employees or members;
- Applying funding to deliver the best value to their own stakeholders; and
- To ensure a swift, accurate and cost-effective way to purchase and access relevant products.

Ways we engage

Bloomsbury has in place a range of engagement mechanisms to ensure we understand the priorities of these customers. These include:

- Regular site visits by our sales team to academic libraries;
- Direct meetings with a wide range of senior academics and university staff to understand their requirements;
- Attendance of publishing directors and sales team at principal library conferences and professional organisation annual membership events; and
- Regular surveys of student, faculty and library users in respect of all aspects of Bloomsbury's publishing and, in particular, in respect of new products.

How we consider the interests of our stakeholders

Feedback from our customers and their stakeholders informs:

- How Bloomsbury develops new and existing products; and
- Product pricing the various sales models Bloomsbury offers (subscription vs perpetual access sales, short-term loans, evidence or usage-based sales).

In response to feedback from librarians, we are developing user case studies to support librarians' internal-facing activities.

Society (including community and the environment)

Why it matters
At the heart of Bloomsbury is a strong social purpose – to inform, educate, and entertain, to inspire a love for reading and to promote literacy. Making a positive contribution to the wider communities in which we operate is therefore integral to our activities. In addition, the environmental impact of Bloomsbury's business activities is a growing consideration for us and we are committed to effecting improvements where practicable.

What matters
- That Bloomsbury behaves as a responsible and ethical corporate citizen;
- That we support relevant charities;
- That we contribute to community success; and
- That we manage our environmental footprint.

Ways we engage
The very essence of our business is engagement with wider society, through the dissemination of stories and ideas, the stimulation of debate and dialogue, the support of learning and research and the enrichment of culture.

Information about our charitable donations, charitable initiatives and direct community engagement is set out on pages 46 to 49 of the Strategic Report.

Bloomsbury also works in partnership with theatres and other organisations to publish their cultural output in the form of play texts and programme texts to accompany performances. The inclusion of live performance collections in Bloomsbury's educational databases, made available for free to schools, provides a means of extending audience reach and ensuring cultural heritage is embedded within the curriculum.

Expanding the Group's activities on sustainability is a key priority for us. Information on our activities in this area is set out in the Corporate Responsibility section on page 55.

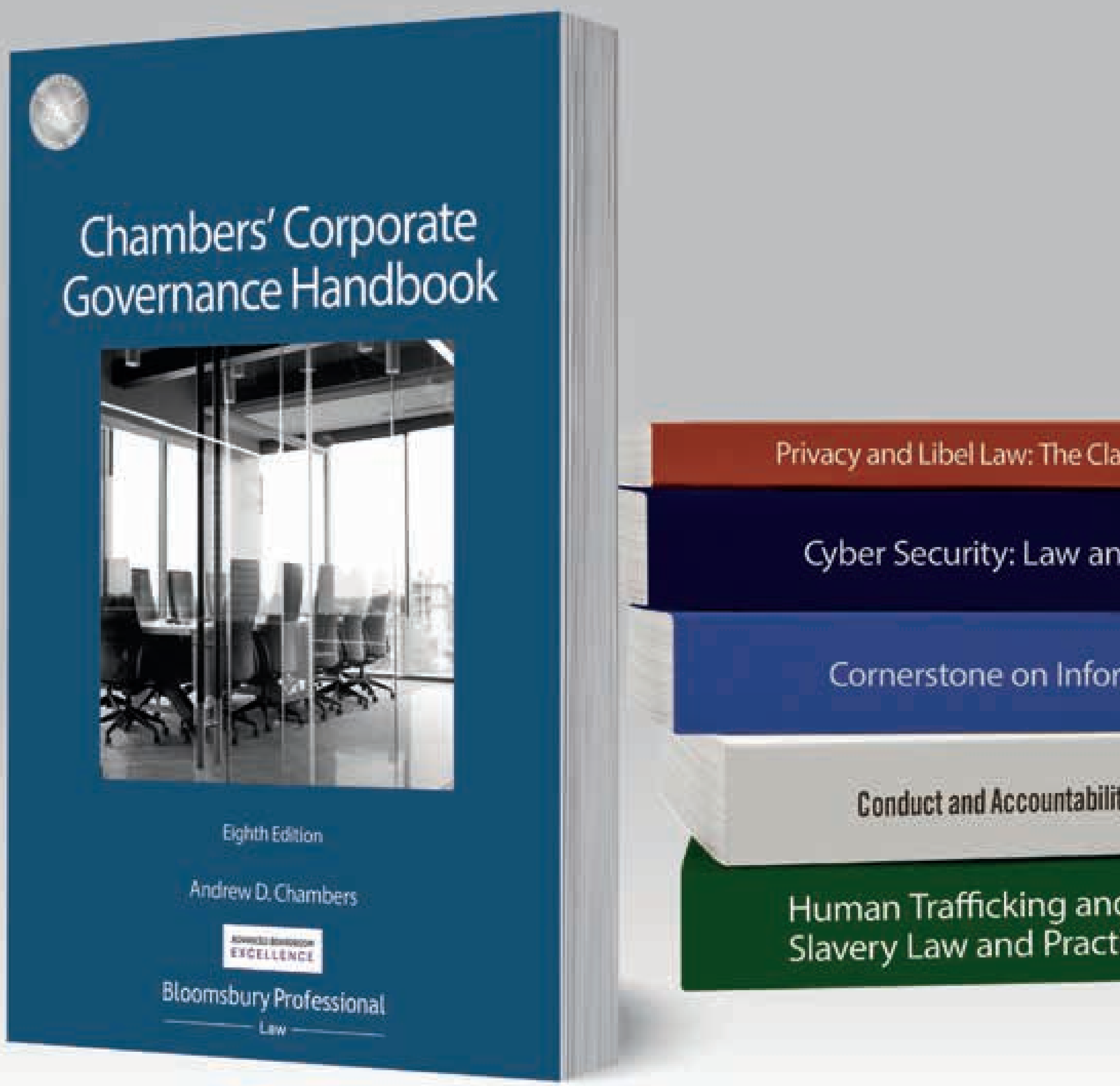
How we consider the interests of our stakeholders
The Board supports Bloomsbury's wider social purpose and charitable initiatives, including as part of the approval of the Company's budget and strategic plan, where applicable.

The Board considers the long-term impact on the environment of Bloomsbury's operations in its decision-making and receives annual reporting on the Group's greenhouse gas emissions, generation of waste, and consumption of water, with comparisons to prior years. Details of the Group's environmental performance can be found in the Corporate Responsibility section on pages 56 to 57.

The Executive Committee and the Board receive presentations on the activities of Bloomsbury's Sustainability Working Group, considers recommendations from the Working Group for proposed sustainability initiatives and approves action where appropriate to improve Bloomsbury's environmental footprint.

Bloomsbury Professional

A selection of books published by Bloomsbury Professional: Chambers' *Corporate Governance Handbook: Eighth Edition* by Andrew D. Chambers, *Privacy and Libel Law: The Clash with Press Freedom* by Paul Tweed, *Cyber Security: Law and Guidance* by Helen Wong MBE, *Cornerstone on Information Law* by Damien Welfare, *Conduct and Accountability in Financial Services* by Stacey English and Sussanah Hammond and *Human Trafficking and Modern Slavery Law and Practice* by Philippa Southwell, Michelle Brewer and Ben Douglas-Jones QC. Bloomsbury Professional publishes high quality books and digital products for lawyers, tax practitioners, accountants and business professionals.




Tweed
Wong
Welfare
English & Hammond
Southwell
Brewer
Douglas-Jones

Governance

Sir Richard Lambert

Chairman of the Board

Chairman's Introduction to Corporate Governance

On behalf of the Board, I am pleased to introduce Bloomsbury's Corporate Governance Report for the financial year ending 29 February 2020.

Compliance with the 2018 UK Corporate Governance Code

This year, the Company is reporting against the UK Corporate Governance Code published in July 2018 (the "Code"), which applies to accounting periods beginning on or after 1 January 2019. The Code is published on the Financial Reporting Council's ("FRC") website at www.frc.org.uk.

During the year, the Board has focused on reviewing and strengthening the measures implemented by the Company to ensure compliance with the 2018 Code. This Corporate Governance Report and the Strategic Report set out how the Company has applied the Code principles and adhered to Code provisions throughout the year.

The Board believes that for the financial year ended 29 February 2020, the Company has complied with all applicable principles and provisions of the Code, save in respect of the provisions that relate to pension contributions for Executive Directors (as explained in the Directors' Remuneration Report on page 102), and to the determination of senior manager remuneration by the Remuneration Committee (as explained in the Directors' Remuneration Report on page 107).

Stakeholder engagement

The Board believes that the manner in which it conducts its business is important and it is committed to maintaining the highest standards of corporate governance, which underpin Bloomsbury's ability to deliver long-term value and success for the benefit of all of its stakeholders. The Board is mindful of its duties to stakeholders under section 172 of the Companies Act 2006. More detail on how the Board has discharged its duties under section 172 to promote the success of the Company, having regard to the Company's key stakeholders as part of its decision-making, can be found in the Strategic Report on pages 58 to 63.

Purpose, values and culture

The Board is closely involved in setting the tone for Bloomsbury's culture and embedding it throughout the Group. During the year, we re-articulated the values which inform Bloomsbury's culture and guide the Company in achieving its purpose, and confirmed these to all employees across the Group. Our values are a key aspect of Bloomsbury's ethos and guide the workforce as they pursue the delivery of Bloomsbury's strategy. The Board believes that an engaged and committed workforce is integral to the achievement of Bloomsbury's strategic objectives, and organisational culture is central to this. To this end, the Board is informed on key matters and actions arising out of Employee Voice Meetings, which are held regularly as part of the Company's employee engagement programme. More details on the output of employee engagement can be found in the Strategic Report on pages 50 to 53.

Diversity and inclusion

The Board recognises the benefits that diversity and inclusion can bring to the effectiveness of Board decision-making where different skillsets and perspectives are present. The Nomination Committee supports the Board in overseeing the Company's diversity and inclusion policy, and further information can be found in the Nomination Committee Report on pages 82 to 83.

Board evaluation

I led an internal process to evaluate the effectiveness of the Board, its Committees and each individual Director. The outcome of the evaluation confirmed that the Board and its Committees continue to operate effectively and that all of our Directors continue to demonstrate commitment to their role. Further information relating to the Board evaluation can be found on pages 79 to 80 of this section of the Annual Report.

Board changes

Bloomsbury announced in October 2019 that Jonathan Glasspool, an Executive Director since 2015, will be stepping down from the Board at the forthcoming Annual General Meeting and retiring from Bloomsbury at the end of July 2020 after 20 years' service. We thank Jonathan for his exceptional hard work and contribution to Bloomsbury.

Sir Richard Lambert
Chairman of the Board

Corporate Governance Framework

Board

The Board provides leadership and governance for the Company, while having regard to the interests of Shareholders as well as other stakeholders. It determines, and oversees the execution of, the Group's strategy, and is responsible for the overall management, control and performance of the Group's business. The Board is involved in determining the Company's purpose and values, and monitoring organisational culture. The Board establishes appropriate risk management and internal control procedures, and determines the risk appetite for the Company. Certain matters are reserved for the Board's approval, with others being delegated to Board Committees or to the Company's Executive Committee as appropriate. Full details are available on the Company's website (www.bloomsbury-ir.co.uk).

Audit Committee

- Monitors the integrity of financial statements and narrative reporting;
- Monitors and reviews the effectiveness of the internal audit function;
- Monitors internal financial and operational controls;
- Oversees risk management;
- Reviews the External Auditor's independence and leads the audit tender process; and
- Reviews the effectiveness of the external audit process.

Nomination Committee

- Reviews the structure, size and composition of the Board;
- Considers Board experience and diversity;
- Considers the appointment of new Directors and oversees succession planning;
- Oversees policy and strategy regarding workforce diversity and inclusion; and
- Oversees Director induction, monitoring conflicts, time commitments, training and evaluation of Board members.

Remuneration Committee

- Determines the remuneration and benefits of Executive Directors;
- Monitors the remuneration of senior managers;
- Oversees workforce pay practices and policies; and
- Approves the targets for performance-related remuneration schemes and share incentive plans.

Chief Executive

- Responsible for the day-to-day management of the Group; and
- Responsible for the execution of the approved Group strategy. Financial matters are managed by the Group Finance Director.

Executive Committee

- Led by the Chief Executive.
- Responsible for managing all operational aspects of the Group, the implementation of the Company's strategic initiatives in all areas and for identifying and managing Group risks.
- Membership comprises of the Executive Directors, the Group General Counsel and Company Secretary, the heads of the Group's two operational Divisions and the heads of Group functions.

Board of Directors

Sir Richard Lambert
Non-Executive Chairman

R N

Appointed: 18 July 2017

Sir Richard Lambert joined the Bloomsbury Board as an Independent Non-Executive Director in July 2017. He was appointed as Chairman of the Board, Chair of the Nomination Committee and a member of the Remuneration Committee on joining. Sir Richard is Chairman of the British Museum. He is also a member of the Board of the Institute for Government and Trustee of the Kimmeridge Trust. Sir Richard joined the Financial Times after reading History at Balliol College, Oxford. He was editor of the Lex column, became New York bureau chief, and thereafter deputy editor. He was editor of the Financial Times from 1991 to 2001. He served as a member of the Bank of England Monetary Policy Committee from 2003 to 2006, Director General of the CBI from 2006 to 2011, Chancellor of the University of Warwick from 2008 to 2016 and as the senior independent member of the Foreign and Commonwealth Office's Supervisory Board from 2012 to 2017.

Nigel Newton
Founder and Chief Executive

N

Appointed: 11 May 1986

Nigel Newton was born and raised in San Francisco. He read English at Cambridge. After working at Macmillan Publishers, he joined Sidgwick & Jackson. He left Sidgwick in 1986 to start Bloomsbury. Bloomsbury floated on The London Stock Exchange in 1994 and has grown organically and through acquisitions. Nigel Newton serves as a member of the Advisory Committee of Cambridge University Library, Board member of the US-UK Fulbright Commission and President of Book Aid International. He has served as a member of the Booker Prize Advisory Committee, Chairman of the Charleston Trust, Chair of World Book Day, member of the Publishers Association Council, Trustee of the International Institute for Strategic Studies, Chairman of the British Library Trust, head of the Selwyn Association and member of Cuckmere Haven SOS.

Jonathan Glasspool
Executive Director

Appointed: 23 July 2015

Jonathan Glasspool joined Bloomsbury in 1999 and was appointed to the Bloomsbury Board in July 2015. He is Managing Director of Bloomsbury's Non-Consumer Division and has executive responsibility for Bloomsbury India. Jonathan is Chair of the Industry Advisory Board at Oxford Brookes University, a Trustee of Publishing Training Centre (until July 2019), a member of the Academic & Professional Board of the Publishers Association, Chair of Federation of British Artists and Senior Independent Governor of Bath Spa University. He has held roles in publishing with Reed Elsevier in the UK and Asia, the Chartered Management Institute, and Cambridge University Press. Jonathan has a first class degree in English from Trinity College, Oxford, an MA in English from Bristol University, and an MBA with Distinction from Warwick Business School. Jonathan will retire from the Company in July 2020.

Penny Scott-Bayfield
Group Finance Director

Appointed: 16 July 2018

Penny Scott-Bayfield was appointed to the Bloomsbury Board in July 2018, when she joined Bloomsbury as Group Finance Director. Prior to this, she was Finance Director of Conde Nast Britain, and held senior finance roles at Sky Plc and lastminute.com plc. She started her career and qualified as Chartered Accountant (FCA) with Deloitte. Penny Scott-Bayfield has a first class degree in Maths from University College, Durham, and has been a judge on the "Women of the Future" programme since 2011.

John Warren
Senior Independent Director

A N R

Appointed: 23 July 2015

John Warren joined the Bloomsbury Board in July 2015 and is the Senior Independent Director, Chair of the Audit Committee, and the member with recent and relevant financial experience. He is a Chartered Accountant (FCA) and has a wealth of Non-Executive and Audit Committee chairmanship experience with companies including Rexam Plc, Spectris plc, Welsh Water, Greencore Group plc, 4imprint Group plc and Bovis Homes Group Plc. As an Executive Director, he was Group Finance Director of WH Smith Plc and prior to that, United Biscuits (Holdings) Plc.

Steven Hall
Independent
Non-Executive Director

A N R

Appointed: 1 March 2017

Steven Hall joined the Bloomsbury Board in March 2017. He is managing director of IOP Publishing, a leading publisher of scientific books, journals and websites, and has worked in academic publishing for more than 40 years. He has extensive experience of digital publishing and has led the development of pioneering online content databases. He is a member of the Academic Publishers Council of the UK Publishers Association and regularly represents the publishing industry to Government and policymakers in the UK and overseas. He served for six years on the board of the International Association of STM Publishers, in his final year as chair, and was one of three publisher members of the UK's "Finch" group.

Leslie-Ann Reed
Independent
Non-Executive Director

A R N

Appointed: 17 July 2019

Leslie-Ann Reed joined the Bloomsbury Board in July 2019. She is currently an Independent Non-Executive Director and Chair of the Audit Committee of Learning Technologies Group plc, Induction Healthcare Group Limited and Centaur Media plc. She was formerly a Non-Executive Director and Chair of the Audit Committee of the London listed publisher Quarto Group Inc and Vice Chair of the Supervisory Board and Chair of the Audit Committee of the German-listed company ZEAL Networks SE. Leslie-Ann is a Chartered Accountant by profession, and has held senior finance roles in various media and professional services companies, namely Universal Pictures, Polygram Music, EMI Music and Warner Communications Inc, acted as an advisor to Marwyn Investment Management, and was Chief Financial Officer of the B2B media group Metal Bulletin plc and the online auctioneer Go Industry plc.

Committee member:

- A Audit Committee
- R Remuneration Committee
- N Nomination Committee
- Chair of Committee
- Executive Director
- Non-Executive Director

Maya Abu-Deeb
Group General Counsel and Company Secretary

Maya Abu-Deeb is a qualified solicitor and joined Bloomsbury in 2008. Maya is responsible for all legal advice to the Company, and manages the legal and contracts teams at Bloomsbury. She is also Company Secretary and Group Data Protection Officer. Prior to joining Bloomsbury, Maya was in private practice for ten years, specialising in commercial, media and intellectual property law, and advising in respect of both contentious and non-contentious matters.

Maya read Oriental Studies at St John's College, Oxford, before completing the Common Professional Exam and Legal Practice Course at the College of Law in London.

Directors' Report

The Directors present their report and the audited financial statements for Bloomsbury Publishing Plc and its subsidiary companies (the "Group") for the year ended 29 February 2020. Bloomsbury Publishing Plc is a company incorporated in England and Wales, company number 01984336, with its principal place of business and registered office at 50 Bedford Square, London WC1B 3DP. Bloomsbury Publishing Plc is a premium listed company on the Main Market of the London Stock Exchange subject to the Listing Rules ("LR") and Disclosure Guidance and Transparency Rules ("DTR") of the Financial Conduct Authority.

This Directors' Report forms part of the Company's Strategic Report, as required under the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013. The Strategic Report also serves as the Management Report for the purposes of DTR 4.1.8R, and includes the reporting requirements of the EU Non-Financial Reporting Directive, as incorporated into the Companies Act (see pages 20, 25 and 46 to 63 of the Strategic Report).

Information that is relevant to this Report and information required under the Companies Act 2006 and LR 9.8.4R is incorporated by reference and can be found in the following sections:

Information	Section in the Annual Report	Page
Future developments of the Company	Strategic Report	10 to 11, and 16 to 17
Risk factors and risk management	Strategic Report	40 to 45
Use of financial instruments, financial risk management objectives and policies	Financial Statements	157 to 160
Sustainability	Strategic Report	55
Greenhouse gas emissions	Strategic Report	56 to 57
Viability statement	Strategic Report	45
Governance arrangements	Corporate Governance Report	75 to 80
Directors	Corporate Governance Report	68 to 69
Employment policies and employee engagement	Strategic Report	50 to 53
Diversity	Strategic Report	54
Stakeholder engagement	Strategic Report	58 to 63
S172 statement	Corporate Governance Report	108

Overseas activities

The Group has overseas subsidiaries that are based and operate in North America, Australia and India, and a joint venture company that operates in China. These subsidiaries allow locally employed teams to deliver services locally to authors and customers. Employees from all Bloomsbury offices can be involved in business development and travel to various countries worldwide.

Overseas branches

The Company has no branches outside of the UK.

Results

The Financial Review on pages 36 to 39 sets out the Group's profit before tax and highlighted items, revenue and profit before tax along with other key performance indicators. Profit after tax for the Group's operations for the year was £10.5 million (2019: £9.2 million).

Material post-balance sheet events

Details of material post-balance sheet events are set out at note 29.

In addition to the matters referenced there, since the year end, Government restrictions and retail closures have been imposed in all of the Group's key markets of the UK, USA, Australia and India, as well as many other important markets.

It is not possible to estimate the extent of the impact on the Group's earnings for the year ended 28 February 2021 as there are mostly unknowns for the Group, as for the world as a whole. The impact may be substantial; the extent will depend on the changing positions of the Group's major wholesale print and digital customers, academic institutions and Government restrictions, and in particular on their impact on retailers. The Company's strategy of expanding and leveraging its digital rights and products means that it is well placed to benefit from increased demand for our digital resources, audio books and ebooks as it is with direct supply.

Since the year end, the Company has taken measures to strengthen its balance sheet and increase liquidity to ensure it has sufficient working capital to weather the impact of coronavirus and avoid damaging the Group's business in the long-term. The key actions have been cost savings, extending our financing facility and raising £8.4 million through the non-pre-emptive placing of Ordinary shares.

Dividend

Bloomsbury had intended to declare a final dividend for the year of 6.89 pence per share. This would have resulted in a total dividend for the year of 8.17 pence per share, up 3% on the previous year.

As previously announced, Bloomsbury has decided, in light of the coronavirus crisis, to conserve cash and therefore will not be paying a cash dividend. It is now proposed, subject to Shareholder approval, that the dividend is instead settled through the issuance of new Ordinary shares by way of bonus issue to Shareholders, with a value equivalent to the proposed final dividend.

Subject to Shareholder approval at our AGM on 21 July 2020, the bonus issue will be made on 28 August 2020 to Shareholders on the register on the record date of 31 July 2020.

The dividends paid and proposed by the Company for the year ended 29 February 2020 and year ended 28 February 2019 are as follows:

Dividend	Dividend per share	Total dividend	Record date	Paid/payable date
2020 Final (proposed)	–	–	–	–
2020 Interim	1.28p	£1.0m	8 Nov 2019	6 Dec 2019
Total	**1.28p**	**£1.0m**		
2019 Final	6.75p	£5.1m	26 July 2019	23 Aug 2019
2019 Interim	1.21p	£0.9m	2 Nov 2018	29 Nov 2018
Total	**7.96p**	**£6.0m**		

Directors

The names of the Directors as at the date of this Report, together with biographical details, are set out in the Board of Directors section on pages 68 to 69. The Directors serving on the Board of the Company during the year were as follows:

	Date appointed in the year (if applicable)	Date resigned in the year (if applicable)
Non-Executive Chairman		
Sir Richard Lambert	–	–
Independent Non-Executive Directors		
Jill Jones	–	17 July 2019
John Warren	–	–
Steven Hall	–	–
Leslie-Ann Reed	17 July 2019	–
Executive Directors		
Nigel Newton	–	–
Penny Scott-Bayfield	–	–
Jonathan Glasspool	–	–

Details of Directors' service contracts and Directors' interests in shares, awards and options are shown in the Directors' Remuneration Report. Other than as disclosed in that Report, none of the Directors held any interest, either during or at the end of the financial year in any material contract or arrangement with the Company or any subsidiary undertaking. The terms under which Directors' contracts may terminate are described in the Directors' Remuneration Report on pages 95 to 96. This includes details of any arrangement by which the Company would pay compensation to its Directors for loss of office, for loss of employment or would make payments in respect of a change of control of the Company.

Appointment and replacement of Directors

The Company is governed by its Articles of Association ("Articles"), the Companies Act 2006 and related legislation with regard to the appointment and replacement of Directors. Company policy is to appoint Directors to the Board on the recommendation of the Nomination Committee. This may be as part of the progressive refreshing of the Board, to reappoint a Director retiring by rotation, to fill a vacancy arising as a result of a retiring Director or as part of measures taken to enhance the skills, experience, capability and balance of the Board.

In 2016, the Board agreed that all Directors would stand for annual re-election and this is now required under the 2018 revision of the UK Corporate Governance Code. Accordingly, the Chairman on behalf of the Board, confirms that each Director proposed for re-election at the 2020 Annual General Meeting ("AGM") continues to contribute effectively and demonstrate commitment to the role (including commitment of time for Board and Committee meetings and any other duties). In addition, the Board believes that each such Director is important to the long-term success of the Company. At the 2020 AGM, Jonathan Glasspool, an Executive Director, will not stand for re-election as he will be retiring from Bloomsbury in July 2020.

The Company may remove a Director from office by passing an ordinary resolution.

Powers of Directors

The powers of Directors are described in the Articles, the Companies Act 2006 and in the schedule of matters reserved for the Board, a copy of which is available on the Company's website at www.bloomsbury-ir.co.uk.

Directors' indemnities and insurance

In accordance with the Articles, the Company may indemnify the Directors to the extent permitted by law in respect of liabilities incurred as a result of their office. The Articles permit the Company to purchase insurance for its Directors and it has maintained insurance throughout the year for its Directors and Officer (the Company Secretary) against the consequences of any actions brought against them in relation to their duties.

Director conflicts of interest

Procedures are in place to ensure compliance with the Directors' conflict of interest duties set out in the Companies Act 2006. These procedures have been complied with during the year and the Board considers that these procedures operate effectively. Details of any new potential or actual conflicts must be submitted to the Board for consideration at the start of each meeting. These may be approved or the Director may be asked, where appropriate, to withdraw from any consideration of a matter where a potential or actual conflict exists. Authorised conflicts or potential conflict matters are reviewed by the Board on a regular basis.

Charitable and political donations

No political donations were made by the Group during the current or previous year. Information about charitable donations made by the Company during the year is set out in the Corporate Responsibility section on pages 46 to 48.

Articles of Association

The Company's Articles may only be amended by special resolution of the Shareholders. The Articles are available on the Company's website at www.bloomsbury-ir.co.uk.

Directors' Report

continued

Share capital and rights attaching to the Company's shares

The share capital of the Company comprises a single class of ordinary 1.25 pence shares ("Ordinary shares"). During the year the Company made no new allotment of shares, nor were any cancelled. Share movements during the year are therefore as follows:

	Fully paid Ordinary shares in issue
As at 1 March 2019	75,328,570
Movement during the year	–
As at 29 February 2020	75,328,570

On 17 April 2020, the Company announced the completion of the non-pre-emptive placing ("Placing") of 3,766,428 Ordinary shares in the capital of the Company ("Placing Shares"), representing 5% of the issued share capital of the Company prior to the Placing, all of which were admitted to the Official List of the Financial Conduct Authority ("FCA") and to trading on the main market for listed securities of the London Stock Exchange ("LSE") on 21 April 2020.

Pursuant to the Placing, and as at the date of this Directors' Report, there were 79,094,998 fully paid up issued shares, all listed on the LSE. The Directors are authorised to issue up to a further 21,343,095 Ordinary shares until the earlier of the date of next AGM of the Company, currently 21 July 2020, or 21 October 2020 should the date of the 2020 AGM be delayed for any reason.

Details of the issued share capital can be found in note 22.

No Ordinary shares carry special rights with regard to control of the Company. At a general meeting of the Company every member has one vote on a show of hands and, on a poll, one vote for each share held. The Notice of General Meeting specifies deadlines for exercising voting rights either by proxy or by being present in person in relation to resolutions to be passed at a general meeting.

Under the Articles, any share in the Company may be issued with such rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine).

No Shareholder is, unless the Board decides otherwise, entitled to attend or vote either personally or by proxy at a general meeting or to exercise any other rights conferred by being a Shareholder if they, or any person with an interest in shares, have been sent a notice under section 793 of the Companies Act 2006 (which confers upon public companies the power to require information with respect to interests in their voting shares) and they, or any interested person, failed to supply the Company with the information requested within 14 days after delivery of that notice. The Board may also decide to apply to the court for an order under section 794 of the Companies Act 2006 so that no dividend is payable in respect of those default shares and that no transfer of any default shares shall be registered. These restrictions end seven days after receipt by the Company of a notice of an approved transfer of the shares or all the information required by the relevant section 793 notice, whichever is earlier.

The Directors may refuse to register any transfer that is not a fully paid share, although such discretion may not be exercised in a way which the FCA regards as preventing dealing in the shares of that class from taking place on an open and proper basis. The Directors may likewise refuse any transfer of a share in favour of more than four persons jointly.

The Company is not aware of any other restrictions in the transfer of Ordinary shares in the Company other than certain restrictions that may, from time to time, be imposed by laws and regulations.

The Company is not aware of any agreements between Shareholders that may result in restrictions on the transfer of the securities or voting rights.

Share dilution

In respect of dilution limits, the Company adheres to the updated "Investment Association Principles of Remuneration" issued in November 2019. In particular:

- The rules of the Company's Long Term Incentive Plan ("LTIP") scheme ensure that:
  - Commitments to issue new shares or reissue treasury shares under executive (discretionary) schemes do not exceed 5% of the issued Ordinary share capital of the Company (adjusted for share issuance and cancellation) in any rolling ten-year period; and
  - Commitments to issue new shares or reissue treasury shares, when aggregated with awards under all of the Company's other schemes, do not exceed 10% of the issued Ordinary share capital (adjusted for share issuance and cancellation) in any rolling ten-year period.
- The Remuneration Committee ensures that appropriate policies regarding flow-rates exist in order to spread the potential issue of new shares over the life of relevant schemes so that the limit is not breached.

The Bloomsbury Employee Benefit Trust may purchase shares in the market to be used for satisfying vested LTIP awards and other employee share options. Further details are given below.

Authorities to purchase shares, to allot shares and pre-emption rights

The Notice of the 2020 Annual General Meeting and explanatory foreword set out:

- An ordinary resolution renewing the authority for the Directors to allot shares under section 551 of the Companies Act 2006;
- Special resolutions renewing the authority given to the Directors to disapply statutory pre-emption rights under section 571 of that Act to allow shares to be issued for cash or treasury shares to be sold for cash on a non-pre-emptive basis; and
- A special resolution renewing the authority given to the Directors to purchase the Company's own shares on the stock market.

Employee Benefit Trust

The Bloomsbury Employee Benefit Trust ("EBT") may purchase shares in the market to be used for satisfying LTIP awards and other employee share options that vest. During the year the EBT held Ordinary shares of 1.25 pence in the Company as follows:

	Fully paid Ordinary shares held by EBT
As at 1 March 2019	500,708
Released to satisfy vesting of awards	19,615
As at 29 February 2020	481,093

As at 29 February 2020 and up to the signing of this Report, the EBT held 481,093 Ordinary shares of 1.25 pence in the Company, being less than 0.61% of the issued Ordinary share capital. The Trustee may vote on shares held by the EBT at its discretion, but waives its right to a dividend.

Share purchases of own shares

During the year, the Company made no purchases of its own shares and the authority granted by Shareholders at the 2019 AGM for the Company to purchase its own shares was, at the end of the reporting period, still valid. This authority allows the Company to make market purchases of up to 10% of the issued Ordinary share capital as at 21 May 2019 (excluding treasury shares).

Substantial shareholdings

As at 29 February 2020, the Company had been notified under DTR 5 of the following interests of 3% or more in the issued share capital of the Company.

	Ordinary shares number million	% issued shares[1]
Institution		
Montanaro Asset Management Limited	3.3	4.31%
Majedie Asset Management Limited	3.5	4.64%
BlackRock Inc	4.1	5.46%

[1] Based on 75,328,570 issued shares.

All notifications made to the Company under DTR 5 are published on the Regulatory Information Service and on the Company's website (www.bloomsbury-ir.co.uk).

Between 29 February 2020 and 8 June 2020 (being the latest practicable date before the publication of this Report), the Company received further notifications under DTR 5, with the most recent position being as follows (based on 79,094,998 issued shares as these notifications were released following the Placing):

- Chelverton UK disclosed a holding of 4.86%; and
- Canaccord Genuity Group disclosed a holding of 11.48%.

Change of control

The Group has established close relationships over a long period within the publishing markets in which it operates. It relies heavily on its goodwill and reputation and in particular on its reputation as an autonomous independent publisher with authors, customers and key employees that could be affected by a change of control.

There are no significant agreements to which the Company is a party that alter or terminate upon a change of control following a takeover bid except in respect of the Group's revolving credit facility described at note 25c.

The Company's share incentive schemes (see note 23 for further details of the share incentive schemes) contain provisions relating to a change of control of the Company following a takeover bid. Under these provisions, a change of control of the Company would normally be a vesting event, facilitating the exercise of awards, typically subject to the discretion of the Remuneration Committee.

Contracts and arrangements essential to the business

The Group has a diverse base of authors, customers and general suppliers so that its dependency on any one individual author, customer or supplier is reduced. Primarily for printed books, the Group develops longer-term relationships with a reduced number of business partners, printers and distributors to maximise process efficiencies and economies of scale. Failure of a main supplier could temporarily disrupt the supply of books to market or result in increased cost of working whilst alternative arrangements are made.

The Group depends on its reputation which strongly influences authors and customers in their selection of publisher.

Cautionary statement

The Directors' Report together with all sections incorporated into it by reference has been prepared only for the Shareholders of the Company. Its sole purpose and use is to assist Shareholders to exercise their governance rights. In particular, the Directors' Report has not been audited or otherwise independently verified. The Company, its Directors and employees are not responsible for any other purpose or use or to any other person in relation to the Directors' Report.

The Directors' Report contains indications of likely future developments and other forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the sectors, countries and business divisions in which the Group operates.

These factors include, but are not limited to, those discussed in the Risk Factors and Risk Management section. These and other factors could adversely affect the Group's results, strategy and prospects. Forward-looking statements involve risks, uncertainties and assumptions. They relate to events and or depend on circumstances in the future that could cause actual results and outcomes to differ materially from those currently anticipated. No obligation is assumed to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Directors' Report

continued

Auditor

a) Reappointment of the Auditor

A resolution to reappoint KPMG LLP as Auditor will be proposed at the forthcoming AGM.

b) Statement as to disclosure of information to the Auditor

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the Auditor is unaware. The Directors have each confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditor.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs as adopted by the EU") and applicable law and have elected to prepare the parent Company financial statements on the same basis.

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 Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable;
- State whether they have been prepared in accordance with IFRSs as adopted by the EU;
- Assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so. The Directors' statement regarding the adoption of the going concern basis of accounting is set out in the Strategic Report on page 45 and at note 2c.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, www.bloomsbury-ir.co.uk. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Safe harbour

Under the Companies Act 2006, a safe harbour limits the liability of Directors in respect of statements in and omissions from the Strategic Report and the Directors' Report. Pages 1 to 184 of the Annual Report, and the front and back covers to the Annual Report, are included within the Directors' Report by reference and so are included within the safe harbour.

Responsibility statement of the Directors in respect of the annual financial report

In accordance with DTR 4.1.12R, each of the Directors, whose names and roles are set out in the Corporate Governance section on pages 68 to 69, confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent Company and the undertakings included in the Group taken as a whole; and
- The Management Report (which includes the Strategic Report and the Directors' Report) includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Strategic Report and Directors' Report were approved by the Board on 20 May 2020.

By order of the Board

Maya Abu-Deeb
General Counsel and Company Secretary

Corporate Governance Report

The Board takes its responsibility to achieve sound governance of the Bloomsbury Group seriously, and continuously maintains high standards of corporate governance that focus on serving the interests of Shareholders and other key stakeholders.

Governance structure and Board effectiveness

Role of the Board

The Board is responsible for the overall leadership of the Group. The Board determines, and oversees the execution of, the Group's strategy, and is responsible for the overall management, control and performance of the Group's business. The Board reviews and monitors internal controls, risk management, principal risks, governance and viability of the Company, and is closely involved in developing and monitoring the Group's values and culture. The Board is ultimately responsible to the Shareholders for the direction, management, performance and long-term sustainable success of the Company.

Board oversight of culture and values

The Company's core values as set out on the inside front cover of this Annual Report are central to its purpose: to inform, educate, entertain and inspire readers of all ages all over the world. These values fundamentally inform the strategy adopted by the Company in pursuing that purpose, and the behaviours and activities of the Company's workforce in achieving the Company's strategic objectives. The Board is closely involved in shaping the Company's values and monitors the culture of the Company with the assistance of its Committees.

The Board receives regular updates from the Company's Director of Human Resources on key themes and issues arising out of the Company's programme of Employee Voice Meetings and is provided with detailed minutes of each of these meetings. The Non-Executive Directors have a standing invitation to attend Employee Voice Meetings and in this way are able to assess organisational health through direct engagement with a wide range of employees during such meetings. Further information on the Company's Employee Voice Programme is set out in the Strategic Report on page 50.

The Board also receives updates from the Head of the Company's Diversity and Inclusion Working Group on the Company's activities in this area. Other ways in which the Board monitors culture include reviewing the results of employee surveys, monitoring staff turnover levels and receiving regular whistleblowing reports.

The Board has not identified any significant issues pursuant to its monitoring activities which require corrective action.

The Board recognises the importance of these matters and we continue to focus on developing relevant policies.

Engagement with stakeholders

Details of the Company's engagement with key stakeholders are set out in the Strategic Report on pages 58 to 63. In respect of engagement with the workforce, the Board considers the method of engagement through the forum of Employee Voice Meetings as described above to be effective as it provides a means for the Board to hear directly from employees on matters of concern to them, and provides insight on how to enhance employee satisfaction and work effectiveness within the Company. The Board is actively involved in considering and developing the Company's response to matters raised during Employee Voice Meetings.

Powers and responsibilities of the Board

The Company's Articles of Association set out the Board's powers. The Board has a formal schedule of matters specifically reserved for its own decision. A copy of this schedule can be found on the Company's website at www.bloomsbury-ir.co.uk. The schedule was reviewed and updated during the financial year to ensure that it complies with the Code and other legal and regulatory requirements, and reflects best corporate practice.

The key responsibilities of the Board include:

- Reviewing and setting long-term objectives and commercial strategy;
- Developing and monitoring the Company's values and culture;
- Considering stakeholder interests in decision-making;
- Reviewing and approving the annual operating and capital expenditure budget;
- Reviewing the Company's performance in light of the Group's strategy, objectives, business plans and budgets;
- Approving an extension of the Group's activities into new business or geographic areas;
- Approving any decision to cease to operate all or any material part of the Group's business;
- Approving major changes to the Group's corporate, senior management and control structure or share capital structure;
- Approving the Annual Report and Accounts, the half-year statements and associated announcements;
- Approving the dividend policy and declaration of dividends;
- Approving significant changes to accounting policies;
- Approving the treasury policy;
- Monitoring the Group's risk management policy and procedures, oversight of the internal risk control framework and carrying out an annual review of their effectiveness;
- Approving all material contracts, acquisition of titles, net advances and major investments above a specified level;
- Approving resolutions to be put to the AGM and circulars to Shareholders;
- Approving changes to the structure, size and composition of the Board, following recommendations of the Nomination Committee;
- Approving appointments to the Board;
- Approving the Remuneration Policy upon recommendation of the Remuneration Committee;
- Approving the remuneration of Non-Executive Directors; and
- Approving various Company policies.

Corporate Governance Report

continued

Board Committees

The Board has three Committees to assist in the discharge of its duties: the Audit Committee, Nomination Committee and Remuneration Committee. The Chairs and members of these Committees are appointed by the Board on the recommendation of the Nomination Committee in consultation with the respective Committee Chair. Each of the Committees have formally delegated duties and responsibilities under their written terms of reference, which are approved by the Board and can be found on the Company's website, www.bloomsbury-ir.co.uk. Each Committee's terms of reference was reviewed and updated during the financial year to ensure that it complies with the Code and other legal and regulatory requirements, and reflects best corporate practice.

All main Board meetings provide standing items for each Committee Chair to update the Board after each Committee meeting. Committees also submit reports and recommendations to the Board on any matter which they consider significant to the Group.

The main roles and responsibilities of the Board Committees are summarised in the Corporate Governance Framework set out page 67 of this section.

The Board may also appoint a sub-committee of the Board as and when required.

Further information on the activities of each Committee is detailed within the separate Committee reports.

Composition of the Board

As at the date of this report, the Board comprises the Non-Executive Chairman, three Executive Directors: the Chief Executive, the Group Finance Director and the Managing Director of the Academic and Professional publishing division, and three independent Non-Executive Directors, one of whom is appointed as the Senior Independent Director. The biographies of the Directors appear on pages 68 to 69 of this section.

Division of responsibilities

Chairman	• Ensuring the effective operation of the Board and its Committees in conformity with the highest standards of governance; • Leading, chairing and managing the Board; • Promoting a culture of openness and debate at Board level and ensuring constructive relations between Non-Executive and Executive Directors; • Setting the Board agenda and ensuring adequate time is available for discussion on all agenda items; • Ensuring the Board receives accurate, clear and timely information; • Leading the performance evaluation of the Board and Committees; • Ensuring that there is effective communication with Shareholders and other stakeholders; • Considering the composition and succession planning of the Board and its Committees; • Ensuring the Board's Committees are properly structured with appropriate of terms of reference; and • Ensuring that Directors receive a tailored induction programme when joining the Board.
Chief Executive	• Managing the Group's business and implementing Board decisions, policies and strategies; • Developing the Group's corporate strategy and objectives for recommendation to the Board; • Providing leadership to the Executive Committee to achieve strategic objectives; • Promoting the desired culture to the Company's workforce and ensuring that operational policies and practices drive appropriate behaviours; • Leading effective engagement with Shareholders and other stakeholders; and • Monitoring, reviewing and managing the risk framework and strategies with the Board.
Group Finance Director	• Providing day-to-day management of the Group's financial affairs; • Managing the Group's financial planning, reporting and analysis; • Supporting the Chief Executive in developing and implementing strategy; and • Leading other functional areas such as tax, treasury, internal controls and risk management, and corporate finance.
Senior Independent Director	• Acting as a sounding board for the Chairman; • Serving as an intermediary for the other Directors and Shareholders as necessary; • Meeting with Shareholders on matters where usual channels are deemed inappropriate; and • Leading the annual evaluation of the Chairman of the Board.
Non-Executive Directors	• Scrutinising and holding to account the performance of management and individual Executive Directors against agreed performance objectives; • Providing constructive challenge to the Executive Directors; • Contributing to the development of proposals on strategy and proposed corporate initiatives; and • Monitoring the integrity of financial information, financial and non-financial controls and systems of risk management.
Company Secretary	• Advising the Board, through the Chairman, on all governance-related matters and best practice; • Providing advice and services to the Directors and Board Committees where requested; and • Ensuring clear and timely information flow to the Board and its Committees.

There is a clear separation of the roles of the Chairman and Chief Executive to prevent any individual from having unfettered powers of decision. A formal statement describing the division of responsibilities between the Chief Executive and the Chairman together with details of the roles and responsibilities for each of the Chairman, Chief Executive and Senior Independent Director, can be found at www.bloomsbury-ir.co.uk.

Corporate Governance Report

continued

Activities of the Board during the year

A key area of focus for the Board throughout the year was an ongoing assessment of the measures implemented by the Company in respect of revisions to its governance framework to ensure compliance with the newly effective Code's principles and provisions. Consideration of such matters has been a standing agenda item at Board meetings throughout the year. Notable items which the Board discussed as part of this assessment included:

- The effectiveness and appropriateness of Employee Voice Meetings as the method of engagement with the Company's workforce;
- The Board's monitoring and understanding of organisational culture and values;
- The identification of key stakeholders and their interests, and the Company's engagement with the relevant stakeholders;

The following key matters are standing agenda items at every Board meeting:

- Updates from the Audit, Nomination and Remuneration Committee Chairs;
- Report from the Chief Executive;
- Report from the HR Director on HR initiatives and outcomes of Employee Voice Meetings;
- Report from the Group Finance Director;
- Discussion of strategy and key strategic objectives;
- In-depth focus on a principal risk; and
- Corporate Governance update.

During the year, among other matters, the Board considered the following:

- Review and setting of long-term objectives and commercial strategy for the Company's operations supported by an in-depth review of the publishing market;
- Review and approval of the annual budget;
- Review of the management accounts, short and long-term forecasts, key performance indicators and full year forecasts;
- Review of progress against agreed financial and strategic objectives and internal and external forecasts;
- Review and approval of the Annual Report and Accounts, the half-year statements and associated announcements;
- Approval of the interim and final dividends;
- Regular reports by Executive Directors on operational matters;
- The acquisition of Oberon Books Limited and certain assets from Zed Books Limited;
- The Company's entry to the domestic Chinese market through a joint venture with China Youth Publishing Group and Roaring Lion Media;
- The management and review of the risks of the Company;
- Review of the Group Treasury policy;
- Review of the Group's tax strategy;
- Review and approval of revised terms of reference for all the Committees;
- Review and approval of the Company's mission, purpose and values statement;
- Consideration of the Company's key stakeholders and their interests, and review of stakeholder engagement;
- Review of other routine corporate governance matters, in particular, ensuring compliance with the Code;
- Review of the Group's whistleblowing procedures; and
- Evaluation of the Board's own effectiveness.

In addition to its regular meetings throughout the year, the Board convenes annually with members of the Company's Executive Committee and other key operational employees of the Company for the Board Strategy Day, during which the Board undertakes an in-depth review of key areas of the Company's business, sets the strategic direction of the Company and reviews performance against previously agreed strategic objectives.

Whistleblowing

Under the Code, the Board is responsible for approving and overseeing the Group's whistleblowing policy and ensuring that adequate procedures are in place for staff to raise concerns in confidence. The Company has an approved whistleblowing policy which can be viewed at www.bloomsbury-ir.co.uk. The Board is provided with an update of all significant matters that are reported under the policy.

Conflicts of interest procedures

The Board has reviewed the interests of the Directors and the Company maintains a register of areas of potential conflict of interest for Directors. Additionally, Directors are required to declare any new interests at the start of all Board and Committee meetings. In accordance with the Board's formal policy, should a matter arise where there is a risk of a conflict in the Board discussing matters or making decisions, the Director affected by the conflict will absent themselves from the meeting while the matter is considered. During the year, there were no actual or potential conflicts of interest arising that required a Director to take this step. Directors may also notify the Company, via the Company Secretary, at any time, of any potential or future direct or indirect conflicts that may arise, or that may possible conflict with the interests of the Company. Any such notifications are required to be considered and, if thought appropriate, authorised by the Board.

Director independence

The Board has reviewed the independence of each Non-Executive Director and considers all the Non-Executive Directors who serve during the year to be independent in character and judgement, and does not consider that there are any relationships or circumstances which affect, or could appear to affect, their independent judgement. The Board meets the requirement under the Code that at least half the Board (excluding the Chairman) should be independent Non-Executive Directors.

Time commitments
The time commitments of Directors are considered on appointment and annually. The Board is satisfied that there are no Directors whose time commitments are considered to be a matter of concern and that each of the Directors have sufficient time to meet their Board responsibilities. None of the Executive Directors have taken up more than one Non-Executive Director role at a FTSE 100 company or any other significant appointment. Additional appointments are not to be undertaken without prior approval of the Board.

Board information and support
All Directors have access to the advice of the Company Secretary where required. Directors also have access to independent professional advice, if required, at the Company's expense.

Attendance at Board and Committee meetings
The table below shows the attendance of Directors at Board and Committee meetings during the year ended 29 February 2020. During the year, there were seven scheduled Board meetings. Executive Directors may also have been present at Committee meetings, either in full or part to update members. Nigel Newton attends the Nomination Committee as a full member.

	Committee appointments	Board	Remuneration	Audit	Nomination
Chairman					
Sir Richard Lambert	R N	7/7	8/8	–	2/2
Executive Directors					
Nigel Newton	N	7/7	–	–	2/2
Penny Scott-Bayfield		7/7	–	–	–
Jonathan Glasspool		7/7	–	–	–
Non-Executive Directors					
Jill Jones[1]	A R N	4/4	4/4	2/2	1/1
John Warren[2]	A R N	6/7	7/8	4/4	2/2
Steven Hall[3]	A R N	7/7	8/8	4/4	2/2
Leslie-Ann Reed[4]	A R N	3/3	4/4	2/2	1/1

1 Jill Jones resigned as a Director of the Company on 17 July 2019.

2 John Warren was unable to attend one Board meeting and one Remuneration Committee meeting due to an external commitment. Prior to the meetings, Mr Warren communicated his comments on the business of the Board and the Committee to their respective Chairs.

3 Steven Hall became Chair of the Remuneration Committee on 17 July 2019.

4 Leslie-Ann Reed was appointed as a Director of the Company on 17 July 2019. In addition to the meetings above, Leslie-Ann Reed attended a Board meeting as an observer prior to joining the Board.

Committee member:
A Audit Committee
R Remuneration Committee
N Nomination Committee

Board and Committee evaluation for 2019/2020

The Board
The Board conducts an annual formal evaluation of its performance. For 2019/2020 this was conducted internally.

The 2019/2020 evaluation of the Board took place towards the end of the financial year. It was led by the Chairman, supported by the Company Secretary, who used questionnaires completed by all the Directors to appraise the performance of the Board and to discuss any improvements needed to the Board processes. The Chairman also conducted one-to-one interviews with each of the Directors. He then reported to the Board and to the Nomination Committee where his findings were considered. Overall, the results of the evaluation were positive and showed that the Board continued to work well together, with strong commitment from the Executive and Non-Executive Directors. The evaluation concluded that the performance of the Board, its Committees, the Chairman and each of the Directors continued to be effective. The composition and size of the Board was considered to be appropriate, with an appropriate balance of experience, skills and capabilities. All Directors demonstrated commitment to their roles and contributed effectively. The main areas identified by the evaluation for continued focus were:

- The further development and articulation of long-term strategy; and,
- The further improvement in the effectiveness of the Company's internal operational systems and processes, including IT systems.

Corporate Governance Report

continued

Progress against the 2018/2019 evaluation

A summary of the Board's progress against the actions arising from the 2018/2019 evaluation are set out below:

Action	Progress
It would be appropriate to further the engagement of members of senior management in Board meetings.	Presentations have been delivered by members of the senior management at Board meetings during the course of the year, including from members of the Sales and Marketing, IT and Finance teams.
The Board should engage more on strategy and longer-term trends.	A routine "Strategy" item is included on each Board agenda and remains an area of focus.
The Company should review the methods by which the Company measures the satisfaction of authors with the service provided by the Company.	Author engagement and satisfaction was considered as part of the Board's overall consideration of stakeholder engagement. Further information on the Company's engagement with key stakeholders is set out in the Strategic Report on pages 58 to 63.
Succession planning and appraisals.	Increased focus on career development and training as a means of supporting effective succession planning will be integrated into the formal appraisal process for 2019/2020.

Board Committees

Board Committees are evaluated annually against their terms of reference and against adherence to relevant requirements of the Code and applicable regulations, as well as how they operate as an effective committee. They consider the evaluations and make recommendations to the Board on any changes needed to related Board processes and their terms of reference. During 2019 and 2020, the Board Committees also considered their roles in the light of the changes emerging out of the 2018 Code and how this impacted on their roles, responsibilities and the skills and experience of Committee members.

The Chairman

The present Chairman, Sir Richard Lambert, joined the Board in July 2017 and was considered independent upon his appointment. For 2019/2020, the Senior Independent Director led the evaluation of his performance through confidential discussions with the other Non-Executive Directors and a one-to-one interview with the Chairman. The outcome was reported to the Board who agreed with the assessment that the Chairman continued to lead the Board in an effective and positive manner.

Directors

The Board considers that each of the Directors proposed for re-election at the 2020 AGM continues to contribute effectively, and to demonstrate commitment, to their roles. The Board evaluation process is designed to identify whether each Director has refreshed their skills and knowledge sufficiently for their roles and whether there is anything that the Company can assist them with in the performance of their duties.

Induction, training and development

Upon appointment to the Board, all Directors undertake a comprehensive induction process, which includes dedicated time with the Executive team and senior management. Directors are also provided with induction materials, which comprise an overview of the Group and its organisational structure, the responsibilities of being a Director of a UK-listed Company, Board policies and procedures, minutes of previous Board and Committee meetings and details of the Board's external advisers, amongst other information. In July 2019, Leslie-Ann Reed joined the Board and was supported by an induction programme of introductory meetings with Executive and Non-Executive Directors, senior management and advisers, and which included joining the Board for a routine Board meeting prior to her formal appointment.

The Board and Committees receive regular updates on key governance and compliance issues during meetings. During the year, the External Auditor KPMG provided updates on developments in corporate governance, and auditing and financial reporting standards. External remuneration consultants New Bridge Street led a day's training on long term incentive plans for the Non-Executive Directors, and Deloitte LLP provided an update on new requirements under the 2018 Code.

Relations with Shareholders

The Board, led by the Chairman, is responsible for ensuring an open dialogue with Shareholders based on the mutual understanding of objectives. The Annual Report, interim reports, AGM, market updates and post-results announcement presentations are the principal means through which the Company communicates its strategy and performance to Shareholders. All Shareholders are welcome at the AGM, which includes presentations on the business and an opportunity to ask questions. The Chairs of the Audit, Remuneration and Nomination Committees attend and are available to answer questions.

The Company maintains an active dialogue with its institutional Shareholders and City analysts through a planned programme of investor relations. Twice a year, there are formal presentations of results, followed by a series of post-results meetings with Shareholders. The presentations are made available at www.bloomsbury-ir.co.uk. The outcome of these meetings is reported to the Board. This includes feedback from individual Directors and from discussions by the Company's corporate broker or public relations representative with Shareholders and City analysts. This is used to help review and develop Bloomsbury's procedures. In addition, the Chairman invites significant Shareholders to meet with him to discuss any matter of interest or concern. The Senior Independent Director is also available to Shareholders as required.

Nomination Committee Report

Sir Richard Lambert

Chair of the Nomination Committee

Dear Shareholder,

I am pleased to present my report to you as Chair of the Nomination Committee which describes how the Committee has carried out its responsibilities during the year.

Composition of the Committee

The Committee is comprised of the Chairman of the Board, who chairs the Committee, three Independent Non-Executive Directors and the Chief Executive. The members of the Committee during the year were:

Director	Appointed in the year (if applicable)	Resigned in the year (if applicable)
Sir Richard Lambert (Chair of the Committee)	–	–
Nigel Newton	–	–
Jill Jones	–	17 July 2019
John Warren	–	–
Steven Hall	–	–
Leslie-Ann Reed	17 July 2019	–

The Committee met twice during 2019/2020. The Committee members' attendance can be seen on page 79 of this section of the Annual Report.

Role of the Committee

The terms of reference of the Committee set out its role and authority. These are reviewed annually and can be found on the Company's website, www.bloomsbury-ir.co.uk. In summary, the Committee's responsibilities include:

- Reviewing the size, structure and composition of the Board and making recommendations for changes to the Board where necessary;
- Regularly monitoring and assessing the skills, knowledge, experience and diversity of the Board and senior management;
- Reviewing the results of the Board performance evaluation process to include reviewing the composition and diversity of the Board and its Committees (taking into consideration the balance of skills, experience and knowledge required) and how effectively Board members work together to achieve objectives;
- Reviewing annually the time required from Non-Executive Directors and the number of external appointments held and, in respect of any additional external appointments notified to the Board, considering the type of role, the expected time commitment and any impact which this might have on the Director's duties to the Company;
- Overseeing plans for the orderly succession to Board and senior management positions, taking into account the leadership requirements of the Company in the context of the challenges and opportunities facing the Company;
- Leading the process for new appointments to the Board;
- Identifying and making recommendations to the Board on potential candidates for appointment to the Board and senior management positions;
- Overseeing the induction of new Directors and monitoring ongoing conflicts, time commitments, training and evaluation of the Board; and
- Overseeing the Company's approach to diversity and related initiatives in the context of developing a diverse pipeline for succession.

Board appointment process

The Board appointment process is as follows:

- The annual evaluation of Board effectiveness enables the Committee to identify any gaps in the skills, knowledge and experience needed or forecast in anticipation of Director resignations;

Nomination Committee Report

continued

- The Committee then carries out a more detailed consideration of the Board's structure, balance, diversity and succession planning needs;
- An independent external recruitment consultant is appointed who performs a search to identify candidates meeting criteria agreed with the Nomination Committee. The external consultant carries out initial interviews with candidates and carries out background research on them to formulate a shortlist;
- One or more Directors interview each candidate and feed back to the external consultant on the interview evaluation of the candidate;
- References are taken and other background checks are made on candidates;
- The Nomination Committee sitting together selects the final candidate and makes a recommendation to the Board; and
- The Board has the final decision on appointing a candidate.

Activities of the Committee during the year

In 2019, the Nomination Committee completed the process of recruiting a Non-Executive Director to replace Jill Jones, who was not standing for re-election at the 2019 AGM. The Willis Partnership was appointed to handle the search for her replacement following an evaluation of the Board's needs and the particular skills required. The selection process outlined above was followed. In May 2019 the Nomination Committee recommended, and the Board approved, the appointment of Leslie-Ann Reed to the Board. Her appointment was subsequently approved by Shareholders at the 2019 AGM.

Other matters considered by the Committee during the year included:

- The gender balance for direct reports to senior management;
- Succession plans for the Board and senior management;
- Conflicts of interest, time commitments, independence of directors, training and evaluation of the Board;
- Diversity and inclusion in the Bloomsbury workforce;
- The format of the Board evaluation and once completed, the consideration of the results and feedback; and
- Review of revised terms of reference for the Committee.

Oversight of the Company's diversity and inclusion policy and practices

Central to the Company's mission and purpose is the promotion and dissemination of a multiplicity of voices on a vast range of topics from an international author base. Diversity and inclusion therefore inform the strategy which the Company adopts to realise its purpose. The Board recognises that diversity within the Company's workforce and at senior levels of management may further serve this purpose and support the delivery of Bloomsbury's strategic objectives.

The Committee supports the Board in overseeing the Company's diversity and inclusion policy and related HR strategies for the purposes of developing a strong and diverse talent pipeline for the future through recruitment, retention and development strategies designed to promote all aspects of diversity. The Committee receives periodic updates from the Director of Human Resources and the Head of the Diversity and Inclusion Working Group in respect of diversity and inclusion initiatives across the business. Further information in respect of diversity and inclusion can be found in the Corporate Responsibility section on page 54. The Committee has approved the Company's Diversity and Inclusion Policy.

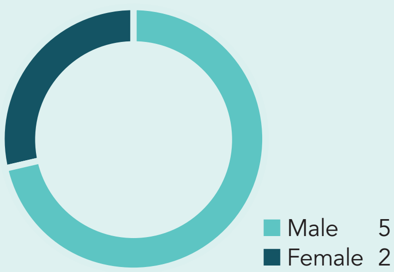
Board diversity

The Board recognises the benefits of greater diversity on the Board and in senior management positions throughout the Group. The Board aims for at least one-third, or the nearest number to a third, of Directors on the Board to be women. At present it has two women among its seven Directors. With the retirement of Jonathan Glasspool in July 2020, one-third of the Directors will be women.

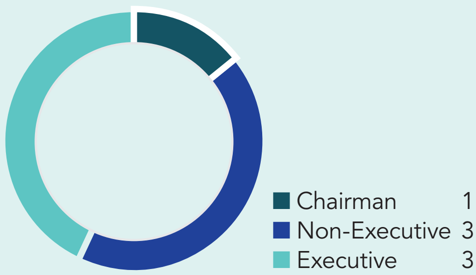
New appointments to the Board are selected by the Nomination Committee using independent search consultants based on merit as the best candidate for the role. The Board appreciates how diversity can enhance the Board's effectiveness in decision-making where different skillsets and perspectives are present in the boardroom and may consider different aspects of diversity such as ethnicity, education and social background in connection with new appointments. The Board considers there to be a diverse pipeline of senior management with respect to gender balance. A majority of the Executive Committee and their direct reports are women.

Board diversity

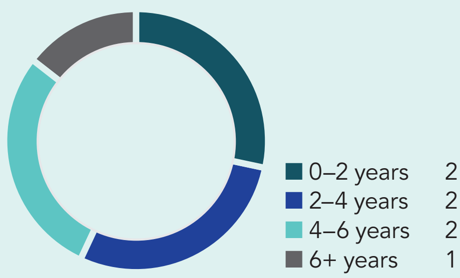
Gender



Balance of the Board



Tenure



Further information on the gender balance at different levels of the Company can be found in the Company's Gender Pay Gap Report on its website (www.bloomsbury-ir.co.uk).

The Board is also committed to ensuring development of a more diverse executive pipeline and will be considering action to broaden the diversity of the global workforce.

Board balance by experience and skills

Bloomsbury Board members bring a wide range of experience and skills which support the Company's strategy. All Board members have strong leadership experience at global business and institutions. The Board believes it has an appropriate balance of skills, experience and knowledge, but the composition of the Board is kept under review to ensure any skill gaps are taken into consideration as part of ongoing succession planning. Details of the Board's skills are set out at the bottom of this page.

Succession planning

The Committee considers succession planning at each meeting. Ensuring that suitable plans are in place for orderly succession to both the Board and senior management positions to ensure business continuity is even more significant in light of the coronavirus pandemic, due to the risk of Board members and members of senior management becoming incapacitated.

The Committee focuses on succession planning at Board level in particular and during the year discussed succession plans for the Chief Executive. The size, structure and composition of the Board together with the knowledge, skills and experience of Directors is kept under review as part of assessing the overall effectiveness of the Board. In the event that a Director were to announce their resignation from the Board, the Committee would identify any resulting gaps in the skills mix and would make recommendations to the Board where appropriate on the skills, knowledge and experience that the replacement candidate should have. On the whole, the Board is satisfied that plans are in place for orderly succession to the Board.

The Board is committed to recognising and nurturing a talent pipeline within the various management levels across the Group to ensure that opportunities are created to develop key individuals within the business. In 2020/2021, the Company intends to take a more structured approach towards below Board succession planning by identifying high potential individuals within the business and providing a structured opportunity for such individuals to develop the skills and experience that would enable them to move into higher tier and/or senior management positions. Earlier in the year, the Company commenced running a bespoke Management Development programme targeted at UK line managers across all departments within the business to support personal development and career progression. The purpose of the programme is to enable individuals to develop the critical knowledge, skills, and behaviours needed in senior business positions. The intention is to run the programme twice per annum and eventually to roll the programme out globally.

Re-election of Directors

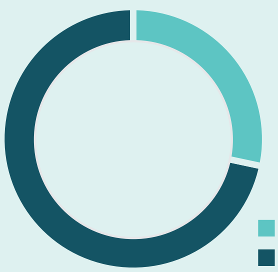
In 2016, the Board decided to follow best practice by requiring all Directors to retire at each AGM and stand for re-election. Annual re-election is now a requirement under the Code for a FTSE SmallCap company such as Bloomsbury Publishing Plc. The Articles of the Company would otherwise require all Directors to be subject to reappointment by the Shareholders at the first Annual General Meeting after their appointment and thereafter at intervals of no more than three years.

Recent Non-Executive Director appointments by the Board have been for periods of up to four years. In 2016, the Board concluded that it would be best served by a policy of progressive refreshing of the Non-Executive Directors, anticipating annual appointments of new Non-Executive Directors and an average duration of such appointments of four years. During 2019 the Board reviewed this policy and decided it remained appropriate given that it retained flexibility to extend an appointment beyond four years where the circumstances made it appropriate to do so.

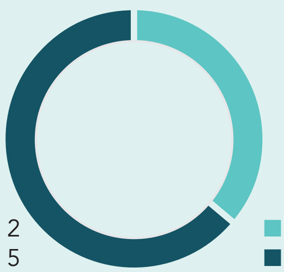
The notice periods by the Company of the Directors are set out in the Directors' Remuneration Report on pages 95 to 96.

Sir Richard Lambert
Chair of the Nomination Committee
20 May 2020

Composition of the Executive Committee



Executive Committee direct reports



Board skills

Plc experience	◆◆◆◆◆
Publishing and media	◆◆◆◆◆◆
Digital and technology	◆◆◆◆◆◆
CEO experience	◆◆◆
Finance experience	◆◆◆◆
Executive compensation	◆◆◆◆◆
Audit and Risk	◆◆◆◆◆
Governance	◆◆◆◆◆◆◆
Global markets	◆◆◆◆◆
M&A	◆◆◆◆◆◆
Business to business operations	◆◆◆◆
ESG	◆◆◆◆

John Warren

Chair of the Audit Committee

Audit Committee Report

Dear Shareholder,

I am pleased to present my report to you as Chair of the Audit Committee which describes the Committee's operations during the financial year ended 29 February 2020.

Composition of the Committee

The Committee is comprised of three Independent Non-Executive Directors. The Chair of the Committee is John Warren, a Fellow of the Institute of Chartered Accountants in England and Wales. The Board is satisfied that his experience and qualifications are sufficient for him to meet the experience and qualification requirements for at least one member of the Audit Committee to hold recent and relevant financial experience as required by the Code and Listing Rules. Leslie-Ann Reed also has extensive financial and Audit Committee experience. In addition, another Committee member, Steven Hall, is experienced in the field of publishing, enabling the Committee to have competence relevant to the sector in which the Company operates. The members of the Committee during the year were:

Director	Appointed in the year (if applicable)	Resigned in the year (if applicable)
John Warren (Chair of the Committee)	–	–
Jill Jones	–	17 July 2019
Steven Hall	–	–
Leslie-Ann Reed	17 July 2019	–

The Committee met four times during 2019/2020. The Committee members' attendance can be seen on page 79 of this section of the Annual Report. The Committee typically invites the External Auditor, the Head of Internal Audit, the Chairman of the Board, the Group Finance Director and the other Executive Directors to attend meetings. There is a standing item on the agenda for the External and Internal Auditors to meet the Committee alone without management present, enabling Committee members or Auditors to share any concerns that they may have.

Role of the Committee

The terms of reference of the Committee set out its role and authority. These are reviewed annually and can be found on the Company's website, www.bloomsbury-ir.co.uk. In summary, the Committee's responsibilities include:

- Monitoring the integrity of the financial and narrative statements of the Company and any formal announcements relating to the Company's financial performance; reviewing significant financial reporting judgements contained therein;
- Overseeing the review of the Annual Report and Accounts and advising the Board on whether taken as a whole it is fair, balanced and understandable and provides the necessary information for Shareholders to assess the Company's performance, business model and strategy;
- Reviewing and advising the Board on the going concern assessment and viability statement;
- Evaluating the Company's internal controls (including financial controls and controls relating to legal and regulatory compliance) and risk management systems;
- Reviewing and approving the statements made in the annual report and accounts in respect of the Company's internal control policies and risk management procedures;
- Monitoring and reviewing the effectiveness and independence of the Company's internal audit function;
- Making recommendations to the Board, for it to put to the Shareholders for their approval in a general meeting, in relation to the appointment, reappointment and removal of the External Auditor and to approve the remuneration and terms of engagement of the External Auditor;

- Reviewing and monitoring the External Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- Developing and implementing policy on the engagement of the External Auditor to supply non-audit services, taking into account relevant guidance regarding the provision of non-audit services by the external audit firm;
- Reporting to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken; and
- Reporting to the Board on how it has discharged its responsibilities.

Activities of the Committee during the year

During the year, amongst other matters, the Committee considered:

- The impact of adopting accounting standards – these are covered in more detail under the heading of Significant financial reporting matters below;
- The annual and interim results and associated announcements, recommending them to the Board for approval;
- The Annual Report and Accounts, recommending them to the Board for approval;
- The analysis supporting the viability statement and the going concern assessment;
- The appointment and remuneration of the External Auditor;
- The External Auditor's audit strategy for the year, agreeing the risks identified therein;
- The effectiveness of the Internal Audit function. For 2019/2020, the Committee considered that it would be appropriate to adopt a revised approach to the internal audit function, which is further described below under the heading of Internal Audit;
- At each meeting, the Group's internal controls policies and associated risk management framework to assess the scope and effectiveness of these matters. The approach to these matters is further elaborated on below while the principal risks facing the Company are described in the Risk Factors and Risk Management section on pages 40 to 45, which also explains how each risk is managed and mitigated; and
- Revised terms of reference for the Committee.

Significant financial reporting matters

The Committee considered:

- The impact of adopting IFRS 16 and the resulting changes including disclosure requirements. Further details are supplied in note 2w to the financial statements;
- Assessment of whether the acquisition of Oberon Books Limited should be treated as an asset purchase or a business combination under IFRS 3;
- The adequacy of provisions made in relation to key balance sheet estimates, specifically including the sales return provision and provision against unearned author advances;
- The adequacy of sensitivity disclosures in relation to Academic & Professional goodwill, particularly in the context of the coronavirus pandemic (note 11);
- The impact of the coronavirus pandemic on the going concern assessment;
- The treatment of rights and services revenues from licences over Bloomsbury's IP to third parties, as stated in note 2g to the financial statements. The revenue recognised from these licences in any one period reflects the value of contracted performance obligations satisfied in that period. The revenue recognition treatment for more complex deals is reviewed and agreed with the Group Finance team before the contract is signed; and
- That the Group's annual and interim financial statements, after review and taken as a whole, are fair, balanced and understandable, and provide the necessary information to assess the Group's position and performance, business model and strategy. In addition, it considered that they met the necessary legal and regulatory requirements.

External Auditor

The Audit Committee has primary responsibility for making a recommendation on the appointment, reappointment and removal of the External Auditor and approving their remuneration and terms of engagement.

The role of External Auditor was tendered following the 2013 AGM and the Board appointed KPMG LLP as External Auditor for the Group and for the Company for audits for the year ended 28 February 2014 and onwards. The detailed tender process followed is set out in the Annual Report for that year. The Group will continue to comply with the relevant tendering and auditor rotation requirements applicable under UK and EU regulations, which require the next external audit tender to occur for the year ending 28 February 2024. The External Auditor is required to rotate the audit partner responsibility for the Group audit every five years.

Sarah Styant has been KPMG's audit partner for the Company since the 2018/2019 audit and attends all meetings of the Committee. During the year, the Committee assessed the effectiveness of the external audit process and were satisfied with the scope, direction and outcome of work. In forming its view the Committee considered:

- The quality of audit work undertaken and resulting findings;
- The scope of the External Auditor's work and whether the External Auditor deployed sufficient resources to complete their agreed programme; and
- The independence and objectivity of the External Auditor, confirmed in a letter addressed to the Committee.

The Committee was satisfied that KPMG was an effective External Auditor and recommended to the Board that the reappointment of KPMG as External Auditor be put to the Shareholders at the 2019 AGM. The External Auditor's terms of engagement and remuneration were approved. Details of the amounts paid to KPMG are provided in note 4 to the Accounts.

Audit Committee Report

continued

External Auditor non-audit services

The Committee has approved a formal policy on the provision of non-audit services to safeguard the independence and objectivity of the External Auditor and reviews the level of non-audit fees relative to audit fees. The full policy can be found on the website www.bloomsbury-ir.co.uk. A list has been approved by the Committee of services that the External Auditor is prohibited from undertaking. Other than the half year review, during 2019/2020, KPMG did not supply any non-audit services to the Group.

Internal controls and risk management

The Code requires the Directors to assess at least annually the effectiveness of the Group's systems of internal control, which include financial, operational and compliance controls, and the system of risk management.

The Board has put in place an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This procedure has been in place for the year under review and up to the date of approval of this Annual Report. The procedure will regularly be reviewed by the Board and the Audit Committee to ensure that the procedures implemented continue to be effective and that, where appropriate, recommendations are made to management to improve the procedures.

The Audit Committee reviews the internal control and risk management systems and internal financial controls while the Board considers the principal risks to the business, the countermeasures in place and the Group's appetite for risk. The Board retains overall responsibility for the Group's internal controls and for reviewing their effectiveness and for approving all related policy. These internal controls are designed to manage rather than eliminate risk, and can only provide reasonable, and not absolute, assurance against material loss.

Until 2018/2019, internal control questionnaires ("ICQ") were used to assess the internal controls across the Group worldwide at least twice annually. Outcomes of assessments were reported regularly to senior management and at each Audit Committee meeting. The Audit Committee considered reports from External and Internal Audit to ensure that adequate measures were being taken by management to address risk and control issues. Following consideration by the Committee, it was determined that a risk-based approach to internal controls should be adopted from 2019/2020 onwards, to ensure that internal controls policies and procedures directly and adequately address the specific risk factors relevant to the Company. Further explanation is provided below under the heading Internal Audit.

Internal controls are reviewed regularly throughout the year with relevant business areas and consideration is given to identifying any actions required to improve the effectiveness of the key controls. The Audit Committee receives reports on the internal controls and progress in respect of any actions identified as necessary to improve the system of controls three times a year.

The Company's system of internal financial control aims to safeguard the Group's assets, ensures that proper accounting records are maintained, that the financial information used within the business and for publication is reliable, that business risks are identified and managed and that compliance with appropriate legislation and regulation is maintained.

Overall, the Board confirms it has monitored the Group's risk management and internal control systems and carried out a review of their effectiveness covering all material controls, including financial, operational and compliance controls.

Internal audit

The internal audit function is responsible for providing independent assurance to management and the Audit Committee on the design and effectiveness of internal controls to mitigate strategic, financial, operational, and compliance risks.

During 2019/20, the Committee determined that it would be appropriate to co-source the function using both internal and external resources, while retaining its oversight, and the Committee approved the engagement of Grant Thornton for this purpose. Martin Gardner, partner at Grant Thornton, was appointed as the Head of Internal Audit, reporting to the Chair of the Audit Committee.

During the year, the Company worked with Grant Thornton to deliver a risk-based audit approach to internal controls and internal audit. Key controls covering the Group's key risk areas were developed and reviewed in consultation with the heads of relevant business areas and with Grant Thornton. These are reviewed and reported to the Audit Committee three times a year.

The internal audit mandate and plan for the relevant year is approved by the Committee, and is aligned to the Company's greatest areas of risk. In preparing Bloomsbury's internal audit plan for 2020/2021, Grant Thornton identified those areas from the Group risk register that could have a significant impact on the business, should the risk crystallise. Out of the auditable areas identified, the Committee approved the internal audit plan proposed by Grant Thornton to conduct two risk-based audits in the following areas:

- Key financial controls: to review the internal control framework covering period-end close, including areas such as accounts payable, accounts receivable and accruals; and
- Cybersecurity: to review cyber and information security arrangements, focused on ensuring that key controls are in place.

Internal control and risk management framework

The preparation of the consolidated financial statements of the Company is the responsibility of the Group Finance Director and is overseen by the Audit Committee with overall responsibility resting with the Board. This includes responsibility for ensuring appropriate internal controls are in place over financial reporting processes and related IT systems. The Audit Committee monitors the risks and associated controls over financial reporting processes, including the consolidation process.

The Risk Factors and Risk Management section on pages 40 to 45 sets out how the Board has taken account of the Group's current position and principal risks and how it has assessed the prospects of the Group over a period of three years. The Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the assessment period.

Relevant features of the Company's system of internal controls and risk management in relation to the financial reporting process and preparation of the Group financial statements include:

- **Organisational culture:** The Company has a highly skilled, professional and committed workforce. The Board is committed to developing a culture of openness, integrity, competence and responsibility. The Company has in place a Group Whistleblower Policy and an Anti-Bribery and Corruption Policy.
- **Organisational structure:** The One Global Bloomsbury structure comprises the worldwide publishing divisions supported by Group functions (finance, IT, production, sales and marketing) which provide an internal control service to the business as internal control pillars within the Group's internal control framework.
- **Risk and control review:** The framework for oversight of the Group's internal controls and risk management process by the Board and the Audit Committee is described above. In addition, the Executive Committee (which comprises the divisional and Group function heads and Executive Directors) are asked to review the Group risk register and accompanying controls and actions for each risk. This ensures that risks and control issues from around the Group worldwide are reported openly to the senior management team and addressed. The Board regularly reviews the significant Group risks to ensure appropriate action is taken to address the risks. The Audit Committee reviews the risks, in particular the financial risks and issues that could impact on reporting, when considering the financial statements.
- **Financial internal control and risk review:** The Group Finance Director formally reviews the internal financial controls, taking account of the risks within the financial information systems, and reports the findings of this review to the Audit Committee. Analytical review of operating results and detailed control questionnaires completed for the publishing divisions and overseas offices supplement management's knowledge of the business for the evaluation of the risks and assessment of the internal financial controls. The Audit Committee also receives reports on the internal controls and risks provided by the Internal Auditor. The Audit Committee receives other reports from management relevant to the internal financial controls such as reports on the progress of key projects.
- **Authority levels:** The Board maintains a detailed register of delegated authorities and sets the level of authority required, before Board approval is needed, to commit the Company or to undertake transactions. It also approves budgets and other performance targets. The publishing divisions and Group functions operate within these authority levels and budgets. The Executive Directors determine the authority to be delegated to individual managers.
- **Financial management reporting:** The Board approves the annual Group budget. Sales are reported daily, weekly and monthly. Financial results of the business operations are reported monthly and compared to budget and forecasts. Detailed forecasts for the Company are updated regularly and reviewed by the Board.
- **Book title acquisition procedures:** Established procedures, such as the review and approval by an Executive Director of acquisition proposals of rights to new books (and approval by the Chief Executive of acquisitions over a specific threshhold), are operated within set authority limits and used for transactions in the ordinary course of business. Acquisitions exceeding delegated authority limits require approval by the Board. Significant acquisitions of companies and businesses are approved by the Board. The Board has set authorised limits for the total author advances held on the Statement of Financial Position as a percentage of net assets and for the total value of committed but unpaid advances.
- **Accountability:** The Company has clearly defined lines of responsibility headed by the Chief Executive and Executive Committee to control the publishing divisions and business functions. Detailed operational and financial performance data are monitored by supervisory management to ensure the performance of operations is in line with targets. The reasons for variances and underperformance are established by supervisory line management and followed up with managers and staff.
- **Overseas offices:** Each overseas office has a local manager or managing director who is responsible for operational effectiveness and local internal controls. Accounting for the Group is centralised and overseas subsidiaries hold limited cash balances. Senior managers and Executive Directors regularly visit the overseas offices and the finance function conducts operational review visits to review the procedures.
- **Internal audit:** For 2019/2020, a risk-based audit approach was used to identify and assess the key internal controls across the Group worldwide. The Audit Committee considers reports from External and Internal Audit to ensure that adequate measures are being taken by management to address risk and control issues.

Significant failings or weaknesses in the internal controls

Following its review, the Committee concluded that the systems of risk management and internal controls are adequate for Bloomsbury, including all the Group companies. There were no significant internal control weaknesses identified that challenged the Group in achieving its objectives.

Committee effectiveness

The Committee's annual evaluation review, which was conducted as part of the 2019/2020 Board evaluation, confirmed that the Committee was continuing to function effectively.

John Warren
Chair of the Audit Committee
20 May 2020

Steven Hall

Chair of the Remuneration Committee

Directors' Remuneration Report

Dear Shareholder,

I am pleased to present my first Directors' Remuneration Report (the "Report") as Chair of the Remuneration Committee for Bloomsbury Publishing Plc for the year ended 29 February 2020. I would like to take this opportunity to thank Jill Jones for her commitment and contribution during her time as Chair of the Committee. The Report has been prepared on behalf of the Bloomsbury Board by the Remuneration Committee and has been approved by the Board.

Outline of the Remuneration Report

The Report is split into the following two sections:

- Part A, the Remuneration Policy Report, which sets out the proposed new Remuneration Policy for the Executive and Non-Executive Directors to be put to Shareholders for approval at the 2020 AGM and which, subject to Shareholders' approval, will operate from 1 March 2020 and become formally effective from the 2020 AGM; and
- Part B, the Annual Report on Remuneration, which discloses how the current Remuneration Policy (approved by Shareholders at the 2017 AGM) was implemented for the year ended 29 February 2020 and how the proposed Remuneration Policy referred to above will be implemented for the year ending 28 February 2021 (subject to Shareholders' approval). The Annual Report on Remuneration will also be subject to an advisory Shareholder vote at the forthcoming AGM on 21 July 2020.

Performance and reward for 2019/2020

The Group delivered a strong performance over the year to 29 February 2020 which was reflected in the financial results. Group profits before taxation and highlighted items increased by 9% to £15.7 million. Profits before taxation increased by 10% to £13.2 million.

The Company had intended to declare a final dividend for the year of 6.89 pence per share. This would have resulted in a total dividend for the year of 8.17 pence per share, up 3% on the previous year. As previously announced, and as explained in the Chief Executive's Review on page 12, the Company has decided, in light of the coronavirus pandemic, to conserve cash and will not therefore be paying a cash dividend. It is now proposed, subject to Shareholder approval, that the dividend is instead settled through the issuance of new Ordinary shares by way of bonus issue to Shareholders, with a value equivalent to the proposed final dividend.

Annual bonus

Annual bonus payments to the Executive Directors are based on a combination of financial and strategic measures. The majority (70%) of the bonus is based on financial measures, (the "Profit Target bonus"), the remainder (30%) is based on strategic measures (the "Strategic Objectives bonus").

For 2019/2020, the Committee set a stretching threshold target for profit, taking into account the Group's budget, analyst consensus forecasts and other factors. Profit above the threshold target set by the Committee accrues into a bonus pool (until the pool becomes fully funded), with distributions from the pool linked to achievement of financial and strategic objectives.

Despite positive achievement during the year, there was a nil payout for Executive Directors under the bonus scheme in respect of 2019/2020, due to the bonus pool being insufficiently funded.

Long Term Incentive Plan ("LTIP") vesting

The LTIP awards granted on 27 July 2017 ("2017 PSP Award") and due to vest in July 2020 were subject to EPS and ROCE performance conditions. Up to half of the award could vest under each of these two performance conditions, with the ROCE element subject to an additional underpin whereby the Committee would consider the underlying performance of the business and apply discretion should it consider it appropriate to do so.

Bloomsbury delivered EPS growth of 7.4% in excess of RPI over the three-year performance period, resulting in 91% of this element vesting, and ROCE of 12.2%, which exceeded the maximum target of 11%. Accordingly, the 2017 PSP Award will vest in July 2020 at 96% of maximum. The Committee considers that this result appropriately reflects the progress Bloomsbury has made over the last three years. All vested shares for Executive Directors will be subject to an additional two-year holding period, which will ensure that awards to Executive Directors will remain aligned with our Shareholders for an extended period. The outcome of the 2017 PSP Award is also shown in tabular form in Part B of the Remuneration Report on page 99.

Review of the Remuneration Policy and remuneration arrangements for 2020/2021

The current Directors' Remuneration Policy was approved by Shareholders at the 2017 Annual General Meeting, with strong support from our Shareholders with 99.5% of votes cast in favour.

In line with UK reporting regulations, the Company is required to submit a new Policy to Shareholders for approval at the 2020 AGM.

During the year, the Committee undertook a comprehensive review of the current Policy to ensure that it continues to incentivise the sustainable delivery of the Board's strategy, strong financial performance and the creation of long-term Shareholder value, with input from Committee members, Executive Directors, Shareholders and the Company's independent advisers. Whilst it was determined that the overall structure of the current Policy continues to operate effectively and should remain unchanged, the new Policy has been updated to reflect the 2018 Code, Shareholders' feedback and recent developments in market and best practice. The maximum incentive opportunities will remain unchanged. A summary of the key changes are:

- The maximum pension contribution rate for new Executive Directors joining the Board will be aligned with the employer contribution rate available to the wider workforce;
- Executive Directors will be expected to build and maintain a shareholding equivalent to 200% of basic salary (increased from 100% of basic salary). Executive Directors will be expected to retain all shares from vested PSP Awards or purchase shares until the guideline is met;
- When an individual steps down as an Executive Director, they will be expected to retain the full shareholding guideline of 200% of basic salary (or actual shareholding if lower) tapering down to nil over two years; and
- The circumstances in which malus and clawback can be enforced have been widened to ensure that the Committee has the ability to prevent payments for failure.

The Committee is also proposing a change to the PSP performance measures for the 2020 PSP Award. The Committee is keen to ensure that performance measures for PSP awards are simple, reward the successful execution of the Company's strategy, support long-term sustainable performance and align with the Shareholders' interests. The performance measures attached to the 2020 PSP Award will be based on EPS (60%), Non-Consumer operating profit (15%), Consumer operating profit (15%) and BDR revenue (10%). While ROCE will not be used as a metric for the 2020 PSP Award, the Committee considers that strong performance under each of the selected metrics will in turn positively contribute to stronger return on capital. The Committee will keep the measures and weightings under review to ensure that they continue to support the long-term success of the Company. Given the impact of the coronavirus crisis on the sector, the Committee is still in the process of finalising the detail of the target ranges, and is currently in the process of consulting with our major Shareholders. Once finalised, our current intention is to disclose the detail of the targets on our website ahead of the AGM.

The annual bonus for 2020/2021 will continue to be based on a combination of financial and operational metrics. Inevitably, the detail of the targets will need to be adapted to reflect the very specific challenges that the business will face in the coming months. When determining outcomes for the year, the Committee will need to be particularly mindful of overall affordability and the approach taken for the wider employee population and exercise discretion as appropriate.

In line with the Group's general workforce, for 2020/2021, an annual increase of 2% was applied to the Executive Directors' base salaries and to the fees of the Chairman of the Board with effect from 1 March 2020. The Chairman of the Board and the Executive Directors approved a similar increase of 2% to Non-Executive Directors fees for 2020/2021. Since the coming into effect of these increases, all the Directors (Executive and Non-Executive) have voluntarily agreed to a temporary reduction of 30% to base salary and fee payments for a period of at least three months from 1 April 2020, as one of a number of measures taken by the Company to mitigate the impact of the coronavirus crisis by conserving cash and reducing costs. Similar arrangements have also been implemented across the employee base. The Company intends to review this approach in July 2020, and consider whether any further extension of the arrangement is required. At the end of the financial year, consideration will be given to whether it is appropriate to reimburse (either in part or in full) the discounted element of salary/fees in respect of the year. This assessment will take into account various factors, including evolving market conditions, the underlying financial health of the business and the approach taken for wider employees.

On appointment to the role of Group Finance Director, Penny-Scott Bayfield was recruited on a salary below that of her predecessor, and below market, on the basis that once her expertise and performance were proven and she was fully operating in the role of Group Finance Director, her salary would be increased, in line with the Group's recruitment approach. Penny's salary will be reviewed further during the course of the year.

Executive Director changes

On 29 October 2019, the Company announced that Jonathan Glasspool will step down from the Board on 21 July 2020, being the date of the AGM, and will retire from Bloomsbury on 31 July 2020. He will not receive any payment in lieu of notice or any ex-gratia payment, and he will not be granted an award under the 2020 PSP Award. The Committee has determined that Jonathan shall be eligible for any bonus that may be awarded in respect of 2020/2021 on a time pro-rated basis. In light of his long service, the Committee decided to confirm Jonathan's status as a "good leaver" for the purposes of outstanding incentive awards. All awards will be subject to time pro-rating, with performance assessed at the end of the relevant performance period.

Implementation of the new Policy in 2020/2021

The Committee consulted with Shareholders regarding the changes to the Policy and the final proposals reflect the feedback received from Shareholders. The Committee is grateful to Shareholders for the time they have given to participating in the consultation process. Your contributions resulted in changes to our proposal and helped to frame the Committee's discussions and facilitate a more robust decision-making process.

We hope that you will find this 2020 Remuneration Report clear and helpful, and of course welcome Shareholder feedback.

Steven Hall
Chair of the Remuneration Committee
20 May 2020

Part A – Remuneration Policy Report

Introduction

The Directors' Remuneration Policy is set out in this section. This Policy will be put to a binding Shareholder vote at the AGM on 21 July 2020 and, if approved, will immediately come into effect from this date.

In determining the Remuneration Policy, the Committee applies the key principles that remuneration should:

- Attract and retain suitably high calibre Executive Directors and ensure that they are motivated to achieve the highest levels of performance including delivering strategic initiatives and objectives and driving sustainable long-term value for Shareholders;
- Align the interests of the Executive Directors with those of the Shareholders and wider stakeholders; and
- Not pay more than is necessary.

The current Policy was approved by Shareholders at the 2017 AGM with strong support from 99.4% of Shareholders.

In determining the new Policy, the Committee followed a robust decision-making process. The Committee discussed the detail of the Policy over a series of meetings in 2019 and early 2020 taking into account the strategic priorities of the business, evolving market practice and investor guidance. In line with the 2018 UK Corporate Governance Code (the "Code"), the Committee also assessed the Policy against the principles of clarity, simplicity, risk management, predictability, proportionality and alignment to culture. Throughout this Policy review process, input was sought from both the management team, while ensuring that conflicts of interests were suitably mitigated, and the Committee's independent advisers. The Committee also consulted with major Shareholders, their representatives and institutional proxy agencies, as outlined below.

While the key features of the current Policy remain unchanged, the new Policy has been updated to reflect feedback from Shareholders, the 2018 Code and recent developments in market and best practice. Key changes to the new Policy include:

- **Pensions** – pension contributions for any new Executive Director appointments will be set in line with the applicable wider workforce rate;
- **Shareholding guidelines** – the in-employment shareholding guideline for Executive Directors has been increased from 100% of salary to 200% of salary. A post-employment shareholding guideline has also been introduced; and
- **Malus and clawback** – the circumstances under which malus and clawback can be applied have been expanded.

Other minor changes have been made to the Policy to increase flexibility and transparency as well as aid its operation and to reflect evolving market practice.

Consideration of Shareholder views

As part of this year's Policy review, the Remuneration Committee engaged directly with major Shareholders and their representative bodies. All feedback received during this process was carefully considered by the Committee, and resulted in changes to our proposals prior to the finalisation of the new Policy.

In general, the Committee considers any Shareholder feedback received in relation to the remuneration resolutions tabled at the AGM each year. This feedback, plus any additional feedback received during any Shareholder meetings from time to time, is considered as part of the Group's annual review of the Remuneration Policy and its implementation. In addition, the Remuneration Committee will seek to engage directly with major Shareholders and their representative bodies should any material changes be proposed to the Remuneration Policy at any time.

Remuneration Policy for Executive Directors – Policy Table

The following table summarises each element of the remuneration policy for the Executive Directors, explaining how each element operates and links to the corporate strategy.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance targets

Salary	• Reflects the value of the individual and their role
	• Reflects skills and experience over time
	• Provides an appropriate level of basic fixed income avoiding excessive risk taking arising from over-reliance on variable income
		• Normally reviewed annually and effective 1 March, although salaries may be reviewed more frequently or at different times of the year if the Committee determines that this is appropriate
		• Takes into account the role, personal experience and performance, business performance, wider workforce policies, and comparisons against companies with similar characteristics and sector comparators
			• No maximum base salary or maximum salary increase operated
			• Annual increases are typically linked to those of the wider workforce, but with scope for higher increases in circumstances including (but not limited to):
			  • Change in role
			  • Where salaries are below market levels
			  • Enhanced performance and experience of the individual
				• N/A

Pension	• Provides role-appropriate retirement benefits • Opportunity for Executive Directors to contribute to their own retirement plan	• Defined contribution/ salary supplement or cash payment in lieu of pension contribution	• For new Executive Directors, the maximum contribution rate will be in line with the employer contribution rate available to the majority of the workforce • For incumbent directors, up to 15% of salary	• N/A
Other benefits	• To aid retention and recruitment	• Benefits include but are not limited to: company car or car allowance, and the provision of private medical/ permanent health insurance and life assurance	• There is no maximum but benefits will be appropriate in the context of the role	• N/A

Directors' Remuneration Report

continued

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance targets
Annual bonus	• Incentivises annual delivery of financial and strategic goals • Maximum bonus only payable for achieving demanding targets	• Normally paid in cash, but may be delivered in shares at the discretion of the Committee • Not pensionable • Performance assessed over a one year period • Measures and targets are set each year, normally based on the Group's business plan as at the start of the financial year • Annual bonus outcomes are typically determined by the Committee following the year end based on performance against pre-determined objectives • Where awards are deferred into shares, dividends (or equivalents) may be payable on any shares that vest	• 100% of salary	• Group financial objectives (majority) • Strategic objectives, including personal objectives (minority) • Performance measures may be varied year-on-year based on the Company's strategic priorities • The level of payout for threshold performance will vary depending on the nature of the measure and the stretch of the targets. For performance between threshold and maximum hurdles, award levels are appropriately scaled • The Committee may adjust the formulaic outcome where it believes the outcome does not reflect the Committee's assessment of the underlying financial or non-financial performance of the Company/individual or is not appropriate in the context of circumstances that were unexpected or unforeseen at the start of the bonus year • Malus and clawback provisions apply. Further details set out below
Long term incentives: Performance Share Plan (PSP)	• Aligned to main strategic objectives of delivering sustainable profit growth and Shareholder return	• Annual grant of nil cost options or conditional awards (or economic equivalent) which normally vest subject to continued service and performance targets assessed over three years • Any vested shares must normally be held by the Executive for a further two years • Dividend (or equivalents) may be payable to the extent that shares under award vest	• Normal grant policy is 100% of basic salary in respect of any financial year • Under the Shareholder approved plan rules, enhanced award levels may be granted up to 150% of salary (e.g. upon an Executive Director's appointment)	• Vesting of PSP awards will be based on performance against relevant financial and strategic non-financial metrics as determined by the Committee • Up to 25% of awards will vest at threshold performance increasing to full vesting at maximum performance levels • For awards granted in 2020, vesting will be based on EPS (60%), Non-Consumer operating profit (15%), Consumer operating profit (15%) and BDR revenue (10%) • The Committee may adjust the formulaic outcome where it believes the outcome does not reflect the Committee's assessment of the underlying financial or non-financial performance of the Company/individual or is not appropriate in the context of circumstances that were unexpected or unforeseen at the time of grant • Malus and clawback provisions apply. Further details set out below

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance targets
All-employee share plans	• To encourage employee share ownership by employees and therefore alignment with Shareholders	• Eligible to participate in any HMRC-approved all-employee plan on the same basis as other employees • The Company currently operates an HMRC tax-advantaged savings plan to fund the exercise of share options over three or five-year savings arrangements (Sharesave) • The exercise price may be discounted by up to 20% • Provides tax advantages to UK employees	• Prevailing HMRC limits apply	• N/A

Notes to the Policy table:

[1] A description of how the Company intends to implement this Policy in 2020/2021 is set out in the Annual Report on Remuneration. As noted on page 89, a temporary reduction has been made to salaries and fees for Board Directors in respect of the current year. Where such temporary reductions are made, the Company reserves the ability to reimburse (either in part or in full) the discounted element of salary/fees in respect of the year having taken into account all factors deemed relevant (e.g. underlying financial health).

[2] The choice of the performance metrics applicable to the annual bonus or long term incentive scheme will reflect the Company strategy at the time of grant. Targets are set by the Committee taking into account internal and external reference points, including the Company's business plan, to ensure that they are appropriately stretching.

Annual bonus – The annual bonus metrics are designed to provide an appropriate balance between incentivising Executive Directors to meet financial targets for the year and to deliver on specific strategic objectives to ensure the business is well positioned to deliver sustainable financial growth and Shareholder value in the future. The annual bonus performance targets are therefore based on a combination of financial, operational and strategic objectives, which provide clear alignment to the Company's KPIs and strategic priorities.

PSP – For the 2020 PSP Award, the Committee has taken the opportunity to review performance metrics to ensure that they continue to support the strategic ambitions of the Company as well as the creation of sustainable value for Shareholders. The Committee continues to consider EPS an appropriate measure that encourages management to grow earnings for Shareholders over the longer term. Consumer and Non-Consumer profit targets as well as BDR revenue targets have been included this year to align with the Company's strategy of growing our product portfolio and our digital presence in a sustainable and balanced way. The Committee will keep the measures and weightings under review to ensure that they support the long-term success of the Company.

Malus and clawback provisions

The annual bonus and PSP incorporate malus and clawback provisions. These enable the Company to reduce the size of unvested awards and to claw back awards for up to three years following the date when the performance outcome is determined, and in respect of the PSP, three years from the date of vesting. The circumstances under which malus and clawback may be applied include:

- Material misstatement in the Company's financial results;
- Assessment of performance conditions based on an error, or on inaccurate or misleading information;
- Serious misconduct on the part of the participant;
- Serious reputational damage; or
- Material corporate failure.

The above circumstances apply for all annual bonus and PSP awards made from 2020 onwards. Previous incentive awards are subject to malus and clawback provisions in the first three circumstances only. The Committee is satisfied that the above provisions provide robust safeguards against inappropriate payment of incentive awards.

Further details

The Committee reserves the right to make remuneration payments and payments for loss of office (which includes exercising related discretions) that are not in line with this 2020 Policy if the terms of the payment were agreed:

1) Before the Policy came into effect, if the payment was made in line with the policy in force at the time or was otherwise approved by Shareholders;
2) At a time when the recipient was not subject to the Policy, provided the Committee does not consider the payment to have been made in consideration of the recipient becoming subject to the Policy.

For these purposes "payment" means any payment that would otherwise be subject to the Policy and, in relation to a share award, will not be considered to have been "agreed" any later than the date of grant.

The Committee may make minor amendments to the Policy (e.g. for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining Shareholder approval for that amendment.

Directors' Remuneration Report

continued

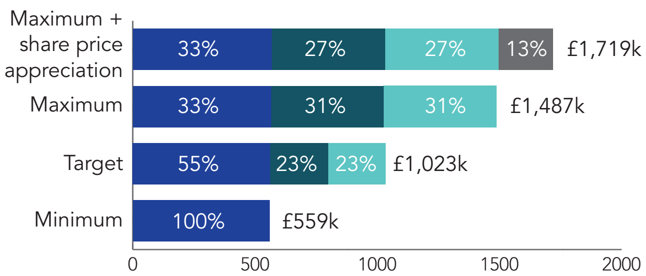
Awards granted under the Company's share plans will be operated in accordance with the relevant plan rules and applicable regulations. Under the plan rules, the Committee retains a number of discretions concerning the operation of the Company's share plans. This includes:

- Determining the participants (including for Executive Directors and below the Board), timing of grants, size of awards and performance conditions;
- Determining the vesting of awards, including both the timing and level of vesting;
- Where possible under the plan rules, determining that awards may be settled in cash rather than shares, where the Committee considers this appropriate (e.g. due to local securities law); and
- Making adjustments in accordance with the relevant provisions of the relevant plan rules, including adjustments to awards to reflect one off corporate events, such as a change in the Group's capital structure.

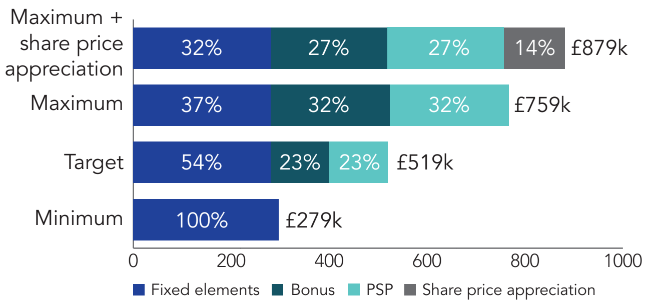
Reward scenarios

The remuneration package comprises both fixed elements (base salary, pension and benefits) and performance-based variable elements (cash bonus and PSP). The structure of the remuneration packages for on-target and stretch performance for each of the Executive Directors for 2020/2021, in line with the Remuneration Policy, is illustrated in the bar charts below.

Nigel Newton - Chief Executive (£'000)



Penny Scott-Bayfield - Group Finance Director (£'000)



Notes:

[1] The minimum performance scenario comprises the fixed elements of remuneration only, based on salary, pension and car allowance as per policy for 2020/2021.

[2] The target level of bonus is assumed to be 50% of the maximum bonus opportunity (100% of salary), and the target level of PSP vesting is assumed to be 50% of the face value assuming a normal grant level (100% of salary). These values are included in addition to the components/values of minimum remuneration.

[3] Maximum assumes full bonus payout (100% of salary) and the full face value of the PSP (100% of salary), in addition to fixed components of remuneration.

[4] In addition, a further performance scenario, comprising fixed pay and the maximum value of incentive arrangements with 50% share price growth applied to the PSP, has been included.

[5] Basic salaries, pension and car allowance used are effective as at 1 March 2020. During 2020/2021, in light of the coronavirus pandemic and its impact on the Company, the Executive Directors voluntarily agreed to a 30% reduction in their salaries. These reductions have not been reflected in the above scenarios.

[6] For simplicity, no share price growth (other than in the scenario stated above) has been factored into the calculations. The value of any Sharesave awards and notional dividends accruing on vested PSP shares has been excluded.

Executive Director share ownership guidelines

Under the guidelines, the Executive Directors are expected to build and maintain a shareholding equivalent to 200% of basic salary (increased from 100% of salary) with no upper limit on the number of shares they may hold. Executive Directors are expected to retain all shares arising from vested PSP awards (net of tax) or purchase shares until the shareholding guideline is met.

Executive Directors will be subject to a post-employment shareholding guideline. Further detail on the operation of shareholding guidelines are set out in the Annual Remuneration Report.

Approach to recruitment and promotions

The remuneration package for any new Executive Director would be set in accordance with the terms of the Company's approved Remuneration Policy at the time of appointment and take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

All remuneration components, as set out in the Policy Table above, would typically apply to a new Executive Director appointment. Salary would be provided at such a level as required to attract the most appropriate candidate and may be set initially at a below market level on the basis that it may progress once expertise and performance has been proven and sustained. Pensions and related benefits would normally be set in line with the wider workforce. New appointments would be eligible to participate in the incentive plans up to the maximum limits set out in the Policy Table. In addition, the Committee may offer additional cash and/or share-based elements to replace remuneration forfeited on joining the Company. It would seek to ensure, where possible, that these awards would be consistent with awards forfeited in terms of vesting periods, expected value and performance conditions.

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

If appropriate the Committee may agree, on the recruitment of a new Executive Director, a notice period in excess of 12 months but to reduce this to 12 months over a specified period.

The remuneration package for a newly appointed independent Non-Executive Director would be set in accordance with the approved remuneration policy in force at that time. Newly appointed independent Non-Executive Directors would not receive pension benefits or variable remuneration.

Service contracts for Executive Directors and payments for loss of office

Service contracts of the Executive Directors are not of a fixed term and are terminable by either the Company or the Director under a notice period of up to 12 months by either party.

At the Board's discretion, early termination of an Executive Director's service contract may be undertaken by way of payment of salary and benefits in lieu of the required notice period (or shorter period where permitted by the contract of service or where agreed with the Executive Director) and the Committee would take such steps as necessary to mitigate the loss to the Company and to ensure that the Executive Director observed their duty to mitigate loss.

Annual bonus may be payable, at the discretion of the Committee, with respect to the period of the financial year served, although it will normally be prorated for time and paid at the normal payout date. Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules. However, in certain prescribed circumstances, such as death, ill health, injury, disability, redundancy, retirement, sale of employing business or other circumstances at the discretion of the Committee, "good leaver" status may be applied. For good leavers, awards will normally vest at the normal vesting date, subject to the satisfaction of the relevant performance conditions at that time and reduced pro rata to reflect the proportion of the performance period actually served. However, the Committee has the discretion to determine that awards vest at cessation of employment and/or not to prorate awards.

The service contracts for Executive Directors are available for inspection at the Company's registered office.

Remuneration Policy for Non-Executive Directors

The Policy on Non-Executive Director fees is set out below.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance targets
Non-Executive Director fees	• Reflects responsibilities and time commitments of each role • Reflects fees paid by similarly sized companies	• The Chairman and Non-Executive Directors receive an annual fee for carrying out their duties • Additional fees may be payable for chairing Board Committees and/or to reflect additional time commitments and responsibilities if appropriate • Fees are normally paid monthly in cash • Where appropriate certain benefits (including travel, expenses and associated taxes) may be provided • Fee levels are reviewed on a periodic basis, with reference to the time commitment and responsibilities of the role and market levels in companies of comparable size and complexity	• No maximum fee or maximum fee increase operated • Annual increases are typically linked to those of the wider workforce, time commitment and responsibility levels • Details of current fee levels are set out in the Annual Report on Remuneration	N/A

Directors' Remuneration Report

continued

The annual fees of Non-Executive Directors, excluding the Chairman, are determined by the Chairman and the Executive Directors. The annual fee of the Chairman is determined by the Committee (excluding the Chairman) and the Executive Directors.

The Non-Executive Directors and Chairman do not participate in the Company's incentive schemes.

Each of the Non-Executive Directors has similar general terms for their agreement, which can be found on Bloomsbury's website at www.bloomsbury-ir.co.uk. The agreements provide for three months' notice by the Director or by the Company with the option for the Company to terminate an appointment at any time on payment of three months' fees in lieu of notice. All Directors' appointments are subject to annual reappointment at each AGM. Termination of the agreements is without compensation.

Consideration of employment conditions elsewhere in the Group

The Committee is updated during the year on workforce remuneration policies, including variable pay schemes and benefits for employees across the Company as a whole, and takes these into account when setting the Policy for Executive Directors. The Committee does not formally consult with employees on the Executive Remuneration Policy.

Remuneration arrangements below Board tend to be skewed more towards fixed pay with less of a focus on share-based long-term incentive pay. These differences have arisen from the development of remuneration arrangements that are market competitive for the various categories of individuals. For example, participation in the PSP is limited to our most senior employees.

Under its terms of reference, the Committee is responsible for annual approval of the Group bonus pool as well as the level of bonus outturns for all those who participate in the Group bonus scheme, including Executive Directors and managers below Board. The Committee also considers the general basic salary increase for the broader employee population when determining the annual salary increases for the Executive Directors. The Company's CEO pay ratio as well as the relative increase in the Chief Executive's pay for the year under review as compared with that of the general workforce is set out in the Annual Report on Remuneration. The Committee also considers environmental, social and governance issues and risk when reviewing executive pay quantum and structure.

PART B – ANNUAL REPORT ON REMUNERATION

Factors considered when determining Executive Director remuneration

When determining Executive Director remuneration, the Committee has due regard for the factors set out in the Code.

Our Executive remuneration arrangements, which comprise fixed pay, an annual bonus and LTIP Award, are simple and aligned with market practice for UK listed companies. They also incorporate a number of features so as not to encourage excessive risk taking. These include the LTIP holding period and in-employment and post-employment shareholding guidelines, both of which support long-term stewardship of the Company. Incentives are also subject to malus and clawback provisions, which have been enhanced this year.

The Remuneration Policy Report sets out the maximum opportunity for each component of pay, but actual outcomes vary depending on performance against financial and strategic objectives. The Committee reviews these objectives, as well as the targets set, on an annual basis to ensure they continue to reward the successful execution of the Company's strategy, support long-term sustainable performance and align with the Shareholders' interests.

The Committee hopes that this Directors' Remuneration Report clearly and transparently discloses the remuneration paid to, or earned, by the Directors in respect of the financial year ended 29 February 2020, and how we are proposing to pay them for 2020/2021.

PART B–1 (AUDITED INFORMATION) Single total figure table of remuneration for 2019/2020

Directors' remuneration for 2019/2020

Details of the remuneration of each of the Directors are as follows:

	Year ended 28/29 February	Basic salary or fees £'000	Benefits £'000	Annual bonus[3] £'000	Long term incentives[4] £'000	Pension benefits £'000	Total £'000	Total fixed remuneration £'000	Total variable remuneration £'000
Executive Directors									
Nigel Newton	**2020**	**455**	**25**	**–**	**702**	**68**	**1,250**	**548**	**702**
	2019	444	29	411	–	67	951	540	411
Jonathan Glasspool	**2020**	**242**	**17**	**–**	**373**	**36**	**668**	**295**	**373**
	2019	236	15	218	–	36	505	287	218
Penny Scott-Bayfield	**2020**	**236**	**7**	**–**	**–**	**35**	**278**	**278**	**–**
	2019	142	2	128	–	14	286	158	128
Non-Executive Directors									
Sir Richard Lambert	**2020**	**111**	**–**	**–**	**–**	**–**	**111**	**111**	**–**
	2019	108	–	–	–	–	108	108	–
Steven Hall	**2020**	**41**	**–**	**–**	**–**	**–**	**41**	**41**	**–**
	2019	39	–	–	–	–	39	39	–
John Warren	**2020**	**42**	**–**	**–**	**–**	**–**	**42**	**42**	**–**
	2019	41	–	–	–	–	41	41	–
Jill Jones[1]	**2020**	**16**	**–**	**–**	**–**	**–**	**16**	**16**	**–**
	2019	41	–	–	–	–	41	41	–
Leslie-Ann Reed[2]	**2020**	**25**	**–**	**–**	**–**	**–**	**25**	**25**	**–**
	2019	–	–	–	–	–	–	–	–
Total	**2020**	**1,168**	**49**	**–**	**1,075**	**139**	**2,431**	**1,356**	**1,075**
	2019	1,051	46	757	–	117	1,971	1,214	757

1 Jill Jones resigned as a Director of the Company on 17 July 2019. Her 2020 fees are up until the date of her resignation.

2 Leslie-Ann Reed was appointed as a Director of the Company on 17 July 2019. Her 2020 fees are from the date of her appointment.

3 Figures shown for bonus payments relating to 2019 are those received during the year based on performance and basic salary received during the previous year.

4 Figures shown for 2020 relate to PSP Awards granted in 2017, which will vest following completion of the three-year performance on 27 July 2020. Vested shares will be subject to an additional two-year holding period. These awards have been valued using a three-month average share price to the 29 February 2020 of £2.815. Of these values, £230,484 and £122,393 relate to share price growth over the performance period for Nigel Newton and Jonathan Glasspool, respectively. Based on the share price on 19 May 2020 (£2.11), the value of the 2017 PSP Awards for Nigel Newton and Jonathan Glasspool would be £487,540 and £258,896 respectively.

More details on the content of the headings in the above table, including a description of the other benefits received by the Directors, their pension contributions and the targets for the 2019/2020 bonus, are set out below under the relevant headings below.

Basic salary

The Executive Directors all received an increase in basic salary of 2.5% with effect from 1 March 2019 in accordance with normal policy. Such increase was in line with the average salary increases for all employees across the Group.

The basic salaries for the Executive Directors from 1 March 2019 were as follows:

Executive Director	From 1 March 2019 £'000	From 1 March 2018 £'000
Nigel Newton	**455**	444
Jonathan Glasspool	**242**	236
Penny Scott-Bayfield	**236**	230

Other benefits

Benefits comprised a car or car allowance (excluding Penny Scott-Bayfield), medical cover, permanent health cover, life assurance, the value of options held in the Sharesave scheme (except for Nigel Newton as he does not hold any such options), and Company schemes offered to staff generally, such as buying books for private use at the staff discount rate.

Pensions

In accordance with the policy, pension contributions in 2019/2020 were 15% of basic salary for Nigel Newton, Jonathan Glasspool and Penny Scott-Bayfield. Directors may elect to receive a cash alternative in lieu of payments by the Company into their private pension arrangements.

Directors' Remuneration Report

continued

Bonus for 2019/2020

The purpose of the Bloomsbury Annual Management Bonus Scheme ("the Bonus Scheme") is to incentivise annual delivery of financial and strategic goals. There are 51 staff in the Bonus Scheme globally, including the Executive Directors. 70% of the bonus relates to Group profits and 30% relates to other strategic objectives.

The Committee sets stretching annual targets for the profit element of the Bonus Scheme, taking into account a wide set of reference points including, for example: Bloomsbury's historical performance to date; internal future projections in line with our business and growth plans; City analysts' consensus forecast; the full year budget; and external performance of any key relevant industry peers (both historic and analyst forecast).

Any payment under either element can only be made out of the bonus pool that accrues above the stretching target that the Committee sets. This incentivises management to achieve profits over and above expectations. Although the profit target set by the Committee for 2019/2020 was achieved in full and there was good achievement against the strategic objectives, due to the bonus pool not funding above the profit target threshold, there was a nil payout under the Bonus Scheme for Executive Directors and senior management in respect of 2019/2020.

Profit target element of bonus for 2019/2020

The Group profit bonus objective accounts for 70% of the total bonus opportunity for Executive Directors. At the start of the year, the Committee set a stretching threshold target for profit before taxation and highlighted items ("Adjusted profit") of £15.7 million after assessing the Group's budget, analyst consensus forecasts and other factors. As set out in the Strategic Report, Bloomsbury performed in line with expectations for the year ended 29 February 2020, achieving Adjusted profit of £15.7 million. However, due to the bonus pool not funding above the profit target threshold, no bonus was payable in respect of the profit element of the target.

Strategic objectives element of bonus for 2020

At the start of the year, the Committee reviewed the 2018/2019 strategic objectives and decided to amend these for 2019/2020 by the addition of two objectives, one relating to sales development of acquisitions and the second relating to employee engagement. Within these seven objectives, stretching targets were set for each. While strong progress was made in a number of strategic areas, no bonus was payable in respect of the strategic element of the bonus, due to the bonus pool not funding above the profit target threshold. An overview of the strategic objectives is set out below:

		Respective weightings		
Strategic objective	Aim	Nigel Newton	Jonathan Glasspool	Penny Scott-Bayfield
Earlier profit realisation	Reduce the dependency on the final two months of the year *Metric – Measured profit*	5%	5%	5%
Cost saving	Improve the efficiency of the Group *Metric – Measured cost*	5%	5%	10%
Sales development of six major properties	Improve revenue and earnings *Metric – Net revenue*	2%	–	–
Inventory reduction	Reduce working capital and improve ROCE *Metric – Net finished goods stock value*	3%	3%	3%
Digital revenue	Achieve the milestones within the Bloomsbury 2020 strategy *Metric – BDR 2020 revenue*	10%	10%	7%
Sales development of acquisitions	Focus on the performance of recent acquisitions *Metric – Revenue arising from recent acquisitions*	2%	4%	2%
Improved employee engagement	Measure the progress and effectiveness of employee engagement initiatives *Metric – Employee turnover*	3%	3%	3%
Total		30%	30%	30%

Vesting of PSP Awards

The PSP Awards granted on 27 July 2017 ("2017 PSP Award") are set to vest on 27 July 2020 based on performance over a three-year period ending 29 February 2020. The performance conditions for this award are as disclosed in previous Annual Reports. The level of vesting for the 2017 PSP awards is as follows:

Metric	Performance condition	Threshold target[2]	Stretch target[2]	Actual	% Vesting
Relative EPS growth (50% of awards)	Compound annual growth in normalised EPS over the performance period in excess of annualised RPI ("Relative EPS growth")	3%	8%	7.4%	46% (out of a maximum of 50%)
ROCE[1] (50% of awards)	ROCE measured in the last financial year of the three-year performance period	9.2%	11.6%	12.2%	50% (out of a maximum of 50%)
Total estimated vesting of 2017 PSP Awards					96%

[1] Vesting is subject to an underpin whereby the Committee will consider the underlying performance of the business and may apply discretion should it conclude it is appropriate to do so. On review, the Committee was satisfied that the outcome was consistent with Company performance over the last three years.

[2] The level of vesting for achievement between threshold and stretch targets is calculated on a straight-line basis from 25% at threshold to 100% at stretch. No vesting for achievement below threshold, and 100% vesting for achievement above the stretch target.

Based on the above, values for the 2017 PSP Awards are as follows:

Executive	Type of award	Number of shares at grant	Number of shares to lapse	Number of shares to vest	Number of Dividend Shares[1]	Total	Estimated value £'000[2]
Nigel Newton	Conditional award with EPS and ROCE performance conditions	240,689	9,628	231,061	18,345	249,406	702
Jonathan Glasspool		127,812	5,112	122,700	9,742	132,442	373

[1] Dividend Shares are in lieu of dividends that would have accrued on the "Number of shares to vest" if held by the participants from the date of grant up to the date of vesting of awards.

[2] Estimated value is calculated using a three-month average share price to the 29 February 2020 of £2.815. The actual value of shares received will vary depending on the share price at the end of the holding period.

PSP Awards granted during 2019/2020

Details of PSP Awards granted in 2019/2020 ("2019 PSP Award") are as follows:

Individual	Scheme	Date of grant	Date of vest	Basis of award (% of base salary)	Face value[1] £'000	Vesting at threshold	Vesting at maximum	Performance period
Nigel Newton	PSP (Conditional awards)	21 Aug 2019	21 Aug 2022	100%	455	25%	100%	ROCE: 3 years to 28 February 2022 EPS: 3 years to 28 February 2022
Penny Scott-Bayfield		21 Aug 2019	21 Aug 2022	100%	236	25%	100%	
Jonathan Glasspool		21 Aug 2019	21 Aug 2022	100%	242	25%	100%	

[1] Face value was determined using a share price of 230p (closing mid-market price of a share on the dealing day before the grant was made).

For awards presented above:

- For 50% of awards (EPS awards): 25% of this part of an award will vest for a compound annual growth rate in normalised EPS over the performance period in excess of annualised RPI ("Relative EPS growth") of 3% increasing pro rata to 100% vesting of this part of an award for a Relative EPS growth of 8%; and
- For 50% of awards (ROCE awards): 25% of this part of an award will vest for absolute ROCE of 12.2% or higher (nil vesting for below), increasing straight-line to 100% vesting of this part of an award for ROCE of 15.3% (100% for above), ROCE measured in the last financial year of the three-year performance period.

The awards will be subject to malus and clawback provisions.

Any vested shares must be held by the Executive Directors for a further two years.

Directors' Remuneration Report

continued

Payments to past Directors

There were no payments to past Directors during the year.

Payments for loss of office

There were no payments for loss of office during the year.

On 29 October 2019, the Company announced that Jonathan Glasspool will retire from the Company in July 2020. Jonathan will step down from the Board on 21 July 2020, being the date of the AGM, and will retire from the Company on 31 July 2020. He will not receive any payment in lieu of notice or any ex-gratia payment, and he will not be granted an award under the 2020 PSP Award. The Committee has determined that Jonathan shall be eligible for any bonus that may be awarded in respect of 2020/2021 on a time pro-rated basis. The Committee has further confirmed Jonathan's status as a "good leaver" for the purposes of outstanding incentive awards. All awards will be subject to time pro-rating and performance (as assessed at the end of the relevant performance period).

Outstanding share awards

PSP Awards

PSP conditional share awards have been granted for nil consideration over Ordinary shares of 1.25 pence in the Company under the Bloomsbury 2014 Performance Share Plan ("2014 PSP"). The number of PSP conditional shares awarded is calculated based on the closing mid-market share price prevailing on the day before the date of grant. The following PSP conditional shares awarded to the Executive Directors were outstanding during the year:

	Date of PSP award	Due date of exercise/ expiry	Price at grant date (pence)	At 1 March 2019	Awarded during the year	Exercised during the year	Lapsed during the year	Share price on date of exercise (pence)	**At 29 February 2020**
Nigel Newton	8 June 2016	8 June 2019	162.00p	261,544	–	–	261,544	–	**–**
	27 July 2017	27 July 2020	180.00p	240,689	–	–	–	–	**240,689**
	30 July 2018	30 July 2021	220.00p	201,851	–	–	–	–	**201,851**
	21 August 2019	21 August 2022	230.00p	–	197,901	–	–	–	**197,901**
Penny Scott-Bayfield[1]	30 July 2018	30 July 2021	220.00p	104,545		–	40,115	–	**64,430**
	21 August 2019	21 August 2022	230.00p	–	102,500	–	–	–	**102,500**
Jonathan Glasspool	8 June 2016	8 June 2019	162.00p	138,888	–	–	138,888	–	**–**
	27 July 2017	27 July 2020	180.00p	127,812	–	–	–	–	**127,812**
	30 July 2018	30 July 2021	220.00p	107,188	–	–	–	–	**107,188**
	21 August 2019	21 August 2022	230.00p	–	105,090	–	–	–	**105,090**

[1] Penny Scott-Bayfield became a Director on 16 July 2018. Her 2018 PSP award over 104,545 shares reflected her annual salary on appointment, rather than her actual salary from the date of her appointment to 28 February 2019. Accordingly, the award was reduced by 40,115 to 64,430 shares to correct the position.

EPS

For 50% of all awards: 25% of this part of an award will vest for a compound annual growth rate in normalised EPS over the performance period in excess of annualised RPI ("Relative EPS growth") of 3%, increasing pro rata to 100% vesting of this part of an award for a Relative EPS growth of 8%.

TSR

For 50% of awards made in 2016: 25% of this part of an award will vest for a median TSR, increasing to 100% vesting of this part of an award for a top quartile TSR, measured against the FTSE SmallCap (excluding investment trusts). Awards have a concurrent performance condition that no vesting occurs for Relative EPS growth below 0%.

ROCE

For 50% of the awards made in 2017, 2018 and 2019: 25% of this part of the award will vest for absolute Return On Capital Employed ("ROCE") of 9.2% (2017) or 13.1% (2018) or 12.2% (2019) (nil vesting for below), increasing straight-line to 100% vesting of this part of an award for ROCE of 11.6% (2017) or 15.1% (2018) or 15.3% (2019) (100% for above), ROCE being measured in the last financial year of the three-year performance period. Vesting is subject to an underpin whereby the Committee will consider the underlying performance of the business and may apply discretion should it conclude it is appropriate to do so.

Sharesave options

Bloomsbury operates an HMRC-approved Sharesave scheme in respect of which all UK employees are eligible to participate. The following Sharesave options granted to the Executive Directors were outstanding at the year end:

	At 1 March 2019	Granted during the year	Exercised during the year	Lapsed during the year	At 29 February 2020	Exercise price (pence)	Date of grant	Date from which exercisable	Expiry date
Jonathan Glasspool	6,550	–	–	–	**6,550**	137.4p	12 June 2017	Sept 2020	Mar 2021
	–	4,870	–	–	**4,870**	184.8p	12 July 2019	Sept 2022	Mar 2023
Penny Scott-Bayfield	–	9,740	–	–	**9,740**	184.8p	12 July 2019	Sept 2022	Mar 2023

Directors' interests in shares

Under the current Remuneration Policy, Executive Directors are required to build up a shareholding in the Company equal to 100% of their salary ("Shareholding Guideline") to align their interests with that of Shareholders. For 2020/2021, the Shareholding Guideline for Executive Directors is increasing to 200% of salary. Executive Directors will normally be expected to retain any vested shares (net of tax) until the Shareholding Guideline has been achieved.

Following the AGM, Executive Directors will also be subject to a post-employment shareholding guideline. After ceasing to be an Executive Director, individuals will be expected to maintain a shareholding equivalent to 200% of salary (or actual shareholding if lower), tapering down to nil over two years. This guideline may be disapplied in certain cases (e.g. due to compassionate circumstances). The new guideline will apply to shares vesting after the adoption of the new Policy.

Shareholding Guidelines do not apply to the Chairman or Non-Executive Directors.

The interests of the Directors who served on the Board during the year are set out in the table below:

	Owned[2]		PSP Awards					
	29 February 2020	28 February 2019	Unvested	Vested	CSOP options unvested	Sharesave options unvested	Total 29 February 2020	Shareholding Guideline achieved[1] %
Nigel Newton	1,017,263	1,017,263	640,441	–	–	–	**1,657,704**	100%
Penny Scott-Bayfield[3]	–	–	166,930	–	–	9,740	**176,670**	0%
Jonathan Glasspool	30,975	30,975	340,090	–	–	11,420	**382,485**	27.9%
Sir Richard Lambert	10,000	10,000	–	–	–	–	**10,000**	N/A
Jill Jones[4]	–	2,800	–	–	–	–	**–**	N/A
John Warren	10,000	10,000	–	–	–	–	**10,000**	N/A
Steven Hall	3,171	3,171	–	–	–	–	**3,171**	N/A
Leslie-Ann Reed[5]	–	–	–	–	–	–	**–**	N/A
Total	1,071,409	1,074,209	1,147,461	–	–	21,160	**2,240,030**	

1 The Shareholding Guideline was introduced during the year ended 28 February 2013 and can be found on the Company's website www.bloomsbury-ir.co.uk. The Guideline requires that the Executive Director must retain shares vesting from the PSP awards net of tax until the Shareholding Guideline has been met. The number of shares needed to satisfy a shareholding is normally recalculated at the close of the next business day following the announcement of the full year results (the "Review Date"). The share price used above is 218 pence (determined by closing price of shares the day after annual results are announced).

2 Owned includes shares held directly by the Director and indirectly by a nominee on behalf of the Director where the Director has the beneficial interest. It includes the shares of the Director and of connected persons.

3 Penny Scott-Bayfield became a Director on 16 July 2018. Her 2018 PSP Award over 104,545 shares reflected her annual salary on appointment, rather than her actual salary from the date of her appointment to 28 February 2019. Accordingly, the award was reduced by 40,115 to 64,430 shares to correct the position.

4 Jill Jones resigned as a Director of the Company on 17 July 2019.

5 Leslie-Ann Reed was appointed as a Director of the Company on 17 July 2019.

6 There have been no changes in the interests of each of the Directors during 2019/2020.

No Director has or has had any interest, direct or indirect, in any transaction, contract or arrangement (excluding service agreements) which is or was unusual in its nature or conditions or significant to the business of the Group during the current or immediately preceding financial year.

Overall, the Committee considers that the Remuneration Policy has operated as it intended during 2019/2020 and that the pay outcomes are aligned with the experience of Shareholders and other stakeholders over the relevant performance period.

Directors' Remuneration Report

continued

Implementation of Remuneration Policy in 2020/2021

From 1 March 2020, the Executive Directors received a pay increase of 2% in line with the increase for the general workforce.

Basic salaries for the Executive Directors are as follows:

Executive Director	**From 1 March 2020 £'000**	From 1 March 2019 £'000
Nigel Newton	**464**	455
Penny Scott-Bayfield	**240**	236
Jonathan Glasspool	**247**	242

As noted in the Chair's Annual Statement on page 89, the Executive Directors have voluntarily agreed to a temporary reduction of 30% to their base salary payments for a period of at least three months from 1 April 2020, as one of a number of measures taken by the Company to mitigate the impact of the coronavirus crisis by conserving cash and reducing costs. The Company intends to review this approach in July 2020, and consider whether any further extension of the arrangement is required. At the end of the financial year, the Board will give consideration to whether it is appropriate to reimburse (either in part or in full) the discounted element of salary/fees in respect of the year. This assessment will take into account various factors, including evolving market conditions, the underlying financial health of the business and the approach taken for wider employees.

Pension and benefits

In 2020/2021, pension contributions (as a percentage of base salary) for Executive Directors will remain unchanged at 15%. Pension contributions for any new Executive Director appointments will be set in line with the applicable wider workforce rate, which is determined by the age of the employee and ranges from 4% for those under 40 to 7% for those over 50. We appreciate that market practice in this area continues to evolve, and we will keep this under review in future years.

There will be no changes to other benefits.

Annual bonus

Annual bonuses for 2020/2021, will be consistent with the Remuneration Policy. The maximum bonus potential will continue to be set at 100% of salary. When determining annual bonuses, the Committee will consider both financial and strategic performance of the Group over the year, taking into account overall affordability. Specific measures and targets will be disclosed retrospectively in the Annual Report on Remuneration.

To the extent any annual bonus is payable to the Executive Directors, the Committee will be mindful of the experience of all our stakeholders groups over the year, in particular the wider employee population.

Any bonus payable will be subject to malus and clawback provisions.

Long-term incentives

Annual PSP awards will be granted to Executive Directors in 2020/2021 ("2020 PSP Award") at 100% of salary in line with awards in prior years. When granting awards for 2020, the Committee will be cognisant of the current volatility across the market. When granting awards, the Committee will consider the share price on the grant date as well as the average price used to grant awards over multiple years.

The 2020 PSP Award will be subject to the following performance measures:

- EPS (60%)
- Non-Consumer operating profit (15%)
- Consumer operating profit (15%)
- BDR revenue (10%)

Given the impact of the global coronavirus crisis on the sector, the Committee is still in the process of finalising targets and consulting with Shareholders. Once finalised, our intention is to disclose the detail of the targets on the Company's website.

The awards for Executive Directors will be subject to malus and clawback provisions and to a two-year post-vesting holding period. During the holding period, an Executive Director may not sell their vested shares, which will remain subject to a clawback provision.

The Remuneration Committee has approved that the Executive Directors may participate in the Company's Sharesave scheme if operated.

Non-Executive Directors

From 1 March 2020, the Non-Executive Directors received an increase to their fees of 2% in line with the increase for the general workforce.

Current annualised fees are as follows:

Non-Executive Director	Position	From 1 March 2020 £'000	From 1 March 2019 £'000
Sir Richard Lambert	Chairman of the Board, Chair of the Nomination Committee	**113**	111
John Warren	Chair of the Audit Committee and Senior Independent Director	**43**	42
Steven Hall	Chair of the Remuneration Committee and Independent Non-Executive Director	**43**	41
Leslie-Ann Reed[1]	Independent Non-Executive Director	**40**	25

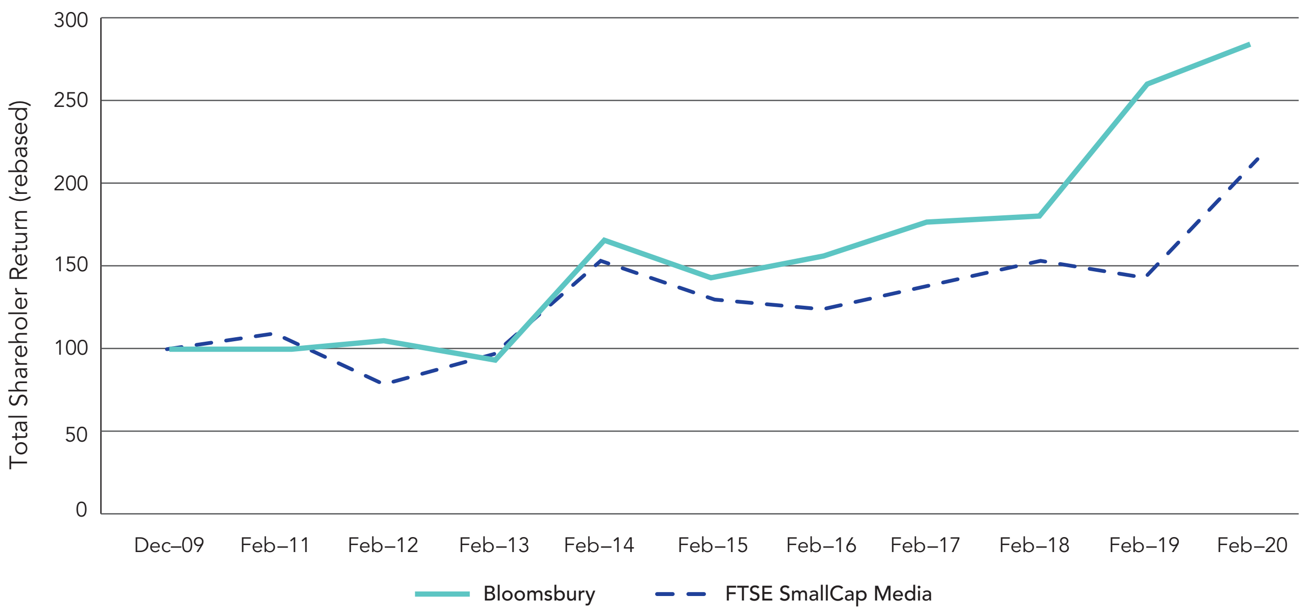
[1] Leslie-Ann Reed was appointed as a Director of the Company on 17 July 2019. Her 2019 fees are from the date of her appointment.

As noted in the Chair's Annual Statement on page 89, the Non-Executive Directors have voluntarily agreed to a temporary reduction of 30% to their fee payments for a period of at least three months from 1 April 2020, as one of a number of measures taken by the Company to mitigate the impact of the coronavirus crisis by conserving cash and reducing costs. The Company intends to review this approach in July 2020, and consider whether any further extension of the arrangement is required. At the end of the financial year, the Board will give consideration to whether it is appropriate to reimburse (either in part or in full) the discounted element of salary/fees in respect of the year. This assessment will take into account various factors, including evolving market conditions, the underlying financial health of the business and the approach taken for wider employees.

PART B–2 (UNAUDITED INFORMATION)

Performance graph and table

The chart below shows the Company's Total Shareholder Return for the period from 31 December 2009 to 29 February 2020 compared to that of the FTSE SmallCap Media sector index over the same period. The index has been selected as it represents a broad equity market index, of which the Company is a constituent member.



The chart aligns to the Company's accounting period, which was extended during the 14 months to 28 February 2011.

Directors' Remuneration Report

continued

The total remuneration figures for the Chief Executive during each of the financial years of the relevant period are shown in the table below.

The total remuneration figure includes the annual bonus based on that year's performance and PSP awards based on three-year performance periods ending in the relevant year (EPS and ROCE) or just after the relevant year (TSR). The annual bonus payout and PSP vesting level as a percentage of the maximum opportunity are also shown for each of these years.

Year ending:	28 Feb 2011	29 Feb 2012	28 Feb 2013	28 Feb 2014	28 Feb 2015	29 Feb 2016	28 Feb 2017	28 Feb 2018	28 Feb 2019	**29 Feb 2020**
Total remuneration (£'000)	974[1]	785	617	749	799	547	689	909	951	**1,250**
Annual bonus (%)	100%	54%	0%	17%	16%	0%	42%	88%	92.5%	**0%**
PSP vesting (%)	0%	50%	50%	50%	56%	17%	0%	0%	0%	**96%**

[1] Covers a period of 14 months due to the change of Accounting Reference Date.

Percentage change in Chief Executive's remuneration

The table below shows the percentage change in the Chief Executive's salary, benefits and annual bonus between the financial years ended 28 February 2019 and 29 February 2020, compared to that of the total remuneration for all employees of the Company for each of these elements of pay.

	Total remuneration		
	Year ended 29 February 2020	Year ended 28 February 2019	% change
Salary			
Chief Executive (£'000)	**455**	444	2.5%
All employees (£m)	**29.3**	27.8	5.5%
Benefits including pension			
Chief Executive (£'000)	**93**	96	-3.1%
All employees (£m)	**1.6**	1.5	9.9%
Annual bonus			
Chief Executive (£'000)	**0**	411	-100%
All employees (£m)	**0.3**	2.3	-86.4%
Average number of employees	**702**	683	2.8%

Chief Executive's pay ratio

The table below discloses the ratio of the Chief Executive's pay for 2019/2020, using the single total figure remuneration as disclosed on page 97 of this section of the Annual Report to the comparable, full-time equivalent total remuneration of all UK employees whose pay is ranked at the 25th percentile, median and 75th percentile.

Year	Method[1]	25th percentile pay ratio[2]	Median pay ratio[3]	75th percentile pay ratio[4]
2020	A	44.8 : 1	34.9 : 1	24.5 : 1

[1] Method A, as set out in the Companies (Miscellaneous Reporting) Regulations 2018, was selected as this is considered the most statistically accurate and robust methodology. The 25th percentile, median and 75th percentile UK employees were determined based on total remuneration for the year ended 29 February 2020 using the single total figure valuation methodology. The elements used to calculate total remuneration comprised of salary, pensions, bonus and benefits. The value of Sharesave options granted in the year have been excluded when calculating total remuneration for UK employees.

[2] The relevant 25th percentile values are £26,000 salary and £27,892.57 total pay and benefits.

[3] The relevant median values are £31,519 salary and £35,832.66 total pay and benefits.

[4] The relevant 75th percentile values are £48,000 salary and £51,024.99 total pay and benefits.

The Company believes the median pay ratio for the year ended 29 February 2020 is consistent with the pay, reward and progression policies for the Company's UK employees taken as a whole.

During 2019/2020, there was a nil payout for the bonus scheme and the 2017 PSP awards vested at 96%. A greater proportion of the Chief Executive's and senior managements' overall remuneration is linked to performance (via the annual bonus and PSP Awards) when compared to the wider workforce due to the nature of their roles. The Committee therefore noted that pay ratios are likely to fluctuate in future years depending on the performance of the business and associated outcomes of incentive plans in each year. In practice, the pay ratio for 2019/20 would be lower if the Chief Executive's pay was determined based on the current share price.

Consideration of wider workforce

During the year, the Committee was updated on workforce remuneration policies, including variable pay schemes and benefits for employees across the Company as a whole, and took these into account when determining remuneration arrangement for Executive Directors. The Committee continues to develop and evolve its approach to engagement with the workforce on Executive pay. Currently information on the Executive Remuneration Policy is provided on the Company's intranet, which is accessible by all employees.

Relative importance of spend on pay

The following table shows the Company's actual spend on pay (for all employees) relative to dividends.

	Year ended 29 February 2020	Year ended 28 February 2019
Staff costs (£m)	**34.9**	34.8
Dividends declared (£m)	**1.0**	6.0
Retained profits (£m)[1 2]	**4.4**	3.6

[1] Retained profits for 2019/2020 reflect the impact of adopting IFRS 16.

[2] Retained profits for 2018/2019 reflect the impact of adopting IFRS 9 and 15.

Voting at the Annual General Meeting

At the Annual General Meeting of 17 July 2019, the Annual Statement by the Chair of the Remuneration Committee and the Annual Report on Directors' Remuneration for the financial year ended 28 February 2019 was put to an advisory vote. The voting outcomes were as follows:

	Number of shares	Percentage of the vote
Votes cast in favour	46,417,877	99.2%
Votes cast against	366,082	0.8%
Total votes cast	46,783,959	100%
Abstentions on voting cards	1,500	

The Remuneration Policy was last put to Shareholders at the Annual General Meeting held on 18 July 2017 as an ordinary resolution. The voting outcomes were as follows:

	Number of shares	Percentage of the vote
Votes cast in favour	57,376,766	99.5%
Votes cast against	309,752	0.5%
Total votes cast	57,686,518	100%
Abstentions on voting cards	14,432	

Directors’ Remuneration Report

continued

Remuneration Committee

Composition of the Committee

The Committee is comprised of three Independent Non-Executive Directors and the Chairman of the Board. The members of the Committee during the year were:

Director	Appointed in the year (if applicable)	Resigned in the year (if applicable)
Jill Jones (Chair of the Committee)[1]	–	17 July 2019
Steven Hall (Chair of the Committee)[2]	–	–
Sir Richard Lambert	–	–
John Warren	–	–
Leslie-Ann Reed	17 July 2019	–

1 Jill Jones resigned as a Director of the Company on 17 July 2019.

2 Steven Hall became Chair of the Remuneration Committee on 17 July 2019.

The Committee met eight times during 2019/2020. The Committee members’ attendance can be seen on page 79 of this section of the Annual Report. Only members of the Remuneration Committee have the right to attend Committee meetings, however the Chief Executive and Group Finance Director may attend Committee meetings at the request of the Chair of the Committee for specific items on the agenda. The remuneration consultants may attend where needed to provide technical support.

Role of the Committee

The terms of reference of the Committee set out its role and authority. These are reviewed annually and can be found on the Company’s website, www.bloomsbury-ir.co.uk. In summary, the Committee’s responsibilities include:

- Determining the remuneration policy for the Chairman and Executive Directors;
- Determining the remuneration packages for the Executive Directors and Chairman within the terms of the policy;
- Monitoring the level and structure of remuneration for other members of senior management;
- Approving the design of, and determining targets for, the performance-related pay schemes operated by the Company;
- Reviewing the design of all share incentive plans for Board approval. For any such plans, the Committee shall determine whether the awards will be made, and if so, approve the overall amount of such awards, the individual awards to Executive Directors, Company Secretary and designated senior managers and the performance targets to be used; and
- Developing a formal policy for shareholding guidelines in employment and post-employment shareholding requirements.

Activities of the Committee during the year

During the year, the Committee undertook a review of the Directors' Remuneration Policy in line with the standard three-year renewal cycle to ensure that it continues to support the execution of the Company's strategy and the interest of Shareholders. A significant proportion of the Remuneration Committee's time at meetings was spent on discussing the content of the new Policy. Matters that were considered in respect of the new Policy included:

- The consideration and approval of revised performance metrics for the 2014 Performance Share Plan;
- In-employment and post-employment shareholding requirements;
- Pension contributions for new Executive Director appointments;
- Malus and clawback provisions applying to both the 2014 Performance Share Plan and the bonus scheme; and
- Shareholder communications and feedback following the Shareholder consultation.

Other matters the Committee considered include the following:

- The approval of increases to the Executive Directors' salaries and the Chairman's fees;
- Review and approval of the Executive Directors' remuneration packages;
- Review of the bonus plan achievement for 2018/2019;
- Review and approval of the bonus plan proposal and objectives for 2019/2020;
- Review of workforce engagement around Executive remuneration policies;
- Review and approval of performance targets for the 2019 PSP Award;
- Review of the Committee evaluation;
- Approval of the correction to Penny Scott-Bayfield's 2018 PSP Award;
- Review and recommendation for approval of the Directors' Remuneration Report for the Annual Report and Accounts for the financial year ended 28 February 2019;
- Review of the performance outcome of the 2016 PSP Award; and
- Review and approval of the Committee's terms of reference.

The Committee Chair has a standing item on the agenda at each main Board meeting, enabling remuneration matters to be raised for discussion by the Board if required.

During 2019, the Committee considered its role in respect of determining the remuneration of senior management with reference to the 2018 Code. After due consideration and discussion at both the Committee and the Board level it was decided that the Executive Directors would remain responsible for remuneration for senior management. The Committee believes that the Executive Directors are best placed to assess the appropriate level of remuneration of senior managers based on their performance and contribution to the Company's success and on the Executive Directors' knowledge of market rates of pay. The Committee will nonetheless monitor the remuneration of senior managers closely and will continue to be responsible for approving the granting and vesting of share incentives.

Advisers to the Committee

In carrying out its responsibilities, the Committee was independently advised by external advisers. During the first half of the year, the Committee was advised by New Bridge Street. In respect of their services to the Committee, fees charged by New Bridge Street amounted to £43,758 (excluding VAT). In the second half of the year, Deloitte LLP was appointed as the Committee's external remuneration consultants through a competitive tender process, which took place in September 2019. Deloitte LLP is a founding member of the Remuneration Consultants' Group and adheres to its Code of Conduct. In respect of their services to the Committee, fees charged by Deloitte LLP amounted to £25,900 (excluding VAT).

During the year, separate teams within Deloitte also provided Bloomsbury with tax advisory services. The Committee is satisfied that the advice provided by Deloitte LLP was objective and independent, that the provision of other services in no way compromised their independence and that there was no potential conflict of interest. The individual consultants who work with the Committee do not provide advice to the Executive Directors or act on their behalf.

The Committee received assistance from the Company Secretary and, where specifically requested by the Committee, the Chief Executive and Group Finance Director.

The Committee has considered any feedback received from the major Shareholders during the year as part of Bloomsbury's ongoing investor relations programme and considers the reports and recommendations of Shareholder representative bodies and corporate governance analysts.

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

Steven Hall
Chair of the Remuneration Committee
20 May 2020

Section 172 Directors' Duties Statement

The Directors of Bloomsbury – and those of all UK companies – must act in a manner which complies with a set of general duties. These duties are detailed in the Companies Act 2006 and include, in s172, a duty to promote the success of the company, as set out below.

Section 172 of the Companies Act 2006

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

As part of their induction, the Directors are briefed on their duties, including their duties under s172, and are able to access professional advice on these, either through the Company, or from an independent provider should they consider it necessary.

The Board believes that, individually and together, they have acted in the way they consider, in good faith, would promote the success of the Company for the benefit of its members as a whole, having regard to the matters set out in s172(1)(a–f) of the Companies Act 2006 in the decisions taken during the year ended 29 February 2020.

The Board has always had regard for the potential impact of the Group's activities on its various stakeholders. The key stakeholders of the Group are set out in more detail in the Strategic Report on pages 58 to 63. The Board believes that the Company can only be successful when the interests of its stakeholders are considered and appropriately reflected in how the Company's business and strategy develops.

The Directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making to employees of the Company; details of this governance framework are set out in the Corporate Governance section on pages 67. In delegating such decision-making the Board is mindful of the importance of an organisational culture which has appropriate regard for the needs and views of its stakeholders and high ethical standards. The Board believes that balancing the interests of the Company's stakeholders with the Company's commercial objectives and the desire to behave as an ethical and responsible business is embedded in the way the Company operates, is informed by the strong social purpose which underlies the Group's activities and is reinforced by a robust system of controls and assurances. As set out in the Chairman's statement on page 66 of the Corporate Governance Report and further on page 75 of the Corporate Governance Report, the Board continues to focus on setting a corporate culture that is aligned with the Company's purpose, values and strategy; effective engagement with, and regard for the concerns of, key stakeholders is an important aspect of promoting the Company's desired culture and reinforcing its values.

The Board gathers relevant information and feedback on key stakeholder interests and concerns from information provided by the Company's Executive Directors, senior and functional management and through direct engagement where appropriate. As is typical of an organisation the size of the Company, engagement with key stakeholders in respect of day-to-day business and operational matters is ordinarily conducted by senior managers and other employees of the Company. During the course of the year, the Board maintains its oversight of the Company's engagement with key stakeholders by receiving reports on the Company's engagement mechanisms, the matters considered during engagement, and the outcomes of such engagement. The insights which the Board gains through the Company's engagement mechanisms form an important part of the context for the Board's discussions and decision-making process.

Information about how the Company engages with its key stakeholders, and how the Directors, with the support of the wider business, consider the matters set out under s172 of the Companies Act in carrying out their duties, is set out in the Strategic Report on pages 58 to 63.

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Financial Statements

Independent Auditor's Report

to the members of Bloomsbury Publishing Plc

1. Our opinion is unmodified

We have audited the financial statements of Bloomsbury Publishing Plc ("the Company") for the year ended 29 February 2020 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, Consolidated and Company Statements of Changes in Equity, Consolidated and Company Statements of Cash Flows and the related notes, including the accounting policies in notes 2 and 32.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 29 February 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were first appointed as Auditor by the Directors on 4 September 2013. The period of total uninterrupted engagement is for the seven financial years ended 29 February 2020. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

The risk	Our response

Going concern basis of preparation

Refer to page 85 (Audit Committee Report), notes 2 and 32 on pages 125 and 167 (accounting policies) **New risk for 2020**

Disclosure quality

The financial statements explain how the Directors have formed a judgement that the use of the going concern basis is appropriate in preparing the financial statements of the Group and the parent Company.

That judgement is based on an evaluation of the inherent risks to the Group's and the parent Company's business model and how those risks might affect the Group's and the parent Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements.

The risks most likely to adversely affect the Group's and the parent Company's available financial resources over this period were:

- COVID-19: The pandemic affecting the global economy leading to significant economic uncertainty and a significant reduction in physical retailers open for business. There is inherent estimation uncertainty in the assumptions used in the Group's and the parent Company's business model as a result of COVID-19, including the length of the period that the reduction in the number of retailers open for business and the likelihood of consumers switching to alternative methods of purchasing books; and
- Uncertainty due to the UK exiting the European Union.

The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.

Our procedures included:

Benchmarking assumptions: We challenged the appropriateness of key assumptions in the cash flow projections, applying our sector knowledge and experience based on our historical knowledge of the Group and the markets in which the subsidiaries operate, together with market and other externally available information.

Sensitivity analysis: We considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts, taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively.

Funding assessment: We examined correspondence and supporting documentation with third party funding providers, assessing the Group's lending RCF arrangements and covenant terms.

Assessing transparency: We considered the appropriateness of relevant disclosures, including both the going concern disclosure in the financial statements and also the commentary elsewhere in the Annual Report on the impact of COVID-19.

Our results

We found the going concern disclosure without any material uncertainty to be acceptable.

Independent Auditor's Report

to the members of Bloomsbury Publishing Plc *continued*

The risk	Our response
Carrying value of Goodwill (Academic and Professional) – £35.9m (2019: £35.9m) Refer to page 85 (Audit Committee Report), note 2 on page 129 (accounting policy) and note 11 on pages 144 to 145 (financial disclosures) **Risk vs 2019** ↓	
Forecast-based valuation The Group has historically acquired a number of businesses with a majority being integrated into the Academic and Professional division. The recoverability of goodwill associated with the Academic and Professional division is dependent on achieving forecast trading and realising acquisition synergies. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting future cash flows. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of goodwill has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 11) disclose the sensitivity estimated by the Group.	**Our procedures included:** • **Benchmarking assumptions:** We challenged the Group's assumptions by comparing to externally derived data in relation to key inputs such as projected economic growth. • **Our sector experience:** We used our sector experience to assess the appropriateness of the discount rate for the Academic and Professional cash generating unit, with reference to external sources of data. We challenged the judgements and assumptions used by the Group in its calculation based on our knowledge of the business. • **Sensitivity analysis:** We performed breakeven analysis on the cash flows and discount rate and considered the likelihood that the drivers of breakeven would arise. • **Historical comparisons:** We considered the historical accuracy of key assumptions by comparing the accuracy of the previous estimates of revenue and cost growth to the actual amounts realised. • **Assessing transparency:** We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill. **Our results** We found the resulting estimate of the recoverable amount of goodwill for the Academic and Professional cash generating unit to be acceptable (2019 result: acceptable).

The risk	Our response
Sales returns liability – Group £9.2m (2019: £8.5m), parent Company £1.6m (2019: £3.4m) Refer to page 85 (Audit Committee Report), notes 2 and 32 on pages 127 and 167 (accounting policies) and notes 19 and 41 on pages 150 and 173 (financial disclosures) **Risk vs 2019** ↔	
Subjective estimate The Group typically sells its books on a sale or return basis, and presents revenue net of estimated returns in the financial statements. The Group provides for returns based on past experience using a one-year average method. Estimating the level of returns from customers is subjective in nature due to the inherent uncertainty involved in forecasting returns, particularly due to the longer period of returns allowed in the industry. The effect of these matters is that, as part of our risk assessment, we determined that the liability for returns has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (notes 19 and 41) disclose the sensitivity estimated for the Group and parent Company financial statements.	**Our procedures included:** • **Assessing application:** We evaluated whether the Group's sales returns policy was consistently applied and remained appropriate, reflecting the underlying trends in the data and with regard to relevant accounting standards. • **Historical comparisons:** We obtained evidence of actual returns received in the current year and compared to prior year's liability to assess historical accuracy of the Group's liabilities. • **Tests of details:** We tested the inputs used in the returns liability calculations at 29 February 2020 by agreeing inputs such as historical sales and returns experienced to underlying records of the Group. **Our results** From the evidence obtained, we considered the level of the sales returns liability to be acceptable (2019: acceptable).

The risk	Our response
Recoverability of advances – Group £24.8m (2019: £22.7m), parent Company £12.5m (2019: £10.8m) Refer to page 85 (Audit Committee Report), notes 2 and 32 on pages 130 and 167 (accounting policies) and notes 18 and 40 on pages 149 and 173 (financial disclosures) **Risk vs 2019** ↔	
Subjective estimate The Group pays royalty advances to its authors prior to the delivery of a manuscript. The Group recovers these advances from future sales by deductions of royalties due to the author under the terms of the relevant royalty agreements. The advances balance is made up of a significant number of individual advances to authors and requires the Group to forecast future sales to assess recoverability of advances. Where insufficient sales are forecast by the Group for the advance to be recovered in full, a provision is recorded against that advance. There is inherent uncertainty regarding the estimation of future sales of individual titles arising from the changes in the economic environment and the popularity of titles. The effect of these matters is that, as part of our risk assessment, we determined that the carrying value of advances has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.	**Our procedures included:** • **Historical comparisons:** We challenged the Group's forecasts for future royalty payments, which offset against the unearned advance, by assessing historical accuracy of future sales forecasts across a sample of unearned advance balances. • **Assessing application:** We evaluated whether the Group's policy was consistently applied and remained appropriate, with regard to the relevant accounting standards. • **Our sector experience:** We challenged any specific adjustments made by the Group to the historical trends in arriving at the final provision and provided challenge on how such a position was derived. This involved considering specific promotions, film tie-ins, future book releases or planned market events which could have a material impact on the recoverability of the advances. • **Assessing transparency:** We assessed the adequacy of the Group's disclosures concerning the degree of estimation involved in arriving at the final unearned advance position. **Our results** We found the resulting estimate of the carrying value of advances to be acceptable (2019: acceptable).

The risk	Our response
Parent: Recoverability of parent Company's investment in subsidiaries - £81.2m (2019: £83.3m) Refer to page 85 (Audit Committee Report), note 32 on page 167 (accounting policy) and note 36 on page 171 (financial disclosures) **Risk vs 2019** ↔	
Forecast-based valuation The carrying amount of the parent Company's investments in subsidiaries represents 43.7% (2019: 49.4%) of the parent Company's total assets. Their recoverability is at risk of misstatement and subject to significant judgement. Due to their materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit. The effect of these matters is that, as part of our risk assessment, we determined that the carrying amount of the parent Company's investments in subsidiaries has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.	**Our procedures included:** • **Tests of detail:** Compared the carrying amount of 100% of the investment balance with the relevant subsidiaries' value in use were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making. • **Benchmarking assumptions:** We challenged the Group's assumptions by comparing to externally derived data in relation to key inputs such as projected economic growth. • **Our sector experience:** We used our sector experience to assess the appropriateness of the discount rate for each cash generating unit, with reference to external sources of data. We challenged the judgements and assumptions used by the Group in its calculation based on our knowledge of the business. • **Sensitivity analysis:** We performed breakeven analysis on the assumptions noted above and considered the likelihood that the drivers of breakeven would arise. **Our results** We found the Group's assessment of the recoverability of the parent Company's investment in subsidiaries to be acceptable (2019: acceptable).

We continue to perform procedures over revenue recognised from contracts and recoverability of inventory. However, following the implementation of IFRS 15 in 2019 we consider the ongoing risk of revenue recognition in relation to revenue recognised from contracts to have reduced, as such we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified as a key audit matter in our report this year. In addition, following management's continued focus on inventory control, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified as a key audit matter in our report this year. Finally, last year we reported a key audit matter in our report in respect of the impact of uncertainties due to the UK exiting the European Union. As a result of developments since the prior year report, including the Group's own preparation, the relative significance of this matter on our audit work has reduced. Accordingly, we no longer consider this a key audit matter.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £606,000 (2019: £595,000), determined with reference to a benchmark of Group profit before tax of £13,229,000 (2019: £12,049,000), of which it represents 4.6% (2019: 4.9%).

Materiality for the parent Company financial statements as a whole was set at £515,000 (2019: £505,000), determined with reference to a benchmark of the parent Company's profit before tax of £12,217,000 (2019: £8,030,000), of which it represents 4.2% (2019: 5.1%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £30,000 (2019: £29,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's four (2019: four) reporting components, we subjected two (2019: two) to full scope audits for group purposes. Audits for Group purposes were performed at the reporting components in the UK and the USA, covering 90% of total Group revenue (2019: 90%), 94% of Group profit before tax (2019: 98%) and 94% of Group total assets (2019: 91%).

The Group audit team has performed the audit of both the UK (parent Company) and USA components, and has addressed the significant risk areas detailed above. The Group team used the following component materialities, having regard to the mix of size and risk profile of the Group across the components:

- UK £515,000 (2019: £505,000)
- USA £327,000 (2019: £267,000)

The remaining 10% (2019: 10%), of total Group revenue, 6% (2019: 2%), of Group profit before tax and 6% (2019: 9%), of total Group assets is represented by two reporting components, neither of which individually represented more than 7% of any of total Group revenue, Group profit before tax or total Group assets. For these residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the parent Company or the Group or to cease their operations, and as they have concluded that the parent Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's report is not a guarantee that the Group and the parent Company will continue in operation. We identified going concern as a key audit matter (see section 2 of this report). Based on the work described in our response to that key audit matter, we are required to report to you if:

- we have anything material to add or draw attention to in relation to the Directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and the parent Company's use of that basis for a period of at least 12 months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on page 74 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects.

5. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic Report and Directors' Report

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the viability statement (page 45) that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated; and
- the Directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Independent Auditor's Report

to the members of Bloomsbury Publishing Plc *continued*

Under the Listing Rules we are required to review the viability statement. We have nothing to report in this respect.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and the parent Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the Cirectors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy; or
- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- a corporate governance statement has not been prepared by the Company.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

Based solely on our work on the other information described above:

- with respect to the Corporate Governance Statement disclosures about internal control and risk management systems in relation to financial reporting processes and about share capital structures:
  - we have not identified material misstatements therein; and
  - the information therein is consistent with the financial statements; and
- in our opinion, the Corporate Governance Statement has been prepared in accordance with relevant rules of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 74, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 other irregularities (see below), or error, and to issue our opinion in an Auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards) and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements, including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we became aware of actual or suspected non-compliance and considered the effect as part of our procedures on the related financial statement items. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. The purpose of our audit work and to whom we owe our responsibilities

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.

Sarah Styant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square, London
E14 5GL

26 May 2020

Consolidated Income Statement

For the year ended 29 February 2020

	Notes	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Revenue	3	**162,772**	162,679
Cost of sales		**(74,978)**	(74,922)
Gross profit		**87,794**	87,757
Marketing and distribution costs		**(21,373)**	(22,053)
Administrative expenses		**(52,949)**	(53,735)
Operating profit before highlighted items		**15,947**	14,294
Highlighted items	4	**(2,475)**	(2,325)
Operating profit	4	**13,472**	11,969
Finance income	6	**270**	130
Finance costs	6	**(513)**	(50)
Profit before taxation and highlighted items		**15,704**	14,374
Highlighted items	4	**(2,475)**	(2,325)
Profit before taxation		**13,229**	12,049
Taxation	7	**(2,728)**	(2,802)
Profit for the year attributable to owners of the Company		**10,501**	9,247
Earnings per share attributable to owners of the Company			
Basic earnings per share	9	**14.03p**	12.37p
Diluted earnings per share	9	**13.84p**	12.25p

The notes on pages 125 to 163 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 29 February 2020

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Profit for the year	**10,501**	9,247
Other comprehensive income		
Items that may be reclassified to the income statement:		
Exchange differences on translating foreign operations	**856**	964
Items that may not be reclassified to the income statement:		
Remeasurements on the defined benefit pension scheme	**(115)**	(5)
Other comprehensive income for the year net of tax	**741**	959
Total comprehensive income for the year attributable to the owners of the Company	**11,242**	10,206

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 7.

Consolidated Statement of Financial Position

As at 29 February 2020

	Notes	29 February 2020 £'000	28 February 2019 £'000
Assets			
Goodwill	11	**45,030**	44,895
Other intangible assets	12	**21,630**	21,890
Investments	13	**516**	300
Property, plant and equipment	14	**1,914**	2,110
Right-of-use assets	15	**13,343**	–
Deferred tax assets	16	**2,756**	2,376
Trade and other receivables	18	**1,237**	1,360
Total non-current assets		**86,426**	72,931
Inventories	17	**27,164**	26,076
Trade and other receivables	18	**84,805**	80,506
Cash and cash equivalents		**31,345**	27,580
Total current assets		**143,314**	134,162
Total assets		**229,740**	207,093
Liabilities			
Retirement benefit obligations	24	**185**	121
Deferred tax liabilities	16	**2,347**	2,360
Lease liabilities	26	**12,945**	–
Provisions	21	**182**	147
Total non-current liabilities		**15,659**	2,628
Trade and other liabilities	19	**61,844**	60,644
Lease liabilities	26	**1,585**	–
Current tax liabilities		**328**	–
Provisions	21	**651**	83
Total current liabilities		**64,408**	60,727
Total liabilities		**80,067**	63,355
Net assets		**149,673**	143,738
Equity			
Share capital	22	**942**	942
Share premium	22	**39,388**	39,388
Translation reserve	22	**9,507**	8,651
Other reserves	22	**7,778**	7,118
Retained earnings	22	**92,058**	87,639
Total equity attributable to owners of the Company		**149,673**	143,738

The financial statements were approved by the Board of Directors and authorised for issue on 26 May 2020.

J N Newton
Director

P Scott-Bayfield
Director

Consolidated Statement of Changes in Equity

For the year ended 29 February 2020

	Share capital £'000	Share premium £'000	Translation reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Own shares held by EBT £'000	Retained earnings £'000	Total equity £'000
At 28 February 2018 (restated*)	**942**	**39,388**	**7,687**	**1,803**	**22**	**5,673**	**(1,043)**	**84,034**	**138,506**
Profit for the year	–	–	–	–	–	–	–	9,247	9,247
Other comprehensive income									
Exchange differences on translating foreign operations	–	–	964	–	–	–	–	–	964
Remeasurements on the defined benefit pension scheme	–	–	–	–	–	–	–	(5)	(5)
Total comprehensive income for the year	**–**	**–**	**964**	**–**	**–**	**–**	**–**	**9,242**	**10,206**
Transactions with owners									
Dividends to equity holders of the Company	–	–	–	–	–	–	–	(5,655)	(5,655)
Unclaimed dividends	–	–	–	–	–	–	–	12	12
Share options exercised	–	–	–	–	–	–	241	(27)	214
Deferred tax on share-based payment transactions	–	–	–	–	–	–	–	33	33
Share-based payment transactions	–	–	–	–	–	422	–	–	422
Total transactions with owners of the Company	**–**	**–**	**–**	**–**	**–**	**422**	**241**	**(5,637)**	**(4,974)**
At 28 February 2019	**942**	**39,388**	**8,651**	**1,803**	**22**	**6,095**	**(802)**	**87,639**	**143,738**
Profit for the year	–	–	–	–	–	–	–	10,501	10,501
Other comprehensive income									
Exchange differences on translating foreign operations	–	–	856	–	–	–	–	–	856
Remeasurements on the defined benefit pension scheme	–	–	–	–	–	–	–	(115)	(115)
Total comprehensive income for the year	**–**	**–**	**856**	**–**	**–**	**–**	**–**	**10,386**	**11,242**
Transactions with owners									
Dividends to equity holders of the Company	–	–	–	–	–	–	–	(6,009)	(6,009)
Share options exercised	–	–	–	–	–	–	31	(4)	27
Deferred tax on share-based payment transactions	–	–	–	–	–	–	–	46	46
Share-based payment transactions	–	–	–	–	–	629	–	–	629
Total transactions with owners of the Company	**–**	**–**	**–**	**–**	**–**	**629**	**31**	**(5,967)**	**(5,307)**
At 29 February 2020	**942**	**39,388**	**9,507**	**1,803**	**22**	**6,724**	**(771)**	**92,058**	**149,673**

* The Group has applied IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" at 1 March 2018. The cumulative impact of adoption has been recognised as a decrease to opening retained earnings as at 28 February 2018.

Consolidated Statement of Cash Flows

For the year ended 29 February 2020

	Notes	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Cash flows from operating activities			
Profit for the year		**10,501**	9,247
Adjustments for:			
Depreciation of property, plant and equipment	14	**502**	470
Depreciation of right-of-use assets	15	**1,775**	–
Amortisation of intangible assets	12	**4,301**	4,139
Finance income	6	**(270)**	(130)
Finance costs	6	**513**	50
Share of loss of joint venture	13	**7**	–
Share-based payment charges	23	**761**	498
Tax expense	7	**2,728**	2,802
		20,818	17,076
(Increase)/decrease in inventories		**(620)**	2,315
(Increase)/decrease in trade and other receivables		**(4,385)**	5,834
Increase/(decrease) in trade and other liabilities		**2,489**	(7,702)
Cash generated from operating activities		**18,302**	17,523
Income taxes paid		**(1,706)**	(2,529)
Net cash generated from operating activities		**16,596**	14,994
Cash flows from investing activities			
Purchase of property, plant and equipment		**(294)**	(456)
Purchase of intangible assets		**(3,137)**	(2,898)
Purchase of business, net of cash acquired		**(310)**	(4,004)
Purchase of rights to assets		**(1,213)**	–
Purchase of share in a joint venture		**(223)**	–
Interest received		**254**	116
Net cash used in investing activities		**(4,923)**	(7,242)
Cash flows from financing activities			
Equity dividends paid	20	**(6,009)**	(5,655)
Proceeds from exercise of share options	20	**27**	214
Repayment of overdraft	20	**–**	(201)
Repayment of lease liabilities	20	**(1,531)**	–
Lease liabilities interest paid	20	**(492)**	–
Other interest paid	20	**(3)**	(34)
Net cash used in financing activities	20	**(8,008)**	(5,676)
Net increase in cash and cash equivalents		**3,665**	2,076
Cash and cash equivalents at beginning of year		**27,580**	25,428
Exchange gain on cash and cash equivalents		**100**	76
Cash and cash equivalents at end of year		**31,345**	27,580

Notes to the Financial Statements

Accounting Policies

1. Reporting entity

Bloomsbury Publishing Plc (the "Company") is a company domiciled in the United Kingdom. The address of the Company's registered office can be found on page 183. The consolidated financial statements of the Company as at and for the year ended 29 February 2020 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the publication of books and other related services.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations adopted by the European Union ("EU") at the time of preparing these financial statements and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

b) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and on a going concern basis.

c) Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 10 to 63. The financial position of the Group, its cash flows and liquidity position are described in the Financial Review on pages 36 to 39. In addition, note 25 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments, and its exposures to credit risk and liquidity risk.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements, being the period of the detailed going concern assessment reviewed by the Board, and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Board has modelled a severe but plausible pessimistic downside scenario, including the impact of coronavirus. This assumes:

- Print revenues are reduced by 60%–65% for the three months of expected global coronavirus restrictions to July 2020 and gradual recovery through to March 2021;
- Downside assumptions about extended debtor days to the end of 2021; and
- In this scenario, we extend the cost reduction measures already implemented, including salary reductions and reducing discretionary spend including marketing and non-essential capital expenditure.

Under this severe but plausible downside scenario, the Group has sufficient liquidity to be able to manage these downside assumptions. Details of the bank facility and its covenants are shown in note 25c.

d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Critical judgements and areas where the use of estimates is significant are disclosed in note 2v.

Notes to the Financial Statements

Accounting Policies

e) Application of new and amended standards and interpretations
The following amendments and interpretations were introduced to accounting standards relevant to the Group during the year ended 29 February 2020. The table below summarises the impact of these changes to the Group:

Accounting standard	Description of change	Impact on financial statements
IFRS 16 Leases	A description and the impact of the adoption of IFRS 16 Leases is set out in note 2w.	
Other standards	A number of other new standard and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019.	The standards and amendments have not had a material impact on the Group. Additional disclosure has been provided where relevant.

The Group has not early adopted the following new and revised accounting standards, interpretations or amendments issued by the International Accounting Standards Board that are currently endorsed but not yet effective:

Accounting standard	Description of change	Impact on financial statements
Other standards	A number of other new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020 and have not been applied in preparing these financial statements.	The Directors do not anticipate the application of these standards and amendments will have a material impact on the Group's consolidated financial statements.

f) Basis of consolidation
i. Business combinations
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group measures goodwill at the acquisition date as:

- The fair value of consideration transferred; plus
- The recognised amount of any non-controlling interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Where the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with the business combination are expensed as incurred.

Any contingent consideration payable is measured and recognised at fair value at the acquisition date. Subsequent changes to the fair value of contingent consideration are recognised in the income statement.

ii. Subsidiaries
The consolidated financial statements comprise the financial information of the Company and its subsidiaries.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Accounting policies of subsidiaries are aligned with accounting policies adopted by the Group to ensure consistency.

All subsidiaries except Bloomsbury Publishing India Private Limited have a reporting period end of 29 February. Bloomsbury Publishing India Private Limited has a reporting period end of 31 March, which aligns with the Indian Government's financial year.

iii. Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any non-controlling interests and the other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv. Transactions eliminated on consolidation
Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

v. Joint ventures

Joint ventures are entities in which the Group holds an interest on a long-term basis and has rights to the net assets through contractually agreed sharing of control. Investments in joint ventures are accounted for by the equity method and are initially recognised at the fair value of consideration transferred.

The Group's share of its joint venture's post acquisition profit or losses is recognised in the income statement.

The Group's share of its joint venture's results is recognised as a component of operating profit as these operations form part of the core publishing business of the Group and are an integral part of existing wholly-owned business. The cumulative post-acquisition profit or loss is adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses unless the Group has incurred obligations or made payments on behalf of the joint venture.

g) Revenue

Revenue represents the fair value of consideration received from the provision of goods, services and rights falling within the Group's ordinary activities, after deduction of trade discounts, value added tax and anticipated returns.

Where the goods or services promised within a contract are distinct, they are identified as separate performance obligations and are accounted for separately. Where contractual arrangements consist of two or more performance obligations, such as access to multiple titles, the transaction price is allocated between the distinct performance obligations on the basis of their relative stand-alone selling prices.

i. Print:

- Print sales: Revenue from the sale of printed books is recognised at the point in time when control passes. This is generally at the point of shipment when title passes to the customer, when the Group has a present right to payment and has satisfied the relevant performance obligations under the contract.

A provision for anticipated returns is made based primarily on historical return rates in each territory. If these do not reflect actual returns in future periods, then revenues could be understated or overstated for a particular period. The provision for anticipated future sales returns is recognised in trade and other liabilities in the statement of financial position.

ii. Digital:

- Ebook sales: Revenue from ebook sales is recognised when content is delivered i.e. access has been given to the customer.
- Subscription income: Revenue is generated from customers through the sale of digital materials to educational establishments, libraries and professionals. Revenue for digital subscriptions is derived from the periodic subscription or update of the product. Revenue is recognised on a straight-line basis over the period of subscription or if less the expected useful economic life of the product, unless the product is downloadable or the goods or services are not delivered in a consistent manner over time, in which case revenue is recognised based on the value received by the customer.

iii. Rights and services

- Revenue from the licence of publishing and distribution rights, including film, paperback, electronic, overseas publishing rights, and sponsorship, is recognised when the Group has provided the associated material and collectability is probable.
- Management services contracts: Revenue is primarily generated from multi-year contractual arrangements related to the delivery of online platform build, editorial and management services. Revenue is recognised over time based on contractual milestones as the customer gains benefit from the assets created or services provided.

Notes to the Financial Statements

Accounting Policies

h) Foreign currencies

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). These consolidated financial statements are presented in sterling as this is the most representative currency of the Group's operations. All financial information presented in sterling has been rounded to the nearest thousand except where otherwise stated.

ii. Transactions and balances

Transactions in currencies other than the functional currency are recorded in the functional currency at the rates of exchange prevailing on the dates of the transactions. Assets and liabilities in foreign currencies are translated into sterling at closing rates of exchange at the date of the statement of financial position.

Exchange differences are charged or credited to the income statement within administrative expenses.

iii. Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at the average exchange rates over the period; and
- All resulting exchange differences are recognised in other comprehensive income and presented in the translation reserve in equity. On disposal of a foreign entity these exchange differences are recycled to the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in equity.

i) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

i. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

The Group recognises liabilities for anticipated tax issues based on estimates of the additional taxes that are likely to become due, which require judgement. Amounts are accrued based on the Director's interpretation of specific tax law in the relevant country and the likelihood of settlement. The Directors use in-house tax experts, professional firms and previous experience when assessing tax risks. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be generated to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the end of the reporting period.

iii. Current and deferred tax for the year

Current and deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the deferred tax is also recognised in other comprehensive income or equity respectively.

j) Goodwill and other intangible assets

i. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2f)i) less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently where there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

ii. Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Except for goodwill and assets under construction, intangible assets are amortised on a straight-line basis in the income statement over their expected useful lives by equal annual instalments at the following rates:

Publishing relationships	— 5% to 21% per annum
Imprints	— 3% to 10% per annum
Subscriber and customer relationships	— 7% to 9% per annum
Trademarks	— over the life of the trademark
Product and systems development	— 14% to 20% per annum

Assets under construction relate to the costs of developing a product, typically an online platform, which is yet to go live.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

iii. Product and systems development

Costs that are directly associated with the purchase and implementation of systems, such as software products, are recognised as intangible assets. Likewise, costs incurred in developing a product, typically an online platform, are recognised as intangible assets.

Expenditure is only capitalised if costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Group has sufficient resources to complete development and use the asset.

k) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

Property, plant and equipment are depreciated in order to write down their cost less residual value using the straight-line method over their expected useful lives at the following rates:

Short leasehold improvements	— over the remaining life of the lease
Furniture and fittings	— 10% per annum
Computers and other office equipment	— 20% per annum
Motor vehicles	— 25% per annum

Depreciation is prorated in the years of acquisition and disposal of an asset. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Notes to the Financial Statements

Accounting Policies

l) Leases

Policy applicable from 1 March 2019

The Group assessed whether a contract contains a lease at the inception of the contract. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognises a right-of-use asset and a lease liability at the lease commencement date with respect to all lease arrangements except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the lease payments are recognised as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The Group applies IAS 36 to determine whether a right-of-use asset is impaired. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate or a change in the Group's assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the right-of-use asset.

Management uses judgement to determine the lease term where extension and termination options are available within the lease.

Policy applicable before 1 March 2019

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases by the lessee. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

m) Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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 and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

n) Inventories

The cost of work in progress and finished goods represents the amounts invoiced to the Group for origination, paper, printing and binding. Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Provisions are made for slow-moving and obsolete stock.

o) Royalty advances to authors

Advances of royalties to authors are included within current receivables when the advance is paid less any provision required to adjust the advance to its net realisable value. The royalty advance is expensed at the contracted royalty rate as the related revenues are earned.

p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

q) Financial instruments
Financial assets and financial liabilities are recognised when the Group has become a party to the contractual provisions of the instrument. The Group's financial assets and liabilities are as below:

Trade receivables
Trade receivables and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment. Following the adoption of IFRS 9, provisions for bad and doubtful debts are based on the expected credit loss model. The "simplified approach" is used with the expected loss allowance measured at an amount equal to the lifetime expected credit losses.

Cash and cash equivalents
Cash and cash equivalents in the statement of cash flows comprise cash in hand and at bank, other short-term deposits held by the Group and overdrafts. Bank overdrafts are included in current liabilities in the statement of financial position.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Trade payables
Trade payables are not interest bearing and are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

r) Employee benefits
i. Defined contribution plans
Pension costs relating to defined contribution pension schemes are recognised in the income statement in the period for which related services are rendered by the employee.

ii. Defined benefit plans
Until 1997, a subsidiary company operated a defined benefit pension scheme. The retirement obligation recognised in the statement of financial position represents the net of the present value of the defined benefit obligation and the fair value of plan assets at the statement of financial position date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate to the net defined benefit obligation and is presented as finance costs or finance income.

iii. Termination benefits
Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan either to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

iv. Share-based payment transactions
The Group issues equity-settled share-based payment instruments to certain employees. Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is charged to the income statement on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest.

Options granted under the Company Share Option Plan and Sharesave Plan are equity-settled. The fair values of such options have been calculated using the Black-Scholes model based on publicly available market data.

Awards granted under the Group's Performance Share Plan are equity-settled. For the awards granted in 2016, part of any award granted under the Plan is subject to a Total Shareholder Return performance condition. The fair value of this element of the awards is calculated using the Stochastic model. For awards granted in 2017 or 2018, part of any award under the Plan is subject to a Return on Capital Employed performance condition. These have been measured based on the share price at the date of grant as they are only subject to non-market conditions. The other part of any award granted under the Plan is subject to an Earnings Per Share performance condition. The fair value of this element of the awards is calculated using the Black-Scholes model. Where the awards are subject to a holding period, we have used the Chaffe model to determine a discount for lack of marketability.

Notes to the Financial Statements

Accounting Policies

s) Employee benefit trust
The Company operates an employee benefit trust and has de facto control of shares held by the trust and bears their benefits and risks. The Group considers the trust to be substantially under its control and so consolidates the financial information of the trust as stated in note 2f. The Group records the assets and liabilities of the trust as its own and shares held by the trust are recorded at cost as a deduction from Shareholders' equity. Finance costs and administrative expenses are charged as they accrue.

t) Segmental reporting
Operating segments, which have not been aggregated, are reported in a manner that is consistent with the internal reporting provided to the Chief Executive Officer ("CEO"), regarded as the Chief Operating Decision Maker.

The CEO views the Group primarily from a nature of business basis, reflecting the divisional performance of Consumer, made up of Children's Trade and Adult Trade, and Non-Consumer, made up of Academic & Professional and Special Interest. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Performance is evaluated based on operating profit contributions using the same accounting policies as adopted for the Group's financial statements.

u) Dividends
Dividends are recognised as liabilities once they are appropriately authorised.

v) Critical accounting estimates and judgements
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. The resultant estimates will, by definition, not necessarily equal the related actual results and may require adjustment in subsequent accounting periods. The estimates and assumptions that may cause a material adjustment to the carrying amount of assets and liabilities in the next financial year are:

i. Revenue recognition

Note 3 shows a breakdown of revenue by type.

This is a judgement because management is required to decide whether the revenue recognition criteria has been met for a contract. Certain contracts entered into by the Group may include the licensing or outright sale of the Group's intellectual property; the provision of ongoing consultancy services; or a bundled combination of both.

The Group considers contractual terms and makes judgements in assessing when the triggers for revenue recognition have been met, particularly that the Group has sufficiently fulfilled its performance obligations under the contract to allow revenue to be recognised and the allocation of revenue between multiple deliverables.

ii. Book returns

The level of sales returns liability is set out in note 19.

Printed books are normally sold on a sale-or-return basis. The timing of returns of unsold books is uncertain. A provision is made against sales for the expected future returns of books that have not occurred by the end of an accounting period.

This is an estimate as it requires management to estimate the level of expected future returns. As books are returnable by customers, the Group makes a provision against books sold in the accounting period which is then carried forward in anticipation of book returns received subsequent to the period end. The provision is recorded by sub-division, and is based on the estimated time lag following a sale before a return is made, based on the historic returns data. The provision is calculated by reference to historical returns rates and expected future returns.

iii. Author advances

Trade and other receivables in the Group Statement of Financial Position, in note 18, include royalty advances (i.e. net unearned advances to authors). A provision is made against gross advances (paid and payable) to the extent that they are not expected to be fully earned from anticipated future sales of a title or subsidiary rights receivable.

This is an estimate as it requires management to estimate the future sales of a title. At the end of each financial year a review is carried out on all published title advances. If it is unlikely that royalties from future title sales or subsidiary rights will fully earn down the advance, a provision is made in the income statement on a title-by-title basis, with regard to historical net sales, expected future net sales and taking account of the lifecycle of a book, for the difference between the carrying value and the anticipated recoverable amount from future earnings.

iv. Inventory

The level of inventories and the inventory provision are set out in note 17 to the financial statements.

For each line of inventory, a provision is made against the cost of the inventory, where the Net Realisable Value is less than cost. Net Realisable Value is the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

This is an estimate as it requires management to estimate the net realisable value for inventory. At the end of each reporting period a review is carried out on all published titles where inventory is held. A provision is made by the Group against unsold inventory on a title-by-title basis, with regard to historical net sales and expected future net sales, to value the inventories at the lower of cost and net realisable value.

v. Impairment reviews

The carrying value of goodwill arising on the acquisition of companies (or groups of companies) by the Group is set out in note 11.

This is an estimate as it requires an estimation of future cash flows relating to each CGU. IFRS require management to undertake an annual test for impairment of indefinite life assets and, for finite life assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Group currently undertakes an annual impairment test covering goodwill and other indefinite life assets and also reviews finite life assets to consider whether a full impairment review is required.

Intangible assets recoverability is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made. Note 11 details the assumptions used and sensitivities analysis performed on the value in use calculations.

w) Change of accounting policy: IFRS 16

The Group has adopted IFRS 16 Leases from 1 March 2019 and applied the modified retrospective approach. Comparatives for 2019 have not been restated and there is no adjustment to equity at the date of application.

On transition the Group elected not to reassess whether a contract is, or contains, a lease, instead relying on the assessment already made applying IAS 17 "Leases" and IFRIC 4 "Determining whether and Arrangement contains a Lease". In addition, the Group applied the available practical expedients as follows:

- Reliance on assessment as to whether leases are onerous on 1 March 2019 with no impact identified;
- Exclude leases of low value assets and short-term leases of less than 12 months from the application of IFRS 16, with payment for these leases continuing to be expensed directly to the income statement as operating leases;
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- Exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The major class of lease impacted by the new standard is property leases. The lease liability has been measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at transition. The right-of-use assets are set to equal the lease liability adjusted for any prepaid or accrued lease payments.

The weighted average incremental borrowing rate ("IBR") applied to the lease liabilities on 1 March 2019 was 3.3%. A single IBR has been applied to a portfolio of leases when these have shared similar characteristics including location, duration and nature of the leases. The approach to use an IBR to discount leases has been followed since the transition date as the interest rate implicit in individual leases cannot be readily determined.

At 1 March 2019 transition date adoption of IFRS 16 resulted in the Group recognising right-of-use assets of £13.6 million and lease liabilities of £14.5 million. There is a reduction of £0.3 million for prepaid rental amounts now netted against the right-of-use assets and a reduction of £1.2 million to liabilities for deferred rent-free amounts netted against the right-of-use asset.

Notes to the Financial Statements

Accounting Policies

The impact on the income statement for the year ended 29 February 2020 is as follows:

	Year ended 29 February 2020 £'000
Decrease in administrative expenses	2,055
EBITDA benefit	**2,055**
Increase in depreciation	(1,775)
Operating profit benefit	**280**
Increase in finance costs	(492)
Profit before tax reduction	**(212)**

Prior to the adoption of IFRS 16 rental payments were charged to the income statement on a straight-line basis. Under IFRS 16 rental costs in the income statement are replaced with depreciation on the right-of-use asset and interest charges on the lease liability. The adoption of IFRS 16 gives rise to a net £212,000 charge in the profit before tax for the year ended 29 February 2020. At operating profit, the adoption of IFRS 16 gives a benefit of £280,000. The impact is the same for both the statutory profit before tax and adjusted profit before tax.

There is no overall impact on the Group's cash and cash equivalents although there is a change to the classification of cash flows in the cash flow statement with lease payments previously categorised as net cash used in operations now being split between the principal element (categorised in financing activities) and the interest element (categorised as interest paid in financing activities). The impact on the cash flow statement for the year ended 29 February 2020 is as follows:

	Pre IFRS 16 £'000	Repayment of lease liabilities £'000	Interest paid £'000	Post IFRS 16 £'000
Net cash used in operating activities	14,573	1,531	492	16,596
Net cash used in financing activities	(5,985)	(1,531)	(492)	(8,008)

The lease liabilities as at 1 March 2019 can be reconciled to the operating lease commitments at 28 February 2019 as follows:

	1 March 2019 £'000
Operating lease commitments disclosed at 28 February 2019	**16,134**
Less commitments relating to short-term leases	(23)
Less commitments relating to low value assets	(7)
Discounted using the lease's incremental borrowing rate	(2,372)
Other liabilities now recognised within lease liabilities	787
Lease liability recognised as at 1 March 2019	**14,519**
Analysed at:	
Current lease liabilities	1,580
Non-current lease liabilities	12,839

3. Revenue and segmental analysis

The Group is comprised of two worldwide publishing divisions: Consumer and Non-Consumer, reflecting the core customers for our different operations. The Consumer Division is further split out into two operating segments: Children's Trade and Adult Trade. Non-Consumer is split between two operating segments: Academic & Professional, and Special Interest.

Each reportable segment represents a cash-generating unit for the purpose of impairment testing. We have allocated goodwill between reportable segments. These divisions are the basis on which the Group primarily reports its segment information. Segments derive their revenue from book publishing, sale of publishing and distribution rights, management and other publishing services.

The analysis by segment is shown below:

Year ended 29 February 2020	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional[1] £'000	Special Interest[1] £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
External revenue	**59,354**	**37,416**	**96,770**	**43,123**	**22,879**	**66,002**	**–**	**162,772**
Cost of sales	(30,840)	(19,627)	(50,467)	(13,606)	(10,905)	(24,511)	–	(74,978)
Gross profit	**28,514**	**17,789**	**46,303**	**29,517**	**11,974**	**41,491**	**–**	**87,794**
Marketing and distribution costs	(8,269)	(5,619)	(13,888)	(4,636)	(2,849)	(7,485)	–	(21,373)
Contribution before administrative expenses	**20,245**	**12,170**	**32,415**	**24,881**	**9,125**	**34,006**	**–**	**66,421**
Administrative expenses excluding highlighted items	(12,845)	(10,503)	(23,348)	(19,975)	(7,151)	(27,126)	–	(50,474)
Operating profit before highlighted items/segment results	**7,400**	**1,667**	**9,067**	**4,906**	**1,974**	**6,880**	**–**	**15,947**
Amortisation of acquired intangible assets	–	(18)	(18)	(1,504)	(214)	(1,718)	–	(1,736)
Other highlighted items	–	–	–	–	–	–	(739)	(739)
Operating profit/(loss)	**7,400**	**1,649**	**9,049**	**3,402**	**1,760**	**5,162**	**(739)**	**13,472**
Finance income	–	–	–	116	–	116	154	270
Finance costs	(110)	(94)	(204)	(201)	(88)	(289)	(20)	(513)
Profit before taxation and highlighted items	**7,290**	**1,573**	**8,863**	**4,821**	**1,886**	**6,707**	**134**	**15,704**
Amortisation of acquired intangible assets	–	(18)	(18)	(1,504)	(214)	(1,718)	–	(1,736)
Other highlighted items	–	–	–	–	–	–	(739)	(739)
Profit/(loss) before taxation	**7,290**	**1,555**	**8,845**	**3,317**	**1,672**	**4,989**	**(605)**	**13,229**
Taxation	–	–	–	–	–	–	(2,728)	(2,728)
Profit/(loss) for the year	**7,290**	**1,555**	**8,845**	**3,317**	**1,672**	**4,989**	**(3,333)**	**10,501**
Operating profit before highlighted items/segment results	**7,400**	**1,667**	**9,067**	**4,906**	**1,974**	**6,880**	**–**	**15,947**
Depreciation	821	515	1,336	626	315	941	–	2,277
Amortisation of internally generated intangibles	360	210	570	1,817	178	1,995	–	2,565
EBITDA before highlighted items	**8,581**	**2,392**	**10,973**	**7,349**	**2,467**	**9,816**	**–**	**20,789**

[1] The Content Services division has been moved into the Special Interest Division; digital projects moved to the Academic & Professional division.

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Year ended 28 February 2019	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional[1] £'000	Special Interest[1] £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
External revenue	**65,800**	**33,454**	**99,254**	**41,514**	**21,911**	**63,425**	**–**	**162,679**
Cost of sales	(32,671)	(16,937)	(49,608)	(14,813)	(10,501)	(25,314)	–	(74,922)
Gross profit	**33,129**	**16,517**	**49,646**	**26,701**	**11,410**	**38,111**	**–**	**87,757**
Marketing and distribution costs	(9,039)	(5,231)	(14,270)	(4,878)	(2,905)	(7,783)	–	(22,053)
Contribution before administrative expenses	**24,090**	**11,286**	**35,376**	**21,823**	**8,505**	**30,328**	**–**	**65,704**
Administrative expenses excluding highlighted items	(14,306)	(10,395)	(24,701)	(18,780)	(7,929)	(26,709)	–	(51,410)
Operating profit before highlighted items/segment results	**9,784**	**891**	**10,675**	**3,043**	**576**	**3,619**	**–**	**14,294**
Amortisation of acquired intangible assets	–	(18)	(18)	(1,482)	(214)	(1,696)	–	(1,714)
Other highlighted items	–	–	–	–	–	–	(611)	(611)
Operating profit/(loss)	**9,784**	**873**	**10,657**	**1,561**	**362**	**1,923**	**(611)**	**11,969**
Finance income	–	–	–	–	–	–	130	130
Finance costs	–	–	–	–	–	–	(50)	(50)
Profit before taxation and highlighted items	**9,784**	**891**	**10,675**	**3,043**	**576**	**3,619**	**80**	**14,374**
Amortisation of acquired intangible assets	–	(18)	(18)	(1,482)	(214)	(1,696)	–	(1,714)
Other highlighted items	–	–	–	–	–	–	(611)	(611)
Profit/(loss) before taxation	**9,784**	**873**	**10,657**	**1,561**	**362**	**1,923**	**(531)**	**12,049**
Taxation	–	–	–	–	–	–	(2,802)	(2,802)
Profit/(loss) for the year	**9,784**	**873**	**10,657**	**1,561**	**362**	**1,923**	**(3,333)**	**9,247**
Operating profit before highlighted items/segment results	**9,784**	**891**	**10,675**	**3,043**	**576**	**3,619**	**–**	**14,294**
Depreciation	185	83	268	131	71	202	–	470
Amortisation of internally generated intangibles	373	177	550	1,638	237	1,875	–	2,425
EBITDA before highlighted items	**10,342**	**1,151**	**11,493**	**4,812**	**884**	**5,696**	**–**	**17,189**

[1] The Content Services division has been moved into the Special Interest Division; digital projects moved to the Academic & Professional division.

The reconciliation of operating profit to EBITDA, both before highlighted items, for the year ended 29 February 2020 includes the impact of IFRS 16. The comparative year reconciliation has not been restated for IFRS 16. Note 2w explains the impact of IFRS 16 on EBITDA for the year ended 29 February 2020.

Total assets

	29 February 2020 £'000	28 February 2019 £'000
Children's Trade	**11,016**	9,939
Adult Trade	**6,747**	7,218
Academic & Professional	**59,128**	58,466
Special Interest	**13,492**	14,328
Unallocated	**139,357**	117,142
Total assets	**229,740**	207,093

Unallocated primarily represents centrally held assets including system development; property, plant and equipment; right-of-use assets; receivables; and cash.

External revenue by destination

	Source				
	United Kingdom £'000	North America £'000	Australia £'000	India £'000	Total £'000
Destination					
Year ended 29 February 2020					
United Kingdom (country of domicile)	**60,724**	**74**	**–**	**–**	**60,798**
North America	**15,352**	**40,064**	**–**	**–**	**55,416**
Continental Europe	**16,782**	**1,683**	**–**	**–**	**18,465**
Australasia	**1,320**	**–**	**11,107**	**–**	**12,427**
Middle East and Asia	**7,435**	**190**	**–**	**4,799**	**12,424**
Rest of the world	**2,827**	**404**	**–**	**11**	**3,242**
Overseas countries	**43,716**	**42,341**	**11,107**	**4,810**	**101,974**
Total	**104,440**	**42,415**	**11,107**	**4,810**	**162,772**
Year ended 28 February 2019					
United Kingdom (country of domicile)	58,407	54	–	–	58,461
North America	13,248	43,478	–	–	56,726
Continental Europe	17,802	1,594	–	–	19,396
Australasia	1,463	–	11,586	–	13,049
Middle East and Asia	7,317	289	–	4,244	11,850
Rest of the world	2,722	431	–	44	3,197
Overseas countries	42,552	45,792	11,586	4,288	104,218
Total	100,959	45,846	11,586	4,288	162,679

During the year, sales to one customer exceeded 10% of Group revenue (2019: one customer). The value of these sales was £43,405,000 (2019: £37,483,000). This customer purchases from all operating segments.

Analysis of non-current assets (excluding deferred tax assets) by geographic location

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
United Kingdom (country of domicile)	**75,839**	65,802
North America	**7,638**	4,669
Other	**193**	84
Total	**83,670**	70,555

The Group's revenues by product type were as follows:

Year ended 29 February 2020	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional[2] £'000	Special Interest[2] £'000	Non-Consumer £'000	Total £'000
Print	52,646	29,460	82,106	28,438	18,571	47,009	129,115
Digital	3,029	6,772	9,801	12,099	2,235	14,334	24,135
Rights and services[1]	3,679	1,184	4,863	2,586	2,073	4,659	9,522
Total	**59,354**	**37,416**	**96,770**	**43,123**	**22,879**	**66,002**	**162,772**

Year ended 28 February 2019	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional[2] £'000	Special Interest[2] £'000	Non-Consumer £'000	Total £'000
Print	58,288	27,568	85,856	29,087	18,367	47,454	133,310
Digital	4,157	4,887	9,044	10,083	1,746	11,829	20,873
Rights and services[1]	3,355	999	4,354	2,344	1,798	4,142	8,496
Total	**65,800**	**33,454**	**99,254**	**41,514**	**21,911**	**63,425**	**162,679**

[1] Rights and services revenue includes revenue from copyright and trademark licences, management contracts, advertising and publishing services.

[2] The Content Services division has been moved into the Special Interest Division; digital projects moved to the Academic & Professional division.

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The below table depicts the remaining transaction price on unsatisfied or partially unsatisfied performance obligations from contracts with customers as follows:

Year ended 29 February 2020	Sales £'000	Deferred income £'000	Committed sales £'000	Total remaining transaction price £'000	2021 £'000	2022 £'000	2023 and later £'000
Print	**129,115**	**550**	**4,784**	**5,334**	**5,245**	**89**	**–**
Digital	**24,135**	**2,697**	**1,991**	**4,688**	**2,991**	**646**	**1,051**
Rights and services	**9,522**	**16**	**1,872**	**1,888**	**611**	**570**	**707**
Total	**162,772**	**3,263**	**8,647**	**11,910**	**8,847**	**1,305**	**1,758**

Year ended 28 February 2019	Sales £'000	Deferred income £'000	Committed sales £'000	Total remaining transaction price £'000	2020 £'000	2021 £'000	2022 and later £'000
Print	133,310	275	4,880	5,155	5,155	–	–
Digital	20,873	2,285	2,499	4,784	2,650	587	1,547
Rights and services	8,496	585	2,445	3,030	1,089	715	1,226
Total	**162,679**	**3,145**	**9,824**	**12,969**	**8,894**	**1,302**	**2,773**

4. Operating profit

Operating profit is stated after charging the following amounts:

	Notes	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Purchase of goods and changes in inventories	17	**43,722**	44,293
Auditor's remuneration (see overleaf)		**331**	266
Depreciation of property, plant and equipment	14	**502**	470
Highlighted items (see below)		**2,475**	2,325
Provision made against advances		**5,464**	4,997
Exchange (gain)/loss		**(151)**	38
Staff costs (excluding termination benefits)	5	**34,868**	34,848

Highlighted items

	Notes	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Legal and other professional fees		**461**	223
Coronavirus onerous costs		**180**	–
Restructuring costs		**98**	388
Other highlighted items		**739**	611
Amortisation of acquired intangible assets	12	**1,736**	1,714
Total highlighted items		**2,475**	2,325

Highlighted items charged to operating profit comprise significant non-cash charges and major one-off initiatives, which are highlighted in the income statement because, in the opinion of the Directors, separate disclosure is helpful in understanding the underlying performance and future profitability of the business.

All highlighted items are included in administrative expenses in the income statement.

For the year ended 29 February 2020 legal and other professional fees of £461,000 were incurred as a result of the Group's acquisition of rights, primarily that of Oberon Books Limited and the joint venture; Beijing CYP & Gakken Education Development Co., Ltd. Coronavirus onerous costs of £180,000 are irrecoverable costs crystallised in the year associated with book fairs and conferences that have been cancelled due to the coronavirus. Restructuring costs relate to the acquisition of Oberon Books Limited and I.B. Tauris & Co. Limited.

For the year ended 28 February 2019 legal and other professional fees of £223,000 and restructuring costs of £388,000 were incurred as a result of the Group's acquisition of I.B. Tauris & Co. Limited; see note 10.

Auditor's remuneration
Amounts payable to KPMG LLP and its associates in respect of both audit and non-audit services are as follows:

	Year ended 29 February 2020			Year ended 28 February 2019		
	UK £'000	Overseas £'000	Total £'000	UK £'000	Overseas £'000	Total £'000
Fees payable to the Company's Auditor for the audit of the parent Company and consolidated financial statements	190	90	280	140	75	215
Fees payable to the Company's Auditor and its associates for other services:						
Audit of the Company's subsidiaries pursuant to legislation	5	11	16	5	11	16
Other services pursuant to legislation:						
Interim review	35	–	35	35	–	35
Total	230	101	331	180	86	266

5. Staff costs

Staff costs, including Directors, during the year were:

	Notes	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Salaries (including bonuses)		29,653	30,116
Social security costs		2,952	2,912
Pension costs	24	1,502	1,322
Share-based payment charge	23	761	498
Staff costs (excluding termination benefits)	4	34,868	34,848
Termination benefits		220	613
Total		35,088	35,461

For the year ended 29 February 2020 £16,000 (year ended 28 February 2019: £189,000) of termination benefits are included within highlighted items.

The average monthly number of employees during the year were:

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Editorial, production and selling	593	583
Finance and administration	109	100
Total	702	683

Staff costs are charged to administrative expenses.

Three (2019: four) Directors were accruing benefits during the year under defined contribution pension arrangements.

Total emoluments for Directors was:

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Short-term employee benefits	1,967	2,612
Post-employment benefits	140	132
Total	2,107	2,744

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The Group considers key management personnel as defined under IAS 24 "Related Party Disclosures" to be the Directors of the Company, this includes Non-Executive Directors, and those Directors of the global divisions, major geographic regions and departments who are actively involved in strategic decision making.

Total emoluments for Executive Directors and other key management personnel were:

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Short-term employee benefits	**3,841**	4,022
Post-employment benefits	**224**	209
Share-based payment charge	**597**	410
Total	**4,662**	4,641

6. Finance income and finance costs

	Notes	**Year ended 29 February 2020 £'000**	Year ended 28 February 2019 £'000
Finance income			
Interest on bank deposits		**136**	55
Other interest receivable		**118**	62
Return on pension plan assets	24	**16**	13
Total		**270**	130
Finance costs			
Interest on lease liabilities	26	**492**	–
Interest cost on pension obligations	24	**18**	17
Interest on bank overdraft and loans		**2**	1
Other interest payable		**1**	32
Total		**513**	50

7. Taxation

a) Tax charge for the year

	Notes	**Year ended 29 February 2020 £'000**	Year ended 28 February 2019 £'000
Current taxation			
UK corporation tax			
Current year		**2,513**	1,961
Adjustment in respect of prior years		**(73)**	(3)
Overseas taxation			
Current year		**462**	301
Adjustment in respect of prior years		**40**	(18)
		2,942	2,241
Deferred tax	16		
UK			
Origination and reversal of temporary differences		**14**	97
Adjustment in respect of prior years		**–**	–
Overseas			
Origination and reversal of temporary differences		**(171)**	488
Adjustment in respect of prior years		**(57)**	(24)
		(214)	561
Total taxation expense		**2,728**	2,802

b) Factors affecting tax charge for the year
The tax on the Group's profit before tax differs from the standard rate of corporation tax in the United Kingdom of 19.00% (2019: 19.00%). The reasons for this are explained below:

	Year ended 29 February 2020		Year ended 28 February 2019	
	£'000	%	£'000	%
Profit before taxation	**13,229**	**100.0**	12,049	100.0
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	**2,514**	**19.0**	2,289	19.0
Effects of:				
Non-deductible revenue expenditure	**153**	**1.1**	117	1.0
Movement in unrecognised temporary differences	**47**	**0.4**	132	1.1
Different rates of tax in foreign jurisdictions	**142**	**1.1**	308	2.6
Previously unprovided tax losses utilised	**(124)**	**(0.9)**	(36)	(0.3)
Adjustment to tax charge in respect of prior years				
Current tax	**(33)**	**(0.3)**	(21)	(0.2)
Deferred tax	**(57)**	**(0.4)**	(24)	(0.2)
Tax charge for the year before disallowable costs on highlighted items	**2,642**	**20.0**	2,765	23.0
Highlighted items				
Disallowable costs	**86**	**0.6**	37	0.3
Tax charge for the year	**2,728**	**20.6**	2,802	23.3

Non-deductible revenue expenditure mainly relates to disallowable foreign exchange and entertainment expenses. Different rates of tax in foreign jurisdictions is where we are paying tax at higher rates in the US and Australia as well as paying state taxes in the US.

Previously unprovided tax losses utilised relate to differences from the finalisation of losses on tax returns.

Adjustments to prior periods primarily arise where an outcome is obtained on certain tax matters which differs from expectations held when the related provision was made. Where the outcome is more favourable than the provision made, the difference is released, lowering the current year tax charge. Where the outcome is less favourable than our provision, an additional charge to current year tax will occur.

We are not aware of any significant unprovided exposures that are considered likely to materialise.

c) Factors affecting tax charge for future years
Factors which may affect the future tax charges includes changes in tax legislation, transfer pricing regulations and the level and mix of profitability in different countries.

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the net UK deferred tax liability as at 29 February 2020 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the Group's future current tax charge accordingly and decrease the net deferred tax asset by £138,000.

d) Tax effects of components of other comprehensive income

	Before tax 2020 £'000	Tax charge 2020 £'000	After tax 2020 £'000	Before tax 2019 £'000	Tax charge 2019 £'000	After tax 2019 £'000
Exchange difference on translating foreign operations	**856**	**–**	**856**	964	–	964
Remeasurements on the defined benefit pension scheme	**(138)**	**23**	**(115)**	(6)	1	(5)
Other comprehensive income	**718**	**23**	**741**	958	1	959

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8. Dividends

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Amounts paid in the year		
Prior period final 6.75p dividend per share (2019: 6.36p)	**5,051**	4,749
Interim 1.28p dividend per share (2019: 1.21p)	**958**	906
Total dividend payments in the year	**6,009**	5,655
Amounts arising in respect of the year		
Interim 1.28p dividend per share for the year (2019: 1.21p)	**958**	906
Proposed final dividend per share for the year (2019: 6.75p)	**–**	5,051
Total dividend 1.28p per share for the year (2019: 7.96p)	**958**	5,957

Absent of coronavirus, Bloomsbury would have declared a final cash dividend for the year to 29 February 2020 of 6.89 pence per share, which would have resulted in a total dividend for the year of 8.17 pence per share, up 3% on the previous year. As previously announced, Bloomsbury has decided in view of coronavirus to prioritise cash conservation at the current time and therefore will not be paying a cash dividend. Bloomsbury will instead, subject to Shareholder approval at the Annual General Meeting, be making a bonus issue to Shareholders in lieu of, and with a value equivalent to, its proposed final dividend. This bonus issue will be provided on 28 August 2020 to Shareholders on the register on the record date of 31 July 2020.

9. Earnings per share

The basic earnings per share for the year ended 29 February 2020 is calculated using a weighted average number of Ordinary shares in issue of 74,830,714 (2019: 74,741,083) after deducting shares held by the Employee Benefit Trust.

The diluted earnings per share is calculated by adjusting the weighted average number of Ordinary shares to take account of all dilutive potential Ordinary shares, which are in respect of unexercised share options and the Performance Share Plan.

	Year ended 29 February 2020 Number	Year ended 28 February 2019 Number
Weighted average shares in issue	**74,830,714**	74,741,083
Dilution	**1,026,939**	756,547
Diluted weighted average shares in issue	**75,857,653**	75,497,630

	£'000	£'000
Profit after tax attributable to owners of the Company	**10,501**	9,247
Basic earnings per share	**14.03p**	12.37p
Diluted earnings per share	**13.84p**	12.25p

	£'000	£'000
Adjusted profit attributable to owners of the Company	**12,720**	11,299
Adjusted basic earnings per share	**17.00p**	15.12p
Adjusted diluted earnings per share	**16.77p**	14.97p

Adjusted profit is derived as follows:

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Profit before taxation	**13,229**	12,049
Amortisation of acquired intangible assets	**1,736**	1,714
Other highlighted items	**739**	611
Adjusted profit before tax	**15,704**	14,374
Tax expense	**2,728**	2,802
Deferred tax movements on goodwill and acquired intangible assets	**202**	194
Tax expense on other highlighted items	**54**	79
Adjusted tax	**2,984**	3,075
Adjusted profit	**12,720**	11,299

The Group includes the benefit of tax amortisation of intangible assets within adjusted tax as this benefit more accurately aligns the adjusted tax charge with the expected cash tax payments.

10. Acquisitions

On 1 May 2018 the Group acquired the issued share capital of I. B. Tauris & Co. Limited ("IBT"), the academic publisher. The consideration of £4.4 million was satisfied by the payment of £4.0 million in cash on completion and £0.4 million paid out post completion subject to working capital and other adjustments. £0.3 million of this post completion consideration was paid in the year ended 29 February 2020. The previously disclosed £5.8 million consideration includes the payment of pre-existing IBT obligation including loans to Shareholders and the current loans and the best estimate at that time of the payment due for working capital and other adjustments. The pre-existing IBT obligation including loans to Shareholders and the current loans is included in overdrafts and current loans and payables and provisions in the IBT net assets acquired below at the date of acquisition.

IBT has a world-leading list in Middle East studies, history, politics and international relations. Other subject areas in which it has a sizeable presence are visual culture, classics, ancient history and religion. Around 90% of sales are in print, so there is significant potential to grow digital revenues. IBT titles will be included within Bloomsbury's digital resources. The business will operate within Bloomsbury's Academic & Professional division.

The table below summarises the fair values to the Group included in the consolidated financial statements of the major categories of assets and liabilities of IBT at the date of acquisition.

Net assets acquired	Fair value to the Group £'000
Identifiable intangible assets	3,200
Property, plant and equipment	37
Deferred tax assets	662
Inventories	1,054
Trade and other receivables	1,557
Cash and cash equivalents	93
Deferred tax liabilities	(544)
Overdraft and current loans	(201)
Payables and provisions	(4,064)
Total net assets acquired	**1,794**
Goodwill	2,613
Total	4,407
Satisfied by:	
Cash consideration	**4,407**

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Identifiable intangible assets of £3,200,000 consist of publishing rights and imprints. The publishing rights have a useful life of 12 years and imprints have a useful life of 20 years. The goodwill arising of £2,613,000 is attributable to the expected profitability of the acquired business and the synergies expected to arise after the acquisition.

The gross contractual trade receivable at acquisition is £1,539,000 of which £217,000 is the best estimate of the contractual cash flows that are not expected to be collected.

Transaction costs of £223,000 were expensed in the year ended 28 February 2019 within administrative expenses.

11. Goodwill

	29 February 2020 £'000	28 February 2019 £'000
Cost		
At start of year	49,156	46,399
Acquired through business combinations	–	2,613
Exchange differences	137	144
At end of year	49,293	49,156
Impairment		
At start of year	4,261	4,260
Exchange differences	2	1
At end of year	4,263	4,261
Net book value		
At end of year	45,030	44,895
At start of year	44,895	42,139

Goodwill is not amortised, but instead is subject to annual impairment reviews. Any impairment losses are recognised immediately in the income statement.

Management has aligned the monitoring of goodwill to how it reviews the performance of the business. Goodwill is monitored by management at the publishing division level. The following is a summary of goodwill allocation for each publishing division:

	29 February 2020 £'000	28 February 2019 £'000
Children's Trade	1,849	1,788
Adult Trade	2,339	2,265
Academic & Professional	35,889	35,889
Special Interest	4,953	4,953
Total	45,030	44,895

Impairment testing

The recoverable amount of the Group's goodwill has been considered with regard to value-in-use calculations. These calculations use the pre-tax future cash flow projections of each cash-generating unit ("CGU") based on the Board's approved budgets for the year ended 28 February 2021 and the Board-approved five-year plan. The calculations include a terminal value based on the projections for the final year of the five-year plan with a long-term growth rate assumption applied.

The key assumptions for calculating value in use are:

	Discount rates		CAGR - Revenue		Long-term growth	
	2020 %	2019 %	**2020 %**	2019 %	**2020 %**	2019 %
Children's Trade	**11.5**	10.8	**0.8**	2.4	**2.0**	2.0
Adult Trade	**11.3**	11.4	**2.6**	1.8	**2.0**	2.0
Academic & Professional	**10.7**	10.2	**3.0**	5.7	**2.0**	2.0
Special Interest	**11.6**	11.6	**2.0**	3.7	**2.0**	2.0

Discount rates

The discount rates applied to the cash flows are calculated using a pre-tax rate based on the weighted average cost of capital for the Group. This is adjusted for risks specific to the market in which the CGU operates.

Revenue growth rates

Growth rates have been calculated based on those applied to the Board-approved budget for the year ended 28 February 2021 and five-year plan. They incorporate future expectations of growth in backlist revenues and identified new revenue streams. The compound annual growth rates ("CAGR") noted above covers the period of the 4 years after the year ended 28 February 2021, and is representative of the growth used in each year of the forecast, with the exception of Children's Trade which has a range of annual growth rates used between (7.0)% and 10.0%

Long-term growth rates

The five-year forecasts are extrapolated to perpetuity on the basis that the relevant CGUs are long-established business units. The long-term growth rates are blended rates formed from the territory-specific long-term growth rates.

Gross margins

Gross margins have been based on historic performance and expected changes to the sales mix in future periods.

Sensitivity

The Group has not identified any reasonably possible changes to key assumptions that would cause the carrying value of goodwill of the Children's Trade, Adult Trade and Special Interest CGUs to exceed its recoverable amount.

Academic & Professional has by far the largest goodwill and non-current assets. This division is in the middle of an investment phase with the Bloomsbury 2020 Digital Resources strategy to leverage our academic and professional IP assets into the academic library market, growing more high-quality digital subscription income. There is therefore a risk in the medium term if this strategy does not succeed. However, current progress on this strategy is very good. A 2% increase in the discount rate would not give rise to an impairment (2019: no impairment). A 8% reduction in the first year revenue growth rates would lead to an impairment of £0.2 million (2019: impairment of £2.2 million). Reducing the long-term growth rate to 0% would not give rise to an impairment (2019: no impairment).

Management have also prepared a severe but plausible pessimistic downside scenario, including the impact of coronavirus. It assumes a significant downside to print revenues in 2020/21 but revenues are broadly back to normal expected levels for 2021/22 and thereafter. The assumptions used are detailed further in note 2c) on going concern. Under this scenario no impairment would arise for any of the publishing divisions.

Notes to the Financial Statements

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12. Other intangible assets

	Publishing rights[1] £'000	Imprints £'000	Subscriber and customer relationships £'000	Trademarks £'000	Systems development £'000	Product development £'000	Assets under construction £'000	Total £'000
Cost								
At 28 February 2018	15,941	5,790	4,396	205	6,664	10,160	270	43,426
Acquired through business combinations	900	2,300	–	–	–	–	–	3,200
Additions	70	–	–	17	895	1,245	675	2,902
Transfers	–	–	–	–	–	427	(427)	–
Disposals	–	–	–	–	(42)	–	–	(42)
Exchange differences	59	–	11	5	9	9	–	93
At 28 February 2019	16,970	8,090	4,407	227	7,526	11,841	518	49,579
Additions[1]	866	–	–	31	1,277	1,085	746	4,005
Transfers	–	–	–	–	–	592	(592)	–
Exchange differences	56	–	10	4	10	10	–	90
At 29 February 2020	**17,892**	**8,090**	**4,417**	**262**	**8,813**	**13,528**	**672**	**53,674**
Amortisation								
At 28 February 2018	9,092	1,585	2,668	6	4,107	6,083	–	23,541
Disposals	–	–	–	–	(42)	–	–	(42)
Charge for the year	1,007	358	349	6	881	1,538	–	4,139
Exchange differences	36	–	4	–	5	6	–	51
At 28 February 2019	10,135	1,943	3,021	12	4,951	7,627	–	27,689
Charge for the year	1,010	377	349	7	972	1,586	–	4,301
Exchange differences	33	–	5	–	8	8	–	54
At 29 February 2020	**11,178**	**2,320**	**3,375**	**19**	**5,931**	**9,221**	**–**	**32,044**
Net book value								
At 29 February 2020	**6,714**	**5,770**	**1,042**	**243**	**2,882**	**4,307**	**672**	**21,630**
At 28 February 2019	6,835	6,147	1,386	215	2,575	4,214	518	21,890

[1] The addition of £866,000 relates to the acquisition of Oberon Book's publishing rights on 10 December 2019.

13. Investments

	29 February 2020 £'000	28 February 2019 £'000
Equity securities designated as at Fair Value through Other Comprehensive Income ("FVOCI")	**300**	300
Joint venture	**216**	–
Total	**516**	300

The amounts recognised in the Income Statement are as follows:

	29 February 2020 £'000	28 February 2019 £'000
Joint venture	**(7)**	–
Total	**(7)**	–

The addition in the year is in relation to the investment in Beijing CYP & Gakken Education Development Co., Ltd joint venture.

14. Property, plant and equipment

	Short leasehold improvements £'000	Furniture and fittings £'000	Computers and other office equipment £'000	Motor vehicles £'000	Total £'000
At 28 February 2018	2,862	893	2,756	130	6,641
Additions	58	22	357	–	437
Acquired through business combinations	–	5	32	–	37
Disposals	–	–	(565)	(94)	(659)
Exchange differences	3	13	12	(2)	26
At 28 February 2019	2,923	933	2,592	34	6,482
Additions	22	52	225	–	299
Disposals	(20)	(3)	(1)	–	(24)
Exchange differences	4	14	18	1	37
At 29 February 2020	**2,929**	**996**	**2,834**	**35**	**6,794**
Depreciation					
At 28 February 2018	1,572	662	2,194	130	4,558
Charge for the year	131	90	248	1	470
Disposals	–	–	(564)	(94)	(658)
Exchange differences	–	8	12	(18)	2
At 28 February 2019	1,703	760	1,890	19	4,372
Charge for the year	125	104	273	–	502
Disposals	(18)	(1)	(1)	–	(20)
Exchange differences	2	11	13	–	26
At 29 February 2020	**1,812**	**874**	**2,175**	**19**	**4,880**
Net book value					
At 29 February 2020	**1,117**	**122**	**659**	**16**	**1,914**
At 28 February 2019	1,220	173	702	15	2,110

The depreciation charge is included in administrative expenses.

15. Right-of-use assets

	Property £'000	Cars £'000	Equipment £'000	Total £'000
At 28 February 2019	–	–	–	–
Adjustment on initial application of IFRS 16 (see note 2w)	13,444	90	51	13,585
Additions	1,412	–	–	1,412
Exchange differences	117	–	–	117
At 29 February 2020	**14,973**	**90**	**51**	**15,114**
Depreciation				
At 28 February 2019	–	–	–	–
Charge for the year	1,691	45	39	1,775
Exchange differences	(4)	–	–	(4)
At 29 February 2020	**1,687**	**45**	**39**	**1,771**
Net book value				
At 29 February 2020	**13,286**	**45**	**12**	**13,343**
At 28 February 2019	–	–	–	–

The depreciation charge is included in administrative expenses.

16. Deferred tax assets and liabilities

a) Recognised deferred tax assets and liabilities

Deferred tax is calculated in full on temporary differences using the tax rate appropriate to the jurisdiction in which the asset or liability arises and the tax rates that are expected to apply in the periods in which the asset or liability is settled.

Movement in temporary differences during the year:

	Tax losses £'000	Property, plant and equipment £'000	Retirement benefit obligation £'000	Share-based payments £'000	Intangible assets £'000	Other £'000	Total £'000
At 28 February 2018 (restated*)	47	261	47	29	(1,988)	1,971	367
Acquired through business combinations	626	(1)	–	–	(544)	37	118
(Charge)/credit to the income statement	(500)	(31)	(25)	67	194	(266)	(561)
Credit to other comprehensive income	–	–	1	–	–	–	1
Credit to equity	–	–	–	33	–	–	33
Exchange differences	9	–	–	–	–	49	58
At 28 February 2019	182	229	23	129	(2,338)	1,791	16
Recognised on acquisition	227	–	–	–	(147)	–	80
(Charge)/credit to the income statement	(129)	(11)	19	107	202	26	214
Credit to other comprehensive income	–	–	23	–	–	–	23
Credit to equity	–	–	–	46	–	–	46
Exchange differences	(6)	–	–	–	–	36	30
At 29 February 2020	**274**	**218**	**65**	**282**	**(2,283)**	**1,853**	**409**

* The Group has applied IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" at 1 March 2018.

Deferred tax assets in respect of losses are only recognised to the extent that it is anticipated they will be utilised in the foreseeable future.

The Other deferred tax asset predominantly relates to temporary differences i.e. valuation adjustments and return and inventory provisions held on the balance sheet recognised in the current tax calculation and tax return only when utilised. This predominantly relates to the US and Australia.

b) The analysis for financial reporting purposes is as follows:

	29 February 2020 £'000	28 February 2019 £'000
Deferred tax assets	**2,756**	2,376
Deferred tax liabilities	**(2,347)**	(2,360)
Total	**409**	16

c) Unrecognised deferred tax assets

The Group had deferred tax assets not recognised in the financial statements as follows:

	29 February 2020 £'000	28 February 2019 £'000
Trading losses	**402**	370
Non-trading losses	**–**	–

At 29 February 2020, the Group had trading losses of £2.4 million (2019: £1.7 million) and non-trading losses of approximately £nil (2019: £nil). A deferred tax asset has not been recognised in respect of these losses carried forward as it is not clear whether sufficient income against which the losses may be offset will arise in the Group in the foreseeable future.

Deferred tax is not provided on unremitted earnings of subsidiaries where the Group controls the timing of remittance and it is probable that the temporary difference will not reverse in the foreseeable future.

17. Inventories

	29 February 2020 £'000	28 February 2019 £'000
Work in progress	**4,756**	3,964
Finished goods for resale	**22,408**	22,112
Total	**27,164**	26,076

The cost of inventories recognised as cost of sales amounted to £35,603,000 (2019: £35,953,000). The provision and write-down of inventories to net realisable value recognised in cost of sales amounted to £8,119,000 (2019: £8,340,000).

18. Trade and other receivables

	29 February 2020 £'000	28 February 2019 £'000
Non-current		
Prepayments and accrued income	**1,237**	1,360
Current		
Gross trade receivables	**54,252**	52,115
Less: loss allowance	**(1,832)**	(2,102)
Net trade receivables	**52,420**	50,013
Income tax recoverable	**481**	1,340
Other receivables	**1,510**	1,803
Prepayments and accrued income	**5,551**	4,683
Royalty advances	**24,843**	22,667
Total current trade and other receivables	**84,805**	80,506
Total trade and other receivables	**86,042**	81,866

Non-current receivables relate to accrued income on long-term rights deals.

A provision is held against gross advances payable in respect of published title advances which may not be fully earned down by anticipated future sales. As at 29 February 2020, £5,604,000 (2019: £5,434,000) of royalty advances are expected to be recovered after more than 12 months.

Trade receivables principally comprise amounts receivable from the sale of books due from distributors. The majority of trade debtors are secured by credit insurance and in certain territories by third-party distributors.

Notes to the Financial Statements

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The Directors consider that the carrying amount of trade and other receivables approximates to their fair values. The Group's exposure to credit and currency risks is disclosed in note 25. The average number of days' credit taken for sales of books by the Group was 118 days (2019: 112 days).

A loss allowance is made with reference to specific debts, past default experience, trading history and the current economic environment. Movements on the Group loss allowance for trade receivables are as follows:

	29 February 2020 £'000	28 February 2019 £'000
At start of year	**2,102**	931
Acquired	**3**	217
Adjustment on initial application of IFRS 9	**–**	254
Amounts created	**507**	759
Amounts utilised	**(516)**	(56)
Amounts released	**(263)**	–
Exchange differences	**(1)**	(3)
At end of year	**1,832**	2,102

19. Trade and other liabilities

	29 February 2020 £'000	28 February 2019 £'000
Current		
Trade payables	**25,419**	22,414
Sales returns liability	**9,163**	8,452
Taxation and social security	**789**	812
Other payables	**3,509**	2,695
Accruals	**19,701**	23,126
Deferred income	**3,263**	3,145
Total current trade and other liabilities	**61,844**	60,644
Total trade and other liabilities	**61,844**	60,644

Trade payables are non-interest bearing and are normally settled on terms of between 30 and 90 days.

If actual returns were 10% higher or lower in the year revenue would have been £1.9 million lower/higher (2019: £1.9 million lower/higher).

20. Loans and borrowings

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Liability		Equity			
	Lease liability £'000	Bank overdrafts used for cash management purposes £'000	Share capital/ share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 March 2019	**–**	**–**	**40,330**	**15,769**	**87,639**	**143,738**
Changes from financing cash flows						
Dividend paid	–	–	–	–	(6,009)	(6,009)
Proceeds from exercise of share options	–	–	–	31	(4)	27
Repayment of lease liabilities	(1,531)	–	–	–	–	(1,531)
Interest paid	(492)	(3)	–	–	–	(495)
Total changes from financing cash flows	**(2,023)**	**(3)**	**–**	**31**	**(6,013)**	**(8,008)**
Other changes						
Liability-related						
IFRS 16 transition	14,519	–	–	–	–	14,519
Right-of-use asset additions	1,412	–	–	–	–	1,412
Foreign exchange movements	130	–	–	–	–	130
Interest expense	492	3	–	–	–	495
Total liability-related other changes	**16,553**	**3**	**–**	**–**	**–**	**16,556**
Total equity-related other changes	**–**	**–**	**–**	**1,485**	**10,432**	**11,917**
Balance at 29 February 2020	**14,530**	**–**	**40,330**	**17,285**	**92,058**	**164,203**

	Liability		Equity			
	Lease liability £'000	Bank overdrafts used for cash management purposes £'000	Share capital/ share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 March 2018	**–**	**–**	**40,330**	**14,142**	**85,091**	**139,563**
Changes from financing cash flows						
Dividend paid	–	–	–	–	(5,655)	(5,655)
Proceeds from exercise of share options	–	–	–	241	(27)	214
Repayment of overdraft	–	(201)	–	–	–	(201)
Interest paid	–	(34)	–	–	–	(34)
Total changes from financing cash flows	**–**	**(235)**	**–**	**241**	**(5,682)**	**(5,676)**
Other changes						
Liability-related						
Overdraft acquired through business combinations	–	201	–	–	–	201
Interest expense	–	34	–	–	–	34
Total liability-related other changes	**–**	**235**	**–**	**–**	**–**	**235**
Total equity-related other changes	**–**	**–**	**–**	**1,386**	**8,230**	**9,616**
Balance at 28 February 2019	**–**	**–**	**40,330**	**15,769**	**87,639**	**143,738**

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21. Provisions

	Author advances £'000	Property £'000	Total £'000
At 1 March 2019	–	230	230
Transferred in the year	513	–	513
Created in the year	153	36	189
Utilised in the year	(66)	(43)	(109)
Exchange difference	11	(1)	10
29 February 2020	**611**	**222**	**833**
Non-current	–	182	182
Current	611	40	651

The property provision includes amounts provided for dilapidations. The author advance provision relates a provision against future cash outflows on published titles where the Group does not expect to fully recover the advance. The timing of cash flows for onerous lease commitments is dependent on the terms of the leases.

22. Share capital and other reserves

Share capital

	29 February 2020 £'000	28 February 2019 £'000
Authorised:		
100,435,582 Ordinary shares of 1.25p each (2019: 100,435,582 Ordinary shares of 1.25p each)	**1,255**	1,255
Allotted, called up and fully paid:		
75,328,570 Ordinary shares of 1.25p each (2019: 75,328,570 Ordinary shares of 1.25p each)	**942**	942

The Company has one class of Ordinary share that carries equal voting rights and no contractual right to receive payment. No shares are held by the Company as Treasury shares. Directors and other employees of the Group have been granted options to purchase 2,128,260 (2019: 1,944,515) Ordinary shares with an aggregate nominal value of £26,603 (2019: £24,306) (see note 23).

Share premium

This reserve records the amount above nominal value received for shares sold less transaction costs.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial information of foreign operations.

Merger reserve

The merger reserve comprises the amount that would otherwise arise in share premium relating to specific share issue, wherein more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 2006.

Capital redemption reserve

The capital redemption reserve arose on the purchase by the Company of its own shares and comprises the amount by which the distributable profits were reduced on these transactions.

Share-based payment reserve

The share-based payment reserve comprises cumulative amounts charged in respect of employee share-based payment arrangements.

Own shares held by the Employee Benefit Trust

The Employee Benefit Trust ("EBT") is an independent discretionary trust established to acquire issued shares of the Company to satisfy any of the share-based incentive schemes (see note 23) and plans of the Company. All employees of the Group are potential beneficiaries of the EBT. The results and net assets of the EBT are included in the consolidated financial statements of the Group.

The market value of the 481,093 shares of the Company held at 29 February 2020 (2019: 500,708) in the EBT was £1,179,000 (2019: £1,164,000). While the trustee has power to subscribe for Ordinary shares and to acquire Ordinary shares in the market or from Treasury, it is not permitted to hold more than 5% of the issued share capital without prior approval of the Shareholders.

As at the date of signing this Annual Report, the Trust held 481,093 Ordinary shares of 1.25 pence being approximately 0.6% of the issued Ordinary share capital.

Retained earnings
The retained earnings reserve comprises profit for the year attributable to owners of the Company and other items recognised directly through equity as presented on the consolidated statement of changes in equity.

23. Share-based payments

Options over shares of the ultimate parent undertaking, Bloomsbury Publishing Plc, have been granted to employees of the Group under various schemes.

The total share-based payment charge to the income statement for the year was as follows:

	29 February 2020 £'000	28 February 2019 £'000
Equity-settled share-based transactions	629	422
Cash-settled share-based transactions	132	76
Total	761	498

National Insurance contributions are payable by the Company in respect of some of the share-based payment transactions. These contributions are payable on the date of exercise based on the intrinsic value of the share-based payments and are therefore treated as cash-settled awards. The Group had an accrual for National Insurance at 29 February 2020 of £229,000 (2019: £100,000), of which none related to vested options.

a) The Bloomsbury Performance Share Plan ("the PSP")
The Group operates the PSP for Directors and senior employees. Awards under the scheme are granted as conditional share awards. The number of Ordinary shares comprised in an award is calculated using a share value equal to the closing middle-market price on the dealing day before the award date.

The vesting period is three years and 50% of the level of vesting is subject to the achievement of Earnings Per Share ("EPS"). The other 50% is subject to a Return on Capital Employed ("ROCE") performance condition. For details of the performance conditions see the Directors' Remuneration Report on pages 88 to 107. Awards are not exercisable after the vesting date and awards that vest on the vesting date are automatically exercised. Except in certain circumstances awards lapse if the employee leaves the Group.

	Year ended 29 February 2020 Number	Year ended 28 February 2019 Number
Outstanding at start of year	1,663,528	2,449,685
Granted during the year	605,506	620,417
Lapsed during the year	(499,824)	(1,406,574)
Outstanding at end of year	1,769,210	1,663,528
Exercisable at end of year	530,624	–

	Year ended 29 February 2020	Year ended 28 February 2019
Range of exercise price of outstanding awards (pence)	–	–
Weighted average remaining contracted life (months)	18	17
Expense recognised for the year (£'000)	718	481

The share awards granted in the year to 29 February 2020 have been measured based on the share price at the date of grant as they are only subject to non-market conditions. The inputs were:

Performance condition	Earnings Per Share	Return on Capital Employed
Share price	230 pence	230 pence
Exercise price	–	–
Expected term	3 years	3 years
Expected volatility	N/A	N/A
Risk-free interest rate	N/A	N/A
Fair value charge per award	213–231 pence	213–231 pence

Half of each award is subject to an EPS performance condition and half of each award is subject to a Return on Capital Employed condition.

The awards for Executive Directors only will be subject to clawback provisions and to a two-year post-vesting holding period.

b) The Bloomsbury Sharesave Plan 2014

The Group operates an HM Revenue and Customs approved savings-related share option scheme under which employees are granted options to purchase Ordinary shares in the Company in three years' time, dependent upon their entering into a contract to make monthly contributions to a savings account over the period of the savings term. The Sharesave Plan is open to all UK employees.

	Share options 2020 Number	**Weighted average exercise price 2020 Pence**	Share options 2019 Number	Weighted average exercise price 2019 Pence
Outstanding at start of year	**175,475**	**138**	372,775	140
Granted during the year	**200,654**	**185**	–	–
Exercised during the year	**(1,601)**	**142**	(150,303)	142
Lapsed during the year	**(15,478)**	**145**	(46,997)	139
Outstanding at end of year	**359,050**	**164**	175,475	138
Exercisable at end of year	**–**	**–**	7,140	142

	2020	2019
Range of exercise price of outstanding options (pence)	**137–185**	137–142
Weighted average remaining contracted life (months)	**19**	17
Expense recognised for the year (£'000)	**43**	17

c) The Bloomsbury Company Share Option Plan 2014 ("the CSOP")

The Group operates the CSOP for senior employees. The vesting period is three years and the level of vesting is subject to the achievement of "Annualised EPS in excess of RPI" performance conditions. Options are exercisable by the participant after the vesting date whilst the participant continues in employment with the Group up to a period ending ten years after the date of grant.

	Share options 2020 Number	**Weighted average exercise price 2020 Pence**	Share options 2019 Number	Weighted average exercise price 2019 Pence
Outstanding at the start of year	**105,512**	**162**	234,093	160
Lapsed during the year	**(105,512)**	**162**	(128,581)	159
Outstanding at end of year	**–**	**–**	105,512	162
Exercisable at end of year	**–**	**–**	–	–

	2020	2019
Range of exercise price of outstanding awards (pence)	**–**	162
Weighted average remaining contracted life (months)	**–**	87
Expense recognised for the year (£'000)	**–**	–

24. Retirement benefit obligations

Pension costs

The pension costs charged to the income statement of £1,518,000 (2019: £1,340,000) relate to the Group's defined contribution and defined benefit pension arrangements.

Defined contribution plans

The Group operates defined contribution retirement benefit plans for all qualifying employees.

The total cost charged to the income statement of £1,502,000 (2019: £1,322,000) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. At 29 February 2020, there were no prepaid contributions (28 February 2019: £nil).

Defined benefit plan

A subsidiary company operates a defined benefit scheme for some staff which is accounted for in accordance with IAS 19. Accrual of benefits ceased in 1997, with the scheme now operated as a closed fund. There is no obligation in respect of medical costs. The scheme is actuarially valued every three years. The last full actuarial valuation was carried out as at 28 February 2018 by a qualified independent actuary.

Contributions are paid by the employer at the rate of £6,417 per month, plus expenses as and when required. Contributions paid to the scheme during the year were £90,000 (2019: £73,000). The Directors' best estimate of the contributions including administration expenses to be paid for in the year ending 29 February 2020 is £92,000. In addition, PPF levies and other administration expenses are payable by the Group as and when due.

The Group's policy is to fund the deficit in the scheme by additional contributions to meet the scheme's commitment to members.

The financial assumptions used by the actuary for the update were as follows:

	29 February 2020 £'000	28 February 2019 £'000	28 February 2018 £'000
Discount rate	1.70%	2.70%	2.70%
Inflation assumption	2.10–2.90%	2.20–3.20%	2.20–3.20%

The scheme is closed and there are no active paying members, therefore no increases in payments have been applied. The assumptions used are estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily occur in practice.

The mortality assumptions adopted at 29 February 2020 are 90% of the standard tables S2PxA, year of birth, no age rating for males and females, projected using CMI_2018 converging to 1.50% p.a. These imply the following life expectancies:

	29 February 2020 Years	28 February 2019 Years
Male retiring in 2040	24.5	24.7
Female retiring in 2040	26.5	26.7
Male retiring in 2020	22.8	23.0
Female retiring in 2020	24.7	24.9

The amounts recognised in the income statement in respect of the defined benefit scheme are as follows:

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Interest cost	(18)	(17)
Return on pension plan assets	16	13
Expenses	(14)	(14)
Total	(16)	(18)

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A charge of £18,000 (2019: £17,000) has been included in finance costs and a credit of £16,000 (2019: £13,000) has been included in finance income.

The amounts recognised in other comprehensive income in respect of the defined benefit scheme are as follows:

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Return on pension plan assets	**9**	9
Experience gains and losses arising on the defined benefit obligation – gain/(loss)	**6**	(15)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – loss	**(153)**	–
Total	**(138)**	(6)

The amount included in the statement of financial position arising from the Group's obligation in respect of the defined benefit pension scheme is as follows:

	29 February 2020 £'000	28 February 2019 £'000
Fair value of assets (with profit policy)	**633**	540
Present value of defined benefit obligations	**(818)**	(661)
Deficit in scheme	**(185)**	(121)
Deferred tax assets	**31**	21
Net liability to be recognised	**(154)**	(100)
Analysis for reporting purposes:		
Non-current liabilities	**(185)**	(121)
Deferred tax assets	**31**	21

Movements in the present value of defined benefit obligations in the year were as follows:

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
At start of year	**(661)**	(642)
Expenses	**(14)**	(14)
Interest cost	**(18)**	(17)
Benefits paid and expenses	**22**	27
Remeasurement losses	**(147)**	(15)
At end of year	**(818)**	(661)

Movements in the fair value of scheme assets in the year were as follows:

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
At start of year	**540**	472
Return on plan assets	**16**	13
Remeasurement gains	**9**	9
Employer contributions	**90**	73
Benefits paid and expenses	**(22)**	(27)
At end of year	**633**	540

The actual return on scheme assets was £25,000 (2019: £22,000).

Assets

	29 February 2020 £'000	28 February 2019 £'000	28 February 2018 £'000
With profits	**633**	540	472
Total assets	**633**	540	472

None of the fair values of the assets shown above include any direct investments in the Company's own financial instruments or any property occupied by, or other assets used by, the Company. All of the scheme assets have a quoted market price in an active market.

25. Financial instruments and risk management

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Shareholders as well as sustaining the future development of the business. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders and issue new shares. The Group's overall strategy remains unchanged from 2019.

The capital structure of the Group comprises equity attributable to owners of the Company, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity and note 22.

Categories of financial instruments

	Notes	29 February 2020 £'000	28 February 2019 £'000
Investments available for sale			
Equity securities designated as at FVOCI (Level 3)	13	**300**	300
Joint venture	13	**216**	–
Total investments available for sale		**516**	300
Loans and receivables			
Cash and cash equivalents		**31,345**	27,580
Trade receivables	18	**52,420**	50,013
Accrued income		**5,254**	3,751
Total loans and receivables		**89,019**	81,344
Financial liabilities measured at amortised cost			
Trade payables	19	**25,419**	22,414
Other payables due in less than one year		**4,298**	3,507
Sales returns liability	19	**9,163**	8,452
Accruals	19	**19,701**	23,126
Lease liabilities		**14,530**	–
Total financial liabilities measured at amortised cost		**73,111**	57,499
Net financial instruments		**16,424**	24,145

The equity securities are classed as level 3 as the shares are not actively traded stock. The fair value is assessed based on recent share subscriptions where these are available and relevant to the fair value of the investment.

There is no material difference between the fair value and book value of financial assets and liabilities.

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance from the key risks of market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board has approved the Group Treasury policies and procedures by which the Group Treasury function is to be managed. The Group Treasury function is headed by the Group Finance Director and is part of Bloomsbury's Finance Department. It operates under a delegated authority from the Board.

Notes to the Financial Statements

continued

The Treasury management policies and procedures focus on the investment of surplus operating cash likely to be needed in order to support Bloomsbury's ongoing operations, foreign currency requirements and interest rate risk management. The Group does not use derivative contracts for speculative purposes. The policies are reviewed at least on an annual basis by the Group Finance Director and any amendments are approved by the Board. The Board is assisted in its oversight role by Internal Audit, which undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group's activities expose it mainly to the financial risks of changes in foreign currency exchange rates and changes in interest rates. The Group incurs costs in the same currencies as it earns revenue, creating some degree of natural hedging.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by Group Treasury under policies approved by the Board of Directors. Group Treasury monitors the distribution of its cash assets so as to control exposure to the relative performance of any particular territory, currency or institution.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as funding, foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(i) Interest rate risk

The Group has significant interest-bearing assets in the form of cash and cash equivalents, and as such, cash flows are dependent on changes in market interest rates.

Interest rate profile of financial instruments

	29 February 2020 £'000	28 February 2019 £'000
Fixed rate instruments		
Financial assets	**1,967**	1,772
Financial liabilities	**–**	–
Total	**1,967**	1,772
Variable rate instruments		
Financial assets	**29,378**	25,808
Financial liabilities	**–**	–
Total	**29,378**	25,808

Fixed rate financial assets are short-term bank deposits with a maturity date range of one day to one month. Variable rate financial assets are cash at bank.

Fair value sensitivity analysis for fixed rate financial instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at 29 February 2020 would not affect the income statement.

Cash flow sensitivity analysis for variable rate financial instruments

The Group derived the following sensitivities to assess the impact of changes in interest rates, based on the effect of the market volatility in the current climate and the previous 12 months. The analysis assumes all other variables remain constant.

	29 February 2020		28 February 2019	
	Profit or loss £'000	Equity £'000	Profit or loss £'000	Equity £'000
Impact on profit or loss and equity				
1% increase in base rate of interest (2019: 1%)	**207**	**–**	(187)	–
0.5% decrease in base rate of interest (2019: 0.5%)	**(123)**	**–**	(102)	–

(ii) Currency risk

The Directors believe that in its current circumstances, the Group's risk from foreign currency exposure is limited and no active currency risk management by hedging is considered necessary, as a significant proportion of revenues is matched by expenditure in the same local currency, creating some degree of natural hedging.

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	Loans and receivables		Financial liabilities	
	29 February 2020 £'000	28 February 2019 £'000	**29 February 2020 £'000**	28 February 2019 £'000
GBP	**53,596**	46,729	**51,933**	38,589
USD	**26,076**	25,812	**16,520**	13,304
EURO	**841**	1,503	**166**	116
AUD	**5,576**	4,946	**3,835**	4,750
INR	**2,930**	2,354	**657**	740
Total	**89,019**	81,344	**73,111**	57,499

No significant amounts of loans and receivables or financial liabilities are denominated in currencies other than sterling, US dollars, euros, Australian dollars or Indian rupees.

Foreign currency sensitivity analysis

The Group derived the following sensitivities based on the outstanding foreign currency denominated financial assets and liabilities at the year end. The sensitivity analysis includes loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

The use of a 10% sensitivity rate has been determined based on the effect of the market volatility in exchange rates between the current and previous year end, and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in profit or equity.

	29 February 2020 £'000	28 February 2019 £'000
Impact on equity		
10% weakening in US dollar against pound sterling (2019: 10%)	**(603)**	(689)
10% strengthening in US dollar against pound sterling (2019: 10%)	**737**	842
10% weakening in euro against pound sterling (2019: 10%)	**–**	–
10% strengthening in euro against pound sterling (2019: 10%)	**–**	–
10% weakening in AUS dollar against pound sterling (2019: 10%)	**(158)**	(18)
10% strengthening in AUS dollar against pound sterling (2019: 10%)	**193**	22
10% weakening in INR against pound sterling (2019: 10%)	**(207)**	(147)
10% strengthening in INR against pound sterling (2019: 10%)	**252**	179
Impact on income statement		
10% weakening in US dollar against pound sterling (2019: 10%)	**(266)**	(448)
10% strengthening in US dollar against pound sterling (2019: 10%)	**325**	548
10% weakening in euro against pound sterling (2019: 10%)	**(61)**	(126)
10% strengthening in euro against pound sterling (2019: 10%)	**75**	154
10% weakening in AUS dollar against pound sterling (2019: 10%)	**–**	–
10% strengthening in AUS dollar against pound sterling (2019: 10%)	**–**	–
10% weakening in INR against pound sterling (2019: 10%)	**–**	–
10% strengthening in INR against pound sterling (2019: 10%)	**–**	–

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables (note 18) and cash and cash equivalents.

Notes to the Financial Statements

continued

Cash and cash equivalents
The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings as assigned by international credit-rating agencies.

Trade receivables
The carrying amount of financial assets represents the maximum credit exposure. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on trading experience and the current economic environment. An analysis of the relevant provisions is set out in note 18.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). To measure ECLs trade receivables are split into groups with the same characteristics to calculate loss rates. Where possible we have calculated this probability based on historic loss experience using recent sales history, the timing of when the cash was received for the debt and the level of debt not collected for that population.

The Group determines its concentration of credit risk based on the individual characteristics of its customers and publicly available knowledge of specific circumstances affecting those customers. The Group defines counterparties as having similar characteristics if they are related entities.

At 29 February 2020, the exposure to credit risk for gross trade receivables by geographical region was as follows:

	29 February 2020 £'000	28 February 2019 £'000
United Kingdom	**34,617**	34,634
North America	**14,321**	13,130
Australia	**2,441**	2,071
India	**2,873**	2,280
Total	**54,252**	52,115

The Group has a significant concentration of credit risk due to its use of third-party distributors. Credit limits for the final customers are set by the distributors based on a combination of payment history and third-party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history. The distributors belong to established international groups whose business includes a number of publishing interests and clients. The Group's risk is limited as significant amounts outstanding through the UK distributors are secured by credit insurance, and in the US credit risk for significant amounts outstanding through distributors rests with the distributor. The balances with the US distributor make up 93% (2019: 95%) of the North America trade receivable balance. In the United Kingdom balances with the distributors make up 87% (2019: 85%) of the United Kingdom trade receivable balance.

c) Liquidity risk
Currently, the Group has limited borrowing and has sufficient cash deposits to meet its debts as they fall due. However, the Group's exposure to liquidity risk has increased since coronavirus. The Board has modelled a severe but plausible pessimistic downside scenario; see note 2c on going concern for further details. Under this scenario the Group is expected to have sufficient liquidity for at least 12 months from the date of approval of the financial statements.

Cash flow budgets and forecasts are prepared by the operating entities of the Group, aggregated for the Group and regularly reviewed by the Board, and the actual cash position of the Group and each entity is compared monthly against budget. This allows management to ensure that each operating entity and the Group have sufficient cash to meet operational needs. Surplus cash held by the operating entities over and above the balance required for working capital management is invested in interest-bearing accounts and money market deposits.

The Group has an unsecured revolving credit facility with Lloyds Bank Plc. At 29 February 2020, the Group had no draw down (2019: £nil) of this facility with £8.0 million of undrawn borrowing facilities (2019: £12.0 million) available.

The facility comprises a committed revolving loan facility of £8 million in the first half and an additional £4 million in the second half, totalling £12 million, to match Bloomsbury's cash flow cycle, and an uncommitted incremental term loan facility of up to £6 million. The facilities are subject to two covenants, being a maximum net debt to EBITDA ratio of 2.5× and a minimum interest cover covenant of 4×. Subsequent to the year end, the maturity of the facility was extended to May 2022 and the covenants were amended to exclude IFRS 16.

The Group's financial liabilities are trade payables, accruals and other payables as shown above. All other financial liabilities are due within one year.

26. Leases

The Group's lease portfolio consists of office properties, vehicles and equipment. The Group has adopted IFRS 16 Leases at 1 March 2019 and applied the modified retrospective approach. Comparatives for 2019 have not been restated. The Group has elected not to recognise right-of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Disclosure required for IFRS 16

The amounts recognised in the income statement are as follows:

	Notes	29 February 2020 £'000
Interest on lease liabilities	6	**492**
Expenses relating to short-term leases		**22**
Expense relating to leases of low-value assets		**7**
Depreciation of right-of-use assets	15	**1,775**

The maturities of the Group's lease liabilities are as follows:

	29 February 2020 £'000
Less than one year	**2,068**
One to five years	**7,978**
More than five years	**6,941**
Total undiscounted lease liabilities	**16,987**
Lease liabilities included in the balance sheet	**14,530**
Current	**1,585**
Non-current	**12,945**

IAS 17 disclosure required for 2019

The Group had the following outstanding commitments under non-cancellable operating leases:

	28 February 2019 £'000
Within one year	1,971
Later than one year and less than five years	7,107
After more than five years	7,056
Total	16,134

The operating leases represent rentals payable by the Group for certain office properties, vehicles and equipment. The lease at the headquarters in Bedford Square is for a period of 20 years from January 2011. The operating leases over vehicles are in respect of company cars driven by certain employees. The operating leases over equipment are in respect of computer and office equipment.

27. Commitments and contingent liabilities

a) Capital commitments

	29 February 2020 £'000	28 February 2019 £'000
Property, plant and equipment	**–**	–
Intangible assets	**238**	105
Total	**238**	105

b) Other commitments

The Group is committed to paying royalty advances to authors in subsequent financial years. At 29 February 2020, this commitment amounted to £20,187,000 (2019: £18,581,000).

c) Guarantees

The Company and certain of its subsidiaries have guarantees to Lloyds Bank Plc in place relating to the Group's borrowing facilities – see note 25c.

28. Related party transactions

The Group has no related party transactions other than key management remuneration as disclosed in note 5.

29. Post balance sheet events

On 11 March 2020, the World Health Organisation declared the coronavirus a pandemic. Following IAS 10, this has been treated as a non-adjusting post balance sheet event , as the significant impact on the Group's operations, markets, staff, customers, suppliers and other areas occurred after the year end.

On 20 March 2020 the Group acquired certain assets of Zed Books Limited ("Zed"), the London-based academic and non-fiction publisher. The consideration was £1.75 million, of which £0.875 million was satisfied in cash on completion and the remainder to be paid within 12 months. Zed will operate within the Academic & Professional division and is expected to contribute approximately £0.8 million of revenue to the Group in its first year.

On 17 April 2020 the Company completed the non-pre-emptive placing of 3,766,428 Ordinary shares in the capital of the Company, representing 5%. of the existing issued share capital, raising gross proceeds of £8.4 million.

30. Investments in subsidiary companies

The Group's subsidiary companies at 29 February 2020 are:

	Country of incorporation	Proportion of equity capital held	Nature of business during the year	Registered office
Subsidiary undertakings held directly by Bloomsbury Publishing Plc:				
A & C Black Limited	England and Wales	100%	Intermediate holding company	1.
Bloomsbury India UK Limited	England and Wales	100%	Intermediate holding company	1.
Bloomsbury Publishing Inc.	USA	100%	Publishing	2.
Bloomsbury Information Limited	England and Wales	100%	Publishing	1.
Bloomsbury Professional Limited	England and Wales	100%	Publishing	1.
Bloomsbury Publishing PTY Limited	Australia	100%	Publishing	3.
The Continuum International Publishing Group Limited	England and Wales	100%	Publishing	1.
Hart Publishing Limited	England and Wales	100%	Publishing	1.
Osprey Publishing Limited	England and Wales	100%	Publishing	1.
Bloomsbury Book Publishing Company Limited	England and Wales	100%	Publishing	1.
I.B. Tauris & Co. Limited	England and Wales	100%	Publishing	1.
Oberon Books Limited	England and Wales	100%	Publishing	1.
Bloomsbury Media Limited	England and Wales	100%	Dormant	1.
Christian Knowledge Hub CIC	England and Wales	100%	Dormant	1.
Subsidiary undertakings held through a subsidiary company:				
A & C Black Publishers Limited	England and Wales	100%	Publishing	1.
Christopher Helm (Publishers) Limited	England and Wales	100%	Publishing	1.
Oxford International Publishers Limited t/a Berg Publishers	England and Wales	100%	Publishing	1.
John Wisden and Company Limited	England and Wales	100%	Publishing	1.
Shire Publications Limited	England and Wales	100%	Publishing	1.
British Wildlife Publishing Limited	England and Wales	100%	Publishing	1.
Bloomsbury Publishing India Private Limited	India	100%	Publishing	4.
Berg Fashion Library Limited	England and Wales	100%	Dormant	1.
A & C Black (Distribution) Limited	England and Wales	100%	Dormant	1.
A & C Black (Storage) Limited	England and Wales	100%	Dormant	1.
Adlard Coles Limited	England and Wales	100%	Dormant	1.
Alphabooks Limited	England and Wales	100%	Dormant	1.
F. Lewis (Publishers) Limited	England and Wales	100%	Dormant	1.
Featherstone Education Limited	England and Wales	100%	Dormant	1.
Hambledon and London Limited	England and Wales	100%	Dormant	1.

	Country of incorporation	Proportion of equity capital held	Nature of business during the year	Registered office
Subsidiary undertakings held through a subsidiary company:				
Herbert Press Limited	England and Wales	100%	Dormant	1.
John Wisden (Holdings) Limited	England and Wales	100%	Dormant	1.
Methuen Drama Limited	England and Wales	100%	Dormant	1.
Nautical Publishing Co Limited	England and Wales	100%	Dormant	1.
Philip Wilson Publishers Limited	England and Wales	100%	Dormant	1.
Reed's Almanac Limited	England and Wales	100%	Dormant	1.
Sheffield Academic Press Limited	England and Wales	100%	Dormant	1.
T & T Clark Limited	England and Wales	100%	Dormant	5.
The Athlone Press Limited	England and Wales	100%	Dormant	1.
Thoemmes Limited	England and Wales	100%	Dormant	1.

All subsidiary undertakings are included in the consolidation.

The following lists all Bloomsbury registered office addresses. Please see wholly owned subsidiary list over for relevant registered office code.

1. 50 Bedford Square, London, WC1B 3DP, United Kingdom.
2. 1385 Broadway, Fifth Floor, New York, NY 10018, USA.
3. Level 4, 387 George Street, Sydney, NSW 2000, Australia.
4. DDA Complex, LSC, Building No. 4, Second Floor, Pocket C-6&7, Vasant Kunj, New Delhi, 110070, India.
5. C/O RSM, First Floor, Quay 2, 139 Fountainbridge, Edinburgh, EH3 9QG, United Kingdom.

For the year ended 29 February 2020, the following subsidiary companies were entitled to exemption from audit under section 479A of the Companies Act 2006:

Subsidiary name	Company number
Bloomsbury Information Limited	06409758
Bloomsbury Professional Limited	05233465
The Continuum International Publishing Group Limited	03833148
A & C Black Publishers Limited	00189153
Christopher Helm (Publishers) Limited	01953639
Oxford International Publishers Limited t/a Berg Publishers	03143617
John Wisden and Company Limited	00135590
Hart Publishing Limited	03307205
Osprey Publishing Limited	03471853
Shire Publications Limited	00868867
British Wildlife Publishing Limited	06810049
Bloomsbury Book Publishing Company Limited	03830397
I.B. Tauris & Co. Limited	01761687
Oberon Books Limited	02082142

The Group's joint venture undertakings at 29 February 2020 are:

	Country of incorporation	Proportion of equity capital held	Nature of business during the year	Registered office
Joint venture undertakings held directly by Bloomsbury Publishing Plc:				
Beijing CYP & Gakken Education Development Co., Ltd	China	50%	Publishing	1.

1. Floor 5, B Block, No. 1132, Hui He South Road, Banbidian Village, Gaobeidian Township, Chaoyang District, Beijing, PRC.

Company Statement of Financial Position

As at 29 February 2020

Company Number 1984336

	Notes	29 February 2020 £'000	28 February 2019 £'000
Assets			
Intangible assets	33	**3,107**	2,639
Property, plant and equipment	34	**1,613**	1,645
Right-of-use assets	35	**10,016**	–
Investments in subsidiary companies	36	**81,159**	83,250
Other investments	37	**516**	300
Deferred tax assets	38	**503**	470
Total non-current assets		**96,914**	88,304
Inventories	39	**6,729**	6,156
Trade and other receivables	40	**62,009**	56,977
Cash and cash equivalents		**19,995**	16,996
Total current assets		**88,733**	80,129
Total assets		**185,647**	168,433
Liabilities			
Provisions	43	**144**	108
Lease liabilities	47	**9,932**	–
Total non-current liabilities		**10,076**	108
Trade and other liabilities	41	**72,444**	71,874
Provisions	43	**151**	–
Lease liabilities	47	**906**	–
Current tax liabilities		**932**	379
Total current liabilities		**74,433**	72,253
Total liabilities		**84,509**	72,361
Net assets		**101,138**	96,072
Equity			
Share capital	44	**942**	942
Share premium	44	**39,388**	39,388
Other reserves	44	**8,549**	7,920
Retained earnings	44	**52,259**	47,822
Total equity attributable to owners of the Company		**101,138**	96,072

The Company financial statements were approved by the Board of Directors and authorised for issue on 26 May 2020.

J N Newton
Director

P Scott-Bayfield
Director

Company Statement of Changes in Equity

For the year ended 29 February 2020

	Share capital £'000	Share premium £'000	Merger reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
At 28 February 2018 (restated*)	942	39,388	1,803	22	5,673	46,894	94,722
Profit for the year and total comprehensive income for the year	–	–	–	–	–	6,324	6,324
Transactions with owners							
Dividends to equity holders of the Company	–	–	–	–	–	(5,655)	(5,655)
Unclaimed dividends	–	–	–	–	–	12	12
Share options exercised	–	–	–	–	–	214	214
Deferred tax on share-based payment transactions	–	–	–	–	–	33	33
Share-based payment transactions	–	–	–	–	422	–	422
Total transactions with owners of the Company	**–**	**–**	**–**	**–**	**422**	**(5,396)**	**(4,974)**
At 28 February 2019	**942**	**39,388**	**1,803**	**22**	**6,095**	**47,822**	**96,072**
Profit for the year and total comprehensive income for the year	–	–	–	–	–	10,373	10,373
Transactions with owners							
Dividends to equity holders of the Company	–	–	–	–	–	(6,009)	(6,009)
Share options exercised	–	–	–	–	–	27	27
Deferred tax on share-based payment transactions	–	–	–	–	–	46	46
Share-based payment transactions	–	–	–	–	629	–	629
Total transactions with owners of the Company	**–**	**–**	**–**	**–**	**629**	**(5,936)**	**(5,307)**
At 29 February 2020	**942**	**39,388**	**1,803**	**22**	**6,724**	**52,259**	**101,138**

* The Company has adopted IFRS 9 "Financial Instruments" from 1 March 2018 and applied the cumulative effect method. The cumulative impact of adoption has been recognised as a decrease to opening retained earnings as at 28 February 2018.

Company Statement of Cash Flows

For the year ended 29 February 2020

	Notes	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Cash flows from operating activities			
Profit for the year		**10,373**	6,324
Adjustments for:			
Depreciation of property, plant and equipment		**295**	290
Depreciation of right-of-use assets		**1,051**	–
Amortisation of intangible assets		**986**	890
Impairment of investments		**3,304**	–
Finance income		**(191)**	(122)
Finance costs		**559**	330
Share of loss of joint venture		**7**	–
Share-based payment charges		**314**	202
Tax expense		**1,802**	1,688
		18,500	9,602
Increase in inventories		**(573)**	(200)
(Increase)/decrease in trade and other receivables		**(4,915)**	5,756
Increase/(decrease) in trade and other liabilities		**1,984**	(1,307)
Cash generated from operations		**14,996**	13,851
Income taxes paid		**(1,440)**	(2,469)
Net cash generated from operating activities		**13,556**	11,382
Cash flows from investing activities			
Purchase of property, plant and equipment		**(263)**	(217)
Purchase of business		**(310)**	(4,097)
Purchase of rights to assets		**(1,213)**	–
Purchase of share in a joint venture		**(223)**	–
Purchase of intangible assets		**(1,454)**	(1,007)
Interest received		**91**	45
Net cash used in investing activities		**(3,372)**	(5,276)
Cash flows from financing activities			
Equity dividends paid	42	**(6,009)**	(5,655)
Proceeds from exercise of share options	42	**27**	214
Repayment of lease liabilities	42	**(880)**	–
Lease liabilities interest paid	42	**(322)**	–
Other interest paid	42	**(1)**	(1)
Net cash used in financing activities	42	**(7,185)**	(5,442)
Net increase in cash and cash equivalents		**2,999**	664
Cash and cash equivalents at beginning of year		**16,996**	16,332
Cash and cash equivalents at end of year		**19,995**	16,996

Notes to the Company Financial Statement

Accounting Policies

31. Reporting entity

Bloomsbury Publishing Plc (the "Company") is a company domiciled in the United Kingdom. The address of the Company's registered office can be found on page 183. The Company is primarily involved in the publication of books and other related services.

32. Significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations adopted by the European Union ("EU") at the time of preparing these financial statements and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence at least until June 2021, being the period of the detailed going concern assessment reviewed by the Board.

The Company accounting policies are consistent with the Group policies set out in note 2 to the consolidated financial statements. Key additional policies are stated below.

b) Parent Company result

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 not to present the Company income statement or statement of comprehensive income. The Company's profit for the year was £10,373,000 (2019: £6,324,000).

c) Use of estimates and judgements

The preparation of the Company financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected. Critical judgements and areas where the use of estimates is significant are disclosed in note 2v for the Group and are applicable to the Company.

d) Application of new and amended standards and interpretations

The following amendments and interpretations were introduced to accounting standards relevant to the Company during the year ended 29 February 2020. The table below summarises the impact of these changes to the Company:

Accounting standard	Description of change	Impact on financial statements
IFRS 16 Leases	A description and the impact of the adoption of IFRS 16 Leases is set out in note 32h.	
Other standards	A number of other new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019.	The standards and amendments have not had a material impact on the Group. Additional disclosure has been provided where relevant.

The Company has not early adopted the following new and revised accounting standards, interpretations or amendments issued by the International Accounting Standards Board that are currently endorsed but not yet effective:

Accounting standard	Description of change	Impact on financial statements
Other standards	A number of other new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020 and have not been applied in preparing these financial statements.	The Directors do not anticipate the application of these standards and amendments will have a material impact on the Company's consolidated financial statements.

e) Investment in subsidiaries

Investments in subsidiaries are recorded at cost less accumulated impairment in the statement of financial position. Investments are reviewed at each reporting date to assess whether there are any indicators of impairment. Any impairment losses are recognised in the income statement in the year they occur.

f) Employee benefit trust

The Company operates an employee benefit trust and has de facto control of shares held by the trust and bears their benefits and risks. The Company considers the trust to be substantially under its control and so aggregates the financial information of the trust into the Company's results. The Company records the assets and liabilities of the trust as its own. Finance costs and administrative expenses are charged as they accrue.

Notes to the Company Financial Statements

Accounting Policies

g) Share-based payments
The Company issues equity-settled share-based payment instruments to certain employees of the Group. Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is charged to the income statement on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest.

Options granted under the Company's Sharesave scheme are equity-settled. The fair values of such options have been calculated using the Black-Scholes model based on publicly available market data.

Awards granted under the Group's Performance Share Plan are equity-settled. For the awards granted in 2016, part of any award granted under the Plan is subject to a Total Shareholder Return performance condition. The fair value of this element of the awards is calculated using the Stochastic model. For awards granted in 2017 and 2018, part of any award under the Plan is subject to a Return on Capital Employed performance condition. These have been measured based on the share price at the date of grant as they are only subject to non-market conditions. The other part of any award granted under the Plan is subject to an Earnings Per Share performance condition. The fair value of this element of the awards is calculated using the Black-Scholes model. Where the awards are subject to a holding period, we have used the Chaffe model to determine a discount for lack of marketability.

Awards granted under the Company's Share Option Plan are equity-settled. The award is subject to an adjusted Earnings Per Share growth performance condition. The fair value of this award is calculated using the Black-Scholes model.

The Company recharges a share of the share-based payment charge to subsidiaries. This recharge is made via intercompany transactions.

h) Change of accounting policy: IFRS 16
The Company has adopted IFRS 16 Leases from 1 March 2019 and applied the modified retrospective approach. Comparatives for 2019 have not been restated and there is no adjustment to equity at the date of application.

On transition the Company elected not to reassess whether a contract is, or contains, a lease, instead relying on the assessment already made applying IAS 17 "Leases" and IFRIC 4 "Determining whether and Arrangement contains a Lease". In addition, the Company applied the available practical expedients as follows:

- Reliance on assessment as to whether leases are onerous on 1 March 2019 with no impact identified;
- Exclude leases of low value assets and short-term leases of less than 12 months from the application of IFRS 16, with payment for these leases continuing to be expensed directly to the income statement as operating leases;
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- Exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The major class of lease impacted by the new standard is property leases. The lease liability has been measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at transition. The right-of-use assets are set to equal the lease liability adjusted for any prepaid or accrued lease payments.

The weighted average incremental borrowing rate ("IBR") applied to the lease liabilities on 1 March 2019 was 3.0%. A single IBR has been applied to a portfolio of leases when these have shared similar characteristics including location, duration and nature of the leases. The approach to use an IBR to discount leases has been followed since the transition date as the interest rate implicit in individual leases cannot be readily determined.

At 1 March 2019 transition date adoption of IFRS 16 resulted in the Company recognising right-of-use assets of £9.7 million and lease liabilities of £10.3 million. There is a reduction of £0.3 million for prepaid rental amounts now netted against the right-of-use assets and a reduction of £0.9 million to liabilities for deferred rent-free amounts netted against the right-of-use asset.

The impact on the income statement for the year ended 29 February 2020 is as follows:

	Year ended 29 February 2020 £'000
Decrease in administrative expenses	1,232
EBITDA benefit	**1,232**
Increase in depreciation	(1,051)
Operating profit benefit	**181**
Increase in finance costs	(322)
Profit before tax reduction	**(141)**

Prior to the adoption of IFRS 16 rental payments were charged to the income statement on a straight-line basis. Under IFRS 16 rental costs in the income statement are replaced with depreciation on the right-of-use asset and interest charges on the lease liability. The adoption of IFRS 16 gives rise to a net £141,000 charge in the profit before tax for the year ended 29 February 2020. At operating profit, the adoption of IFRS 16 gives a benefit of £181,000. The impact is the same for both the statutory profit before tax and adjusted profit before tax.

There is no overall impact on the Company's cash and cash equivalents although there is a change to the classification of cash flows in the cash flow statement with lease payments previously categorised as net cash used in operations now being split between the principal element (categorised in financing activities) and the interest element (categorised as interest paid in financing activities). The impact on the cash flow statement for the year ended 29 February 2020 is as follows:

	Pre IFRS 16 £'000	Repayment of lease liabilities £'000	Interest paid £'000	Post IFRS 16 £'000
Net cash used in operating activities	**12,354**	**880**	**322**	**13,556**
Net cash used in financing activities	**(5,983)**	**(880)**	**(322)**	**(7,185)**

The lease liabilities as at 1 March 2019 can be reconciled to the operating lease commitments at 28 February 2019 as follows:

	1 March 2019 £'000
Operating lease commitments disclosed at 28 February 2019	**9,687**
Less commitments relating to short-term leases	(10)
Less commitments relating to low-value assets	–
Discounted using the lease's incremental borrowing rate	(1,822)
Property leases novated from other Group companies	1,788
Other liabilities now recognised within lease liabilities	663
Lease liability recognised as at 1 March 2019	**10,306**
Analysed at:	
Current lease liabilities	936
Non-current lease liabilities	9,370

Notes to the Company Financial Statements

continued

33. Intangible assets

	Publishing rights £'000	Systems development £'000	Total £'000
Cost			
At 28 February 2018	660	6,527	7,187
Additions	70	937	1,007
At 28 February 2019	730	7,464	8,194
Additions	–	1,454	1,454
At 29 February 2020	**730**	**8,918**	**9,648**
Amortisation			
At 28 February 2018	660	4,005	4,665
Charge for the year	12	878	890
At 28 February 2019	672	4,883	5,555
Charge for the year	15	971	986
At 29 February 2020	**687**	**5,854**	**6,541**
Net book value			
At 29 February 2020	**43**	**3,064**	**3,107**
At 28 February 2019	58	2,581	2,639

The amortisation charge of £986,000 (2019: £890,000) was included in administrative expenses in the year.

34. Property, plant and equipment

	Short leasehold improvements £'000	Furniture and fittings £'000	Computers and other office equipment £'000	Total £'000
Cost				
At 28 February 2018	2,664	432	1,600	4,696
Additions	54	21	143	218
At 28 February 2019	2,718	453	1,743	4,914
Additions	20	49	194	263
At 29 February 2020	**2,738**	**502**	**1,937**	**5,177**
Depreciation				
At 28 February 2018	1,473	355	1,151	2,979
Charge for the year	97	25	168	290
At 28 February 2019	1,570	380	1,319	3,269
Charge for the year	104	31	160	295
At 29 February 2020	**1,674**	**411**	**1,479**	**3,564**
Net book value				
At 29 February 2020	**1,064**	**91**	**458**	**1,613**
At 28 February 2019	1,148	73	424	1,645

The depreciation charge of £295,000 (2019: £290,000) was included in administrative expenses.

35. Right-of-use assets

	Property £'000	Cars £'000	Equipment £'000	Total £'000
At 28 February 2019	–	–	–	–
Adjustment on initial application of IFRS 16 (see note 32h)	9,523	90	42	9,655
Additions	1,412	–	–	1,412
At 29 February 2020	**10,935**	**90**	**42**	**11,067**
Depreciation				
At 28 February 2019	–	–	–	–
Charge for the year	970	45	36	1,051
At 29 February 2020	**970**	**45**	**36**	**1,051**
Net book value				
At 29 February 2020	**9,965**	**45**	**6**	**10,016**
At 28 February 2019	–	–	–	–

36. Investment in subsidiary companies

	£'000
Cost	
At 28 February 2019	92,692
Additions	1,213
At 29 February 2020	**93,905**
Impairment	
At 28 February 2019	9,442
Charge for the year	3,304
At 29 February 2020	**12,746**
Net book value	
At 29 February 2020	**81,159**
At 28 February 2019	83,250

The addition in the year is in relation to the acquisition of Oberon Books Limited. The impairment in the year relates to the carrying value of Bloomsbury Professional Limited.

37. Other investments

	29 February 2020 £'000	28 February 2019 £'000
Equity securities designated as at FVOCI	**300**	300
Joint venture	**216**	–
Total	**516**	300

The amounts recognised in the Income Statement are as follows:

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Joint venture	**(7)**	–
Total	**(7)**	–

The addition in the year is in relation to the investment in Beijing CYP & Gakken Education Development Co., Ltd joint venture.

Notes to the Company Financial Statements

continued

38. Deferred tax assets and liabilities

Deferred tax is calculated in full on temporary differences using the tax rate appropriate to the jurisdiction in which the asset or liability arises and the tax rates that are expected to apply in the periods in which the asset or liability is settled.

Movement in temporary differences during the year:

	Property, plant and equipment £'000	Retirement benefit obligation £'000	Share-based payments £'000	Provisions £'000	Total £'000
At 28 February 2018	15	19	29	40	103
(Charge)/credit to the income statement	(24)	(16)	67	307	334
Credit to equity	–	–	33	–	33
At 28 February 2019	(9)	3	129	347	470
(Charge)/credit to the income statement	(22)	31	107	(129)	(13)
Credit to equity	–	–	46	–	46
At 29 February 2020	**(31)**	**34**	**282**	**218**	**503**

The analysis for financial reporting purposes is as follows:

	29 February 2020 £'000	28 February 2019 £'000
Deferred tax assets	**503**	470
Deferred tax liabilities	**–**	–
Total	**503**	470

Deferred tax is not provided on unremitted earnings of subsidiaries where the Company controls the timing of remittance and it is probable that the temporary difference will not reverse in the foreseeable future.

39. Inventories

	29 February 2020 £'000	28 February 2019 £'000
Work in progress	**1,879**	1,384
Finished goods for resale	**4,850**	4,772
Total	**6,729**	6,156

The cost of inventories recognised as cost of sales amounted to £17,644,000 (2019: £16,231,000).

The provision and write down of inventories to net realisable value recognised in cost of sales amounted to £1,903,000 (2019: £2,018,000).

40. Trade and other receivables

	29 February 2020 £'000	28 February 2019 £'000
Current		
Gross trade receivables	**32,835**	30,457
Less loss allowance	**(1,575)**	(1,736)
Net trade receivables	**31,260**	28,721
Amounts owed by Group undertakings	**12,824**	12,209
Other receivables	**2,033**	2,254
Prepayments and accrued income	**3,372**	2,946
Royalty advances	**12,520**	10,847
Total trade and other receivables	**62,009**	56,977

A provision is held against gross advances payable in respect of published title advances, which may not be fully earned down by anticipated future sales. As at 29 February 2020, £2,534,000 (2019: £3,180,000) of royalty advances are expected to be recovered after more than 12 months.

The Directors consider that the carrying amount of trade and other receivables approximates to their fair values. The Company's exposure to credit and currency risks is disclosed in note 46. Trade receivables principally comprise amounts receivable from the sale of books due from distributors. The average number of days' credit taken for sales of books by the Company was 181 days (2019: 163 days).

Movements on the Company's loss allowance for trade receivables are as follows:

	29 February 2020 £'000	28 February 2019 £'000
At start of year	**1,736**	927
Adjustment on initial application of IFRS 9	**–**	212
Amounts created	**401**	641
Amounts released	**(177)**	–
Amounts utilised	**(385)**	(44)
At end of year	**1,575**	1,736

41. Trade and other liabilities

	29 February 2020 £'000	28 February 2019 £'000
Current		
Trade payables	**8,809**	5,657
Sales return liability	**1,605**	3,392
Amounts owed to Group undertakings	**47,901**	46,890
Taxation and social security	**642**	637
Other payables	**2,379**	1,817
Accruals and deferred income	**11,108**	13,481
Total current trade and other liabilities	**72,444**	71,874
Total trade and other payables liabilities	**72,444**	71,874

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs.

If actual returns were 10% higher or lower in the year revenue would have been £0.5 million lower/higher (2019: £1 million).

42. Loans and borrowings

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Liability		Equity			
	Lease liability £'000	Bank overdrafts used for cash management purposes £'000	Share capital/share premium £'000	Other reserves £'000s	Retained earnings £'000	Total £'000
Balance at 1 March 2019	**–**	**–**	**40,330**	**7,920**	**47,822**	**96,072**
Changes from financing cash flows						
Dividend paid	–	–	–	–	(6,009)	(6,009)
Proceeds from exercise of share options	–	–	–	–	27	27
Repayment of lease liability	(880)	–	–	–	–	(880)
Interest paid	(322)	(1)	–	–	–	(323)
Total changes from financing cash flows	**(1,202)**	**(1)**	**–**	**–**	**(5,982)**	**(7,185)**
Other changes						
Liability-related						
IFRS 16 transition	10,306	–	–	–	–	10,306
Right-of-use asset additions	1,412	–	–	–	–	1,412
Interest expense	322	1	–	–	–	323
Total liability-related other changes	**12,040**	**1**	**–**	**–**	**–**	**12,041**
Total equity-related other changes	**–**	**–**	**–**	**629**	**10,419**	**11,048**
Balance at 29 February 2020	**10,838**	**–**	**40,330**	**8,549**	**52,259**	**111,976**

	Liability		Equity			
	Lease liability £'000	Bank overdrafts used for cash management purposes £'000	Share capital/share premium £'000	Other reserves £'000s	Retained earnings £'000	Total £'000
Balance at 1 March 2018	**–**	**–**	**40,330**	**7,498**	**47,065**	**94,893**
Changes from financing cash flows						
Dividend paid	–	–	–	–	(5,655)	(5,655)
Proceeds from exercise of share options	–	–	–	–	214	214
Interest paid	–	(1)	–	–	–	(1)
Total changes from financing cash flows	**–**	**(1)**	**–**	**–**	**(5,441)**	**(5,442)**
Other changes						
Liability-related						
Interest expense	–	1	–	–	–	1
Total liability-related other changes	**–**	**1**	**–**	**–**	**–**	**1**
Total equity-related other changes	**–**	**–**	**–**	**422**	**6,198**	**6,620**
Balance at 28 February 2019	**–**	**–**	**40,330**	**7,920**	**47,822**	**96,072**

43. Provisions

	Author advance £'000	Property £'000	Total £'000
At 1 March 2019	–	108	108
Transferred in the year	132	–	132
Created in the year	78	36	114
Utilised in the year	(59)	–	(59)
At 29 February 2020	**151**	**144**	**295**
Non-current	–	144	144
Current	151	–	151

The property provision is in respect of dilapidations for the Bedford Square head office. The author advance provision relates a provision against future cash outflows on published titles where the Group does not expect to fully recover the advance.

44. Share capital and other reserves

For details of share capital, share premium, merger reserve, capital redemption reserve, share-based payment reserve and retained earnings see note 22 and the Company statement of changes in equity attributable to the owners of the Company. For details of the Company profit for the year see note 32b.

For details of dividends see note 8.

As at 29 February 2020, the Company had distributable reserves of £52.3 million. The total external dividends relating to the year ended 29 February 2020 amounted to £6.0 million. The Company distributable reserves support over eight times this annual dividend.

45. Share-based payments

Options over shares of the Company have been granted to employees of the Company and Group under various schemes. The full share-based payment disclosures can be found in note 23.

The total share-based payment charge to the income statement for the year was:

	29 February 2020 £'000	28 February 2019 £'000
Equity-settled share-based transactions	**629**	422
Cash-settled share-based transactions	**132**	76
Total	**761**	498

£447,000 (2019: £296,000) of this amount was recharged to subsidiaries of the Company.

Notes to the Company Financial Statements

continued

46. Financial instruments and risk management

Full disclosures relating to the Group's financial risk management strategies and other financial assets and liabilities are given in note 25 to the consolidated financial statements.

Categories of financial instruments

	Notes	29 February 2020 £'000	28 February 2019 £'000
Investments available for sale			
Equity securities designated as FVOCI (Level 3)		**300**	300
Joint venture		**216**	–
Total investments available for sale	37	**516**	300
Loans and receivables			
Cash and cash equivalents		**19,995**	16,996
Amounts owed by Group undertakings	40	**12,824**	12,209
Trade receivables	40	**31,260**	28,721
Accrued income		**2,597**	1,693
Total loans and receivables		**66,676**	59,619
Financial liabilities measured at amortised cost			
Trade payables	41	**8,809**	5,657
Sales return liability	41	**1,605**	3,392
Accruals		**11,108**	13,436
Other payables		**3,021**	2,454
Amounts owed to Group undertakings	41	**47,901**	46,890
Lease liabilities	47	**10,838**	–
Total financial liabilities measured at amortised cost		**83,282**	71,829
Net financial instruments		**(16,090)**	(11,910)

The equity securities are classed as level 3 as the shares are not actively traded stock. The fair value is assessed based on recent share subscriptions where these are available and relevant to the fair value of the investment.

a) Market risk

i. Interest rate risk

Interest rate profile of financial assets:

	29 February 2020 £'000	28 February 2019 £'000
Variable rate financial assets	**19,995**	16,996

Interest rate sensitivity analysis

The Company derived the following sensitivities to assess the impact of changes in interest rates, based on the effect of the market volatility in the current climate and the previous 12 months. The analysis assumes all other variables remain constant.

	29 February 2020 £'000	28 February 2019 £'000
Impact on profit and equity		
1% increase in base rate of interest (2019: 1%)	**142**	132
0.5% decrease in base rate of interest (2019: 0.5%)	**(79)**	(67)

ii. Currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	Loan and receivables		Financial liabilities	
	29 February 2020 £'000	28 February 2019 £'000	**29 February 2020 £'000**	28 February 2019 £'000
GBP	**63,742**	54,176	**82,713**	70,758
USD	**1,828**	3,793	**403**	955
EURO	**833**	1,474	**166**	116
AUD	**273**	176	**–**	–
Total	**66,676**	59,619	**83,282**	71,829

Foreign currency sensitivity analysis

The Company derived the following sensitivities based on the outstanding foreign currency denominated financial assets and liabilities at the year end.

The use of a 10% sensitivity rate has been determined based on the effect of the market volatility in exchange rates between the current and previous year end, and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in profit or loss and equity.

	29 February 2020 £'000	28 February 2019 £'000
Impact on profit or loss		
10% weakening in US dollar against pound sterling (2019: 10%)	**(129)**	(258)
10% strengthening in US dollar against pound sterling (2019: 10%)	**158**	315
10% weakening in euro against pound sterling (2019: 10%)	**(61)**	(123)
10% strengthening in euro against pound sterling (2019: 10%)	**75**	151
10% weakening in AUS dollar against pound sterling (2019: 10%)	**(25)**	(16)
10% strengthening in AUS dollar against pound sterling (2019: 10%)	**30**	20

b) Credit risk

The Company has a significant concentration of credit risk due to its use of third-party distributors. Credit limits for the final customers are set by the distributors based on a combination of payment history and third-party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history. The distributors belong to established international groups whose business includes a number of publishing interests and clients. The Company's risk is limited as significant amounts outstanding through the UK distributors are secured by credit insurance. The balances with the distributors make up 87% (2019: 85%) of the gross trade receivable balance.

c) Liquidity risk

Currently, the Company has limited borrowing and has sufficient cash deposits to meet its debts as they fall due. However, the Company's exposure to liquidity risk has increased since coronavirus. The Board has modelled a severe but plausible pessimistic downside scenario; see note 2c on going concern for further details. Under this scenario the Group is expected to have sufficient liquidity for at least 12 months from the date of approval of the financial statements.

The Company has an unsecured revolving credit facility with Lloyds Bank Plc. At 29 February 2020, the Group had no draw down (2019: £nil) of this facility with £8.0 million of undrawn borrowing facilities (2019: £12.0 million) available.

The facility comprises a committed revolving loan facility of £8 million in the first half and an additional £4 million in the second half, totalling £12 million, to match Bloomsbury's cash flow cycle, and an uncommitted incremental term loan facility of up to £6 million. The facilities are subject to two covenants, being a maximum net debt to EBITDA ratio of 2.5× and a minimum interest cover covenant of 4×. Subsequent to the year end, the maturity of the facility was extended to May 2022 and the covenants were amended to exclude IFRS 16.

Notes to the Financial Statements

continued

47. Leases

The Company's lease portfolio consists of office properties, vehicles and equipment. The Company has adopted IFRS 16 Leases at 1 March 2019 and applied the modified retrospective approach. Comparatives for 2019 have not been restated.

Disclosure required for IFRS 16

The maturities of the Group's lease liabilities are as follows:

	29 February 2020 £'000
Less than one year	**1,248**
One to five years	**4,831**
More than five years	**6,813**
Total undiscounted lease liabilities	**12,892**
Lease liabilities included in the balance sheet	**10,838**
Current	**906**
Non-current	**9,932**

IAS 17 disclosures for 2019

The Company had the following outstanding commitments under non-cancellable operating leases:

	28 February 2019 £'000
Within one year	953
Later than one year and fewer than five years	3,288
After more than five years	5,446
Total	9,687

The operating leases represent rentals payable by the Company for certain office properties, vehicles and equipment; see note 26 for further details.

48. Commitments and contingent liabilities

a) Capital commitments

	29 February 2020 £'000	28 February 2019 £'000
Property, plant and equipment	**–**	–
Intangible assets	**238**	105
Total	**238**	105

b) Other commitments

The Company is committed to paying royalty advances in subsequent financial years. At 29 February 2020, this commitment amounted to £12,306,000 (2019: £10,957,000).

c) Guarantees

The Company and certain of its subsidiaries have guarantees to Lloyds Bank Plc in place relating to the Group's borrowing facilities; see note 46c.

The Company has guaranteed the liabilities of certain of its UK subsidiaries, being those listed in note 30, to enable them to take the audit exemption under section 479A of the Companies Act 2006.

49. Related parties

Trading transactions

During the year the Company entered into the following transactions and had the following balances with its subsidiaries:

	29 February 2020 £'000	28 February 2019 £'000
Sale of goods to subsidiaries	**9,525**	8,553
Management recharges	**9,422**	9,667
Commission payable to subsidiaries	**(8)**	(5)
Finance income from subsidiaries	**91**	77
Amounts owed by subsidiaries at year end	**12,824**	12,209
Amounts owed to subsidiaries at year end	**47,901**	46,890

All amounts outstanding are unsecured and will be settled in cash. No provisions have been made for doubtful debts in respect of the amounts owed by subsidiaries.

Key management remuneration is disclosed in note 5.

Harry Potter

Harry Potter: The Complete Collection (Children's Paperback) continues to be Bloomsbury's number one bestseller in print for another year.

Additional information

Five Year Financial Summary

	2016 £'000	2017 £'000	2018 £'000	2019 £'000	**2020** **£'000**
Revenue	123,725	142,564	161,510	162,679	**162,772**
Adjusted profit†	13,028	12,039	13,217	14,374	**15,704**
Adjusted diluted EPS‡	15.24p	12.63p	13.92p	14.97p	**16.77p**
Dividend per share	6.40p	6.70p	7.51p	7.96p	**1.28p**
Return on Capital Employed	9.2%	8.2%	9.9%	11.0%	**12.2%**
Net assets	132,967	139,299	139,563	143,738	**149,673**
Net cash*	5,166	15,478	25,428	27,580	**31,345**

† Adjusted profit is profit before taxation, amortisation of acquired intangible assets and other highlighted items.

‡ Adjusted diluted EPS is calculated from adjusted profit with tax on adjusted profit deducted.

* Net cash is cash and cash equivalents net of the bank overdraft.

Prior periods have not been restated to reflect the adoption of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" in 2019 IFRS 16 'Leases' in 2020.

Company Information

Chairman	Sir Richard Lambert – Non-Executive Chairman
Executive Directors	Nigel Newton – Founder and Chief Executive Penny Scott-Bayfield – Group Finance Director Jonathan Glasspool – Executive Director
Independent Non-Executive Directors	John Warren – Senior Independent Director Leslie-Ann Reed Steven Hall
Company Secretary	Maya Abu-Deeb
Registered Office	50 Bedford Square London WC1B 3DP +44 (0) 20 7631 5600
Registered number	01984336 (England and Wales)
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Bankers	Lloyds Bank 25 Gresham Street London EC2V 7HN
Stockbrokers and Financial Advisors	Investec Investment Banking 30 Gresham Street London EC2V 7QP
Registrars	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

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Certain statements, statistics and projections in this document are or may be forward looking. By their nature, forward-looking statements involve a number of risks, uncertainties or assumptions that may or may not occur and actual results or events may differ materially from those expressed or implied by the forward-looking statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Accordingly, forward-looking statements contained in this document regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. You should not place undue reliance on forward-looking statements, which are based on the knowledge and information available only at the date of this document's preparation. For a description of certain factors that may affect Bloomsbury's business, financial performance or results of operations, please refer to the principal risks included in this Annual Report and Accounts; see pages 40 to 45.

The Company does not undertake any obligation to update or keep current the information contained in this document, including any forward-looking statements, or to correct any inaccuracies, which may become apparent and any opinions expressed in it are subject to change without notice.

References in this report to other reports or materials, such as a website address, have been provided to direct the reader to other sources of Bloomsbury information which may be of interest. Neither the content of Bloomsbury's website nor any website accessible by hyperlinks from Bloomsbury's website nor any additional materials contained or accessible thereon, are incorporated in, or form part of, this report.

Notice of the Annual General Meeting

Bloomsbury Publishing Plc

To be held at the registered office of
Bloomsbury Publishing Plc at:
50 Bedford Square, London WC1B 3DP*
On Tuesday 21 July 2020 at 12.00 noon

To Bloomsbury Shareholders

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the contents of this document or what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you sell or have sold or otherwise transferred all of your shares in Bloomsbury Publishing Plc, please send this document together with the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee.

*ARRANGEMENTS IN LIGHT OF THE CORONAVIRUS PANDEMIC

In light of the coronavirus pandemic and the Government's "Stay Alert Measures", please refer to the Company Secretary's letter over the page which details the changes to the format of this year's Annual General Meeting.

Letter to Shareholders

20 May 2020

Dear Shareholder

Bloomsbury Publishing Plc - Annual General Meeting

I am pleased to inform you that this year's Annual General Meeting ("AGM") of Bloomsbury Publishing Plc (the "Company") will be held at 50 Bedford Square, London WC1B 3DP on Tuesday 21 July 2020 at 12.00 noon.

Information regarding the AGM, including the information required by section 311A of the Companies Act 2006 is available from www.bloomsbury-ir.co.uk.

Coronavirus and AGM arrangements

The Company is continuing to closely monitor the evolving situation and Government advice relating to the coronavirus pandemic.

As we publish this document, the "Stay Alert Measures" issued by the UK Government remain in place. Throughout this document, references to the Stay Alert Measures include any equivalent public safety measures which may be introduced by the Government after the date of this letter and Notice of Meeting.

In light of these unprecedented circumstances, the AGM this year will be run as a closed meeting. We hope that Shareholders will understand that we are taking the following steps to protect our Shareholders, employees and the Board. At the time of writing, legislation to allow closed AGMs to be held virtually is anticipated, and we intend to avail ourselves of this option if such legislation is promulgated before our AGM.

Format and proceedings of the meeting

Assuming that the Stay Alert Measures remain in place at the date of the AGM, Shareholders will not be permitted to attend the AGM in person. In order to comply with quorum requirements under the Company's Articles of Association, two Shareholders must be present in person or by proxy at the AGM, and the Company will make arrangements to ensure that the necessary quorum is present.

The format of the meeting will be purely functional and will comprise only the formal business – there will be no corporate presentation or Q&A. All other Directors of the Company and professional advisers will not attend the AGM in person.

Shareholder participation

Given the Stay Alert Measures, any Shareholders seeking to attend the AGM will be refused entry to the meeting. However, Shareholders' votes still matter. Shareholders are strongly encouraged to participate by submitting a proxy vote in advance of the meeting and appointing the Chair of the Meeting as their proxy (rather than a named person who will not be permitted to attend the meeting).

Voting by proxy

Similarly to last year, Shareholders will not receive a form of proxy for the AGM in the post. Instead, instructions can be found in the section entitled "Explanatory Notes to the Notice" to enable Shareholders to vote electronically and how to register to do so. To register, Shareholders will need their Investor Code, which can be found on their share certificate. Shareholders may request a paper form of proxy from our Registrar, Link Asset Services. Proxy votes should be submitted as early as possible and in any event by no later than 12.00 noon on Friday 17 July 2020 in order to count towards the vote. As mentioned above, Shareholders are strongly encouraged to appoint the Chair of the Meeting as their proxy for this year's AGM.

Shareholder questions

Shareholders are invited to submit to the Board any questions they would otherwise have asked at the AGM ahead of the meeting by email to: AGM2020@bloomsbury.com, marked for the attention of the Company Secretary.

Communication of changes

The situation is constantly evolving, and it may become necessary to change the arrangements for this year's AGM after the date of this letter, in particular, if the anticipated legislation to enable closed AGMs to be held virtually comes into effect. The Company will provide any appropriate updates in relation to the AGM via its investor relations website (www.bloomsbury-ir.com) and the Regulatory News Service.

Resolutions

This document provides details of the resolutions to be voted upon at the AGM and includes the formal notice convening the AGM. You will also find notes in the section entitled "Explanatory Notes to the Resolutions" relating to the resolutions that you will be asked to consider and vote on at the AGM. Resolutions 1 to 13 will be proposed as ordinary resolutions and resolutions 14 to 17 will be proposed as special resolutions.

If you have elected to receive information from the Company in hard copy, you will have received the Annual Report and Accounts 2020 with this document. Shareholders who have not elected to receive hard copy documents can view or download the Annual Report and Accounts 2020 and this Notice from our website at www.bloomsbury-ir.co.uk.

Recommendation

The Directors consider that all the resolutions that are to be considered at the AGM are in the best interests of the Company and its Shareholders as a whole and are most likely to promote the success of the Company for the benefit of Shareholders as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do so in respect of their own interests (both beneficial and non-beneficial).

Yours faithfully

Maya Abu-Deeb
General Counsel & Group Company Secretary

Bloomsbury Publishing Plc
20 May 2020

Notice of the Annual General Meeting

Bloomsbury Publishing Plc

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Bloomsbury Publishing Plc (the "Company") will be held at 50 Bedford Square, London WC1B 3DP on Tuesday 21 July 2020 at 12.00 noon.

You will be asked to consider and vote on the resolutions below. Resolutions 1 to 13 will be proposed as ordinary resolutions and resolutions 14 to 17 will be proposed as special resolutions.

Ordinary Business

Shareholders are asked to consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. To receive the audited accounts of the Company for the year ended 29 February 2020, together with the Report of the Directors and the report of the Auditor thereon.
2. To approve the Annual Statement by the Chair of the Remuneration Committee and the Annual Report on Directors' Remuneration for the year ended 29 February 2020, as set out on pages 88 to 90 and 96 to 108 respectively of the Company's Annual Report and Accounts for the year ended 29 February 2020.
3. To approve the Directors' Remuneration Policy as set out on pages 90 to 96 of the Company's Annual Report and Accounts for the year ended 29 February 2020.
4. To authorise the Directors to settle the intended final dividend for the year ended 29 February 2020 of 6.89 pence per share by way of a bonus issue of new Ordinary Shares.
5. To re-appoint Steven Hall as a Director of the Company.
6. To re-appoint Sir Richard Lambert as a Director of the Company.
7. To re-appoint Nigel Newton as a Director of the Company.
8. To re-appoint Leslie-Ann Reed as a Director of the Company.
9. To re-appoint Penny Scott-Bayfield as a Director of the Company.
10. To re-appoint John Warren as a Director of the Company.
11. To re-appoint KPMG LLP as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which financial statements for the Company are laid before the Company.
12. To authorise the Directors to determine the remuneration of the Auditor on behalf of the Company.

Special Business

Shareholders are asked to consider and, if thought fit, to pass the following resolutions of which Resolution 13 will be proposed as an ordinary resolution and resolutions 14, 15, 16 and 17 will be proposed as special resolutions.

13. **THAT:**

    a. the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot any shares in the Company and to grant rights t o subscribe for or convert any security into shares in the Company to such persons and on such terms as they think proper up to a maximum aggregate nominal amount of £329,562 provided that:

       i. this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, 15 months from the date of passing of this resolution, unless previously varied, revoked or renewed by the Company in general meeting; and

       ii. the Company shall be entitled to make, before the expiry of such authority, any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares in the Company to be granted after the expiry of such authority and the Directors may allot any shares pursuant to such offer or agreement as if such authority had not expired; and

       iii. the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

    b. all prior authorities to allot any shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company given to the Directors by resolution of the Company be revoked but without prejudice to the allotment of any shares already made or agreed to be made pursuant to such authorities.

14. **THAT:** if Resolution 13 is passed, the Directors be authorised to allot equity securities (as defined in the Companies Act 2006 ("the Act")) for cash under the authority given by that resolution and/or to sell Ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited:
    a. to the allotment of equity securities in connection with a rights issue, open offer or other pre-emptive offer in favour of holders of Ordinary shares in the Company where the equity securities respectively attributable to the interests of all such holders of Ordinary shares are proportionate (as nearly as may be) to the respective numbers of and/or rights attaching to Ordinary shares held by them, subject to such exceptions, exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the requirements of any regulatory body or any stock exchange or otherwise in any territory;
    b. to the allotment of equity securities pursuant to the terms of the Company's existing employees' share or share option schemes or any other employees' share scheme approved by the Shareholders of the Company in general meeting; and
    c. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph a. and b. above) up to a nominal value not exceeding in aggregate £49,434;

    and shall expire at the conclusion of the next Annual General Meeting of the Company after passing this resolution or, if earlier, 15 months from the date of passing of this resolution, unless previously varied, revoked or renewed by the Company in general meeting, and provided that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted or Ordinary shares held by the Company as treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares pursuant to any such offer or agreement as if the power hereby conferred had not expired; and all prior powers granted under section 571 of the Act revoked, provided that such revocation shall not have retrospective effect.
15. **THAT**: if Resolution 13 is passed, the Directors be authorised, in addition to any authority granted under Resolution 14, to allot equity securities (as defined in the Companies Act 2006 ("the Act") for cash under the authority given by Resolution 13 and/or to sell Ordinary shares held by the Company as treasury shares for cash, as if section 561 of the Act did not apply to any such allotment or sale, such further authority to be:
    a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £49,434; and
    b. used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice of this resolution;

       and shall expire at the conclusion of the next Annual General Meeting of the Company after passing this resolution or, if earlier, 15 months from the date of passing of this resolution, unless previously varied, revoked or renewed by the Company in general meeting, and provided that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted or Ordinary shares held by the Company as treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares pursuant to any such offer or agreement as if the power hereby conferred had not expired; and all prior powers granted under section 571 of the Act revoked, provided that such revocation shall not have retrospective effect.
16. **THAT**: the Company be authorised, pursuant to section 701 of the Companies Act 2006 ("the Act"), to make market purchases (as defined in section 693(4) of the Act) of any of its Ordinary shares of 1.25p each ("Ordinary shares") in such manner and on such terms as the Directors may from time to time determine provided that:
    a. the maximum number of Ordinary shares authorised to be purchased is 7,909,499 Ordinary shares being 10% of the issued Ordinary shares of the Company at the date of the notice of this resolution;
    b. the maximum price (exclusive of expenses) which may be paid for each Ordinary share is an amount equal to 105% of the average of the middle market quotations for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased and the minimum price (exclusive of expenses) which may be paid for each Ordinary share is 1.25 pence;
    c. the authority hereby conferred shall, unless previously varied, revoked or renewed, expire at the conclusion of the next AGM of the Company to be held after passing this resolution or 15 months from the date of passing of this resolution, whichever shall be the earlier; and
    d. the Company shall be entitled under such authority to make at any time before its expiry or termination any contract to purchase its own shares which will or might be concluded wholly or partly after the expiry or termination of such authority and may purchase its own shares pursuant to such contract.

Notice of the Annual General Meeting

Bloomsbury Publishing Plc *continued*

17. **THAT**: the Articles of Association contained in a document produced to the meeting and signed by the Chief Executive for the purposes of identification be approved and adopted as the New Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board

Maya Abu-Deeb
General Counsel & Group Company Secretary

Bloomsbury Publishing Plc
20 May 2020

Registered Office
50 Bedford Square
London
WC1B 3DP

Explanatory Notes to the Resolutions

Resolutions 1 to 13 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 14 to 17 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1 (ordinary resolution) – Report and Accounts

To receive the report of the Directors and the financial statements for the year ended 29 February 2020, together with the report of the Auditor.

Resolution 2 (ordinary resolution) – Approval of Annual Statement by the Chair of the Remuneration Committee and Annual Report on Directors' Remuneration

The Directors are required to prepare the Directors' Remuneration Report, comprising an annual report detailing the remuneration of the Directors and an annual statement by the Chair of the Remuneration Committee. These are set out on pages 88 to 90 and 96 to 108 of the Annual Report and Accounts. The Company is required to seek Shareholders' approval in respect of the contents of the Remuneration Report on an annual basis (excluding the part containing the Directors' Remuneration Policy) and of the annual statement. The vote for Resolution 2 is an advisory one.

Resolution 3 (ordinary resolution) – Approval of the Directors' Remuneration Policy

The Directors' Remuneration Policy is set out on pages 90 to 96 of the Company's Annual Report and Accounts for the year ended 29 February 2020. The Policy must be approved by Shareholders by means of a separate resolution (in accordance with section 439A of the Companies Act 2006) at least once every three years. The current Policy was approved by Shareholders at the AGM in 2017 and is therefore due for renewal. As part of the review of the Policy, the Company consulted with a number of the Company's largest Shareholders and, where appropriate, their comments have been reflected.

Subject to Shareholders' approval, it is intended that the new Policy will operate from 1 March 2020 and will become formally effective immediately after the AGM.

Resolution 4 (ordinary resolution) – Approval of the payment of the final dividend by way of a bonus issue of shares

The Company had intended to declare a final dividend for the year ended 29 February 2020 of 6.89 pence per share. This would have resulted in a total dividend for the year of 8.17 pence per share, up 3% on the previous year. As previously announced, the Company has decided, in light of the coronavirus pandemic, to conserve cash at the present time and therefore will not be paying a cash dividend.

It is now proposed, subject to Shareholder approval, that the dividend is instead settled through the issuance of new Ordinary shares of 1.25 pence each (the "Bonus Shares") by way of bonus issue, with a value equivalent to the proposed final dividend, (the "Bonus Issue") to Shareholders on Bloomsbury's register of members as at 11.59 pm on 31 July 2020 (the "Bonus Issue Record Time"), being the last date on which transfers will be accepted for registration to participate in the Bonus Issue.

The Bonus Shares will be issued on 28 August 2020 (the "Bonus Issue Payment Date") with the number of Bonus Shares (if any) to which each Shareholder on Bloomsbury's register of members as at the Bonus Issue Record Time is entitled calculated using the following formula:

a) the number of Ordinary shares held at the Bonus Issue Record Time multiplied by 6.89 pence; divided by

b) the average of the middle market quotations of Bloomsbury's Ordinary shares on the Daily Official List of the London Stock Exchange for the five consecutive dealing days commencing from and including 24 July 2020 (the "Reference Share Price").

No fraction of a Bonus Share will be issued and the calculation of entitlements to Bonus Shares will always be rounded down to the nearest whole Ordinary shares. Any fractional entitlements to Bonus Shares will be aggregated and Bloomsbury will procure that the maximum whole number of resulting Bonus Shares will be allotted and sold in the market with the net proceeds of sale (net of any commissions, expenses and applicable taxes) paid in due proportion to the relevant Shareholders (rounded down to the nearest penny), by way of cheque or credit to the relevant CREST account. Fractional entitlements to amounts (net of any commissions, expenses and applicable taxes) of £5 or less will not be paid to the relevant Shareholders who would otherwise be entitled to them due to the administrative costs incurred in doing so, but will be retained for the benefit of Bloomsbury.

In Resolution 4 Shareholders are being asked to authorise the Directors to proceed with the Bonus Issue and to capitalise up to £5,720,000 standing to the credit of Bloomsbury's distributable profits for the purposes of applying such amounts in paying up in full the Bonus Shares.

The Bonus Shares will be fully paid up and rank pari passu in all respects with the existing Ordinary shares of Bloomsbury and will have the rights, and be subject to the restrictions, provided for in Bloomsbury's Articles of Association ("Articles").

Shareholders are advised to consult their tax advisers on their tax position in respect of any Bonus Shares and/or cash proceeds they receive in respect of any fractional entitlements to Bonus Shares.

Explanatory Notes to the Resolutions

continued

Expected Timetable of Events

1.	Latest time for return of proxies for Annual General Meeting	12.00 noon on Friday 17 July 2020
2.	Annual General Meeting	Tuesday 21 July 2020
3.	Ex-dividend date for the bonus issue of Ordinary Shares (the "**Bonus Shares**")	Thursday 30 July 2020
4.	Bonus Issue Record Time (and the last date on which transfers will be accepted for registration to participate in the Bonus Issue)	Friday 31 July 2020
5.	Bonus Issue Payment Date and admission to trading of the Bonus Shares on the London Stock Exchange	Friday 28 August 2020
6.	Despatch of share certificates for Bonus Shares to shareholders holding in certificated form (and CREST accounts of shareholders holding in uncertificated form credited with Bonus Shares)	On or soon after 8.00 am on the Bonus Issue Payment Date
7.	CREST accounts credited with any cash due in relation to the sale of fractional entitlements for shareholders who hold their shares in CREST (and despatch of cheques for any cash in relation to the sale of fractional entitlements for shareholders who do not hold their shares in CREST)	Within 14 days after the Bonus Issue Payment Date

Resolutions 5 to 10 (ordinary resolutions) – Re-appointment of Directors

In accordance with best practice for issuers listed on the Main Market of the London Stock Exchange and the Articles, all the Directors will retire at the AGM and, being eligible, offer themselves for re-appointment except for Jonathan Glasspool who will resign as a Director of the Company.

The Board has considered the appraisal of the performance of each Director offering themselves for re-appointment and has concluded that each of them makes positive and effective contributions to the meetings of the Board and the Committees on which they sit and that they demonstrate commitment to their roles.

The Board is satisfied that each Non-Executive Director offering themselves for appointment or re-appointment is independent in character and there are no relationships or circumstances likely to affect their character or judgement.

Biographical details for each of the Directors may be found on pages 68 to 69 of the Annual Report and Accounts.

The Board unanimously recommends the appointment or re-appointment of each of the Directors.

Resolution 11 (ordinary resolution) – Re-appointment of the Auditor

The Board recommends that the incumbent External Auditor, KPMG LLP (who have been in office since the 2013/14 financial year), be re-appointed for a further year so that they are able to audit the Company's report and accounts for the year ending 28 February 2021.

Resolution 12 (ordinary resolution) – Remuneration of the Auditor

The Board proposes that it be authorised to determine the level of the Auditor's remuneration for the year ending 28 February 2021.

Resolution 13 (ordinary resolution) – Authority to allot Ordinary shares

This is an ordinary resolution to replace the general authority, last given at the 2019 AGM, for the Directors to be authorised to allot Ordinary shares pursuant to section 551 of the Act. This resolution, if passed, would give the Directors the authority to allot up to 26,364,999 Ordinary shares of 1.25 pence with a nominal value of £329,562, representing approximately 33.33% of the issued Ordinary share capital of the Company at the date of this Notice.

This authority, if granted, will expire on the earlier of the conclusion of the Company's next AGM and 15 months from the date of passing this resolution. The Board has no present intention of exercising the authority granted by this resolution save in the circumstances referred to below. The Board intends to seek its renewal at subsequent AGMs of the Company.

As at the date of signing the Directors' Remuneration Report for the 2020 Annual Report and Accounts, the Directors had beneficial holdings of Ordinary shares in the Company which, in aggregate, amounted to approximately 1.35% of the Ordinary shares in issue. The Directors have been granted awards under the Company's share award schemes that, if they were to fully vest, would entitle the Directors to further Ordinary shares which in aggregate would amount to approximately a further 1.48% of the Ordinary shares in issue.

Resolutions 14 and 15 (special resolutions) – Disapplication of statutory pre-emption provisions

If the Directors wish to allot new shares and other equity securities, or to sell treasury shares, for cash (other than in connection with an employee share scheme), Company Law requires that these shares are offered first to Shareholders in proportion to their existing shareholdings.

The Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than 5% of the issued Ordinary share capital of the Company (exclusive of treasury shares), without restriction as to the use of proceeds of those allotments.

Accordingly, the purpose of Resolution 14 is to authorise the Directors to allot new Ordinary shares pursuant to the allotment authority given to them by Resolution 13, or to sell treasury shares, for cash (i) pursuant to the terms of the Company's employees' share schemes, (ii) in connection with a pre-emptive offer or rights issue to Shareholders or (iii) otherwise up to a nominal value equivalent to 5% of the issued Ordinary share capital (exclusive of treasury shares) without the shares first being offered to existing Shareholders in proportion to their existing shareholdings.

The Board also intends to adhere to the provisions in the Pre-Emption Group's Statement of Principles and not to allot shares or other equity securities or to sell treasury shares for cash on a non pre-emptive basis pursuant to the authority in Resolution 14 in excess of an amount equal to 7.5% of the issued Ordinary share capital (excluding treasury shares), within a rolling three-year period, other than: with prior consultation with Shareholders; or in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The Pre-Emption Group's Statement of Principles also supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than an additional 5% of issued Ordinary share capital (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment in respect of which sufficient information is made available to Shareholders to enable them to reach an assessment of the potential return.

Accordingly, and in line with the template resolutions published by the Pre-Emption Group, the purpose of Resolution 15 is to authorise the Directors to allot new shares and other equity securities pursuant to the allotment authority given by Resolution 13, or sell treasury shares, for cash up to a further nominal amount equivalent to 5% of the issued Ordinary share capital (exclusive of treasury shares) only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. If the authority given in Resolution 15 is used, the Company will publish details of the placing in its next annual report.

If Resolutions 14 and 15 are passed, the authority will expire on the earlier of the conclusion of the Company's next AGM and 15 months from the date of passing the resolutions.

The Board considers the authorities in Resolutions 14 and 15 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions. The Directors have no current intention to exercise the authorities granted by Resolutions 14 and 15. The Company has not allotted Ordinary shares or sold treasury shares for cash on a non-pre-emptive basis in the previous six years other than as follows: 869,054 shares allotted during December 2014 in connection with the acquisition of Osprey Publishing; 247,393 shares allotted during August 2016 in connection with the acquisition of Berg Fashion Library; shares allotted under employee share option schemes; and, the non-pre-emptive equity placing of 3,766,428 Ordinary shares in the capital of the Company in April 2020.

Resolution 16 (special resolution) – Authority for the Company to purchase Ordinary shares

This is a resolution to replace the general authority, last given at the 2019 AGM, for the Company to purchase its own Ordinary shares and either to cancel them or to hold them as treasury shares. The Company would be authorised to make market purchases of up to 7,909,499 Ordinary shares with a nominal value of £98,869, being equivalent to 10% of the issued Ordinary share capital (excluding treasury shares) at the date of this Notice.

Treasury shares are not taken into account in calculations of earnings per share and may only be transferred pursuant to an employee share scheme, cancelled or sold for cash. Shares would only be purchased if the Directors consider such purchases are in the best interests of Shareholders generally and can be expected to result in an increase in earnings per share. The authority will only be used after considering the prevailing market conditions, other investment opportunities, appropriate gearing levels and the overall financial position of the Company. Any purchases would be market purchases through the London Stock Exchange. The upper and lower limits on the price which may be paid for those shares are set out in the resolution itself.

This authority would, if granted, expire on the earlier of the conclusion of the Company's next AGM and 15 months from the date of passing this resolution.

The Directors believe it is prudent to seek this general authority to be able to act if circumstances arise in which they consider such purchases to be in the best interests of Shareholders generally. The Directors have no current intention to exercise the authority granted by this resolution. The Company has not purchased its own Ordinary shares in the previous five years and holds no shares in treasury as at the date of this Notice.

Explanatory Notes to the Resolutions

continued

Resolution 17 (special resolution) – New Articles of Association

The Company's Articles of Association were last amended in 2010. The Board has taken the decision to seek approval for the adoption of the New Articles of Association to allow it to more efficiently deal with general meetings, including AGMs, in circumstances where physical meetings are prevented due to extreme events such as the current coronavirus crisis.

The changes provide new definitions of physical, electronic and hybrid meetings to allow maximum flexibility in the holding of Shareholder meetings in times when gatherings of large groups are limited in scope and therefore allowing for remote attendance and the casting of votes via virtual meetings.

As such, the New Articles are being adopted to include the ability of holding a general meeting on an electronic platform and therefore allowing Shareholders to attend and vote remotely, and also to grant the Board the power to determine whether a general meeting will be a physical, electronic or hybrid meeting. All differences between the proposed New Articles and existing Articles are limited to those which are necessary to grant the power to hold meetings (wholly or partially) on electronic platforms and permit attendance and voting (wholly or partially) on a virtual basis. The proposed New Articles include the necessary consequential changes to the provisions dealing with how notices are given, how meetings may be postponed, how a quorum is calculated, and how a meeting is adjourned. No other changes are being proposed to the Articles.

The Board wishes to emphasise its continued desire to hold physical meetings, including AGMs, whenever possible. As such, it only intends to use the power being requested by the New Articles to hold a virtual meeting in extreme circumstances such as a future outbreak of the coronavirus, or another event which means that the holding of a physical meeting may cause harm to life or is in fact restricted/prohibited by Government measures.

A copy of the draft New Articles, setting out the proposed changes to the existing Articles, are available to view on the Company's website (www.bloomsbury-ir.com).

Explanatory Notes to the Notice

The following notes explain your general rights as a Shareholder and your right to attend and vote at the AGM or to appoint someone else to vote on your behalf.

As explained in the Letter to Shareholders on page 2 of this document, due to the Stay Alert Measures issued by the Government in response to the coronavirus pandemic, Shareholders will not be permitted to attend the AGM in person. In order to comply with quorum requirements under the Company's Articles of Association, attendance at the AGM will be restricted to two Shareholders or their duly appointed proxies, and the Company will make the necessary arrangements to ensure the necessary quorum is present. Legislation to allow closed AGMs to be held virtually is anticipated, and we intend to avail ourselves of this option if such legislation is promulgated before our AGM. Shareholders are strongly encouraged to appoint the Chair of the Meeting to be their proxy at the AGM, given that no other named persons will be permitted to attend the AGM.

1. **Entitlement to attend and vote.** Shareholders included on the register of members (in relation to Ordinary shares held in CREST, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001) at close of business on Friday 17 July 2020 will be entitled to vote at the AGM in respect of the number of Ordinary shares registered in their name at that time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting **subject to the Stay Alert Measures referred to above.**
2. **Appointment of proxies.** If a Shareholder meets the criteria set out in Note 1 above, they are entitled to attend and vote or may appoint one or more proxies to attend, speak and vote on their behalf, **subject to the Stay Alert Measures referred to above**. A proxy need not be a Shareholder of the Company. A Shareholder can only appoint a proxy using the procedures set out in these notes. If a Shareholder wishes their proxy to speak on their behalf at the meeting, they will need to appoint their own choice of proxy (who is not the Chair) and give instructions directly to the proxy. A Shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A Shareholder may not appoint more than one proxy to exercise rights attached to any one share. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the Shareholder's proxy will vote or abstain from voting at their discretion. The Shareholder's proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the AGM.

   Shareholders are recommended to vote their shares electronically at www.signalshares.com. On the home page, search "Bloomsbury Publishing Plc" and then register or log in, using your Investor Code. To vote at the AGM, click on the "Vote Online Now" button by not later than 12.00 noon on Friday 17 July 2020 (or 48 hours (excluding weekends and public holidays) before the time appointed for any adjournment of it). Electronic votes and proxy votes should be submitted as early as possible and, in any event, to be received by no later than 12.00 noon on Friday 17 July 2020. Any power of attorney or other authority under which the proxy is submitted must be sent to the Company's Registrar (Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF) so as to have been received by the Company's Registrars by not later than 12.00 noon on Friday 17 July 2020 (or 48 hours (excluding weekends and public holidays) before the time appointed for any adjournment of it).

You are entitled to request a hard copy form of proxy directly from the Registrar, Link Asset Services, whose contact details can be found in Note 14. If a paper form of proxy is requested from the Company's Registrar, it must be completed and sent to the Company's Registrar (Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF) so as to have been received by the Company's Registrars by not later than 12.00 noon on Friday 17 July 2020 (or 48 hours (excluding weekends and public holidays) before the time appointed for any adjournment of it).

3. **Appointment of proxies through CREST.** CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID - RA10) not later than 48 hours before the time appointed for holding the AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. For further information on CREST procedures, limitations and systems timings, please refer to the CREST Manual. In all cases, for a proxy form to be valid, the CREST Voting Service information must be received by the Company's Registrar no later than 48 hours before the time appointed for the holding of the AGM.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. **Appointment of proxy by joint members.** In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

5. **Changing proxy instructions.** To change your proxy instructions simply submit a new proxy appointment using the methods set out in Note 2. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Asset Services at PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

6. **Termination of proxy appointments.** In order to revoke a proxy instruction electronically please follow the method set out in Note 2 and elect to withhold your vote on each resolution. To revoke a hard copy proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Asset Services at PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. In the case of a Shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Link Asset Services no later than 12.00 noon on Friday 17 July 2020. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the AGM and voting in person, **subject to the Stay Alert Measures referred to above**. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.

7. **Corporate representatives.** A corporation which is a Shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a Shareholder provided that no more than one corporate representative exercises powers over the same shares.

8. **Issued shares and total voting rights.** As at 19 May 2020 (being the last business day prior to the date of this Notice), the Company's issued share capital comprised 79,094,998 Ordinary shares of 1.25 pence each (subject to any changes that will be notified to you at the beginning of the AGM). Each Ordinary share carries the right to one vote at a General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 19 May 2020 is 79,094,998.

Explanatory Notes to the Notice

continued

9. **Questions at the AGM. If the Stay Alert Measures remain in force at the date of the AGM, Shareholders are invited to submit to the Board any questions they would otherwise have asked at the AGM ahead of the meeting by email to: AGM2020@bloomsbury.com, marked for the attention of the Company Secretary.** Any Shareholder who would have attended the meeting has the right to ask questions. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting, except in certain circumstances, including (i) if to do so would interfere unduly with the preparation for the mee ting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) if it is undesirable in the interest of the Company or the good order of the meeting that the question be answered.
10. **Website publication of audit concerns.** Under Section 527 of the Companies Act 2006, Shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.
11. **Nominated Persons.** Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between them and the Shareholder by whom they were nominated ("Relevant Member"), have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they, under any such agreement, may have a right to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you. The statement of the rights of Shareholders in relation to the appointment of proxies does not apply to Nominated Persons. The rights described in this regard can only be exercised by Shareholders of the Company.
12. **Members' Rights.** Under section 338 and section 338A of the Companies Act 2006, a member or members meeting the qualification criteria in those sections have the right to require the Company (i) to give to members of the Company entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at the AGM and/or (ii) to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise); or (b) it is defamatory of any person; or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it. The request must be received by the Company not later than the later of the dates falling six weeks before the AGM and the time of giving this Notice of AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
13. **Documents. For such time that the Stay Alert Measures continue to remain in force, the Company is unable to make available for inspection the documents that would otherwise customarily be available at the Company's registered office.** In the event that the Stay Alert Measures cease to have effect, copies of the following documents will be available for inspection at the Company's Registered Office, 50 Bedford Square, London WC1B 3DP, during usual business hours on any weekday, Saturdays and public holidays excepted, from the date of this Notice until the date of the AGM and at the place of the AGM for 15 minutes prior to and during the meeting:
    - copies of the service agreements under which the Executive Directors of the Company are employed by the Company or its subsidiaries;
    - copies of letters of appointment of the Non-Executive Directors;
    - a copy of the Articles of Association of the Company; and
    - the terms of reference of the Audit Committee, the Remuneration Committee and Nomination Committee of the Board.
14. **Communication**. Except as provided above, members who have general queries about the AGM should call the Company's Shareholder helpline on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00am to 5:30pm, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and monitored for security and training purposes; no other methods of communication will be accepted. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.
15. **Website giving information regarding the AGM.** Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.bloomsbury-ir.co.uk.

1 Methuen Drama Modern Plays' 60th Anniversary event at RADA Studios. From left to right: Dom O'Hanlon, Senior Commissioning Editor for Plays, Kwame Kwei-Armah, Playwright, Artistic Director of the Young Vic Theatre, Mel Kenyon, Agent, Casarotto Ramsay, Kate McGrath Director, Fuel Theatre, and James Graham, Playwright, Screenwriter.

2 Elizabeth Gilbert speaking on her Sunday Times bestseller novel, *City of Girls*, at the London Book Fair

3 Bloomsbury colleagues celebrate at launch event with Kiley Reid, the *Sunday Times* bestselling author of *Such A Fun Age*. From left to right: Glen Holmes, Jasmine Horsey, Kiley Reid, Greg Heinemann and Alexis Kirschbaum

4 Maisie Hill, author of *Period Power* with other guest speakers at the Alternatively Healthy Magazine event. From left to right: Maisie Hill, Megan Rose Lane, beauty and lifestyle influencer, Angelique Panagos, nutritionist, and Becki Rabin, founder of Alternatively Healthy Magazine

5 Richard Norton-Taylor at the double book launch for the publication of his book, *The State of Secrecy*, and for Geoff Andrews' *Agent Moliere*

6 Bloomsbury Institute collaborates with London Horror Festival on the art of constructing dread in the Horror genre and writing scary stories. From left to right, Joe Willis, horror writer/producer and co-producer of London Horror Festival, Sasha Wilson, artistic director of Out of the Forest Theatre and author of plays, Laura Purcell, author of gothic horror novels for Raven Books and Carrie Thompson, one half of Hermetic Arts and writer of horror plays

7 Literary legend Isabel Allende speaking to writer Rosianna Halse Rojas about her new novel, *The Long Petal of the Sea*. Bloomsbury played host to an exclusive live stream interview in conjunction with the UNHCR

8 Award-winning BBC radio producer and broadcaster, Kavita Puri, author of *Partition Voices*, discussing her book with novelist, Nikita Lalwani, at a Bloomsbury Institute event at the London Library

9 Alexandra Pringle speaking to writer, art historian and filmmaker Nana Oforiatta Ayim at a Bloomsbury Lunches Live event about her book, *The God Child*

10 Alison Hennessey speaking to Laura Purcell at a Bloomsbury Lunches Live event on her title, *Bone China*

11 Illustrator Jim Kay signing copies of *Harry Potter and the Goblet of Fire*, the illustrated edition at Bloomsbury's offices

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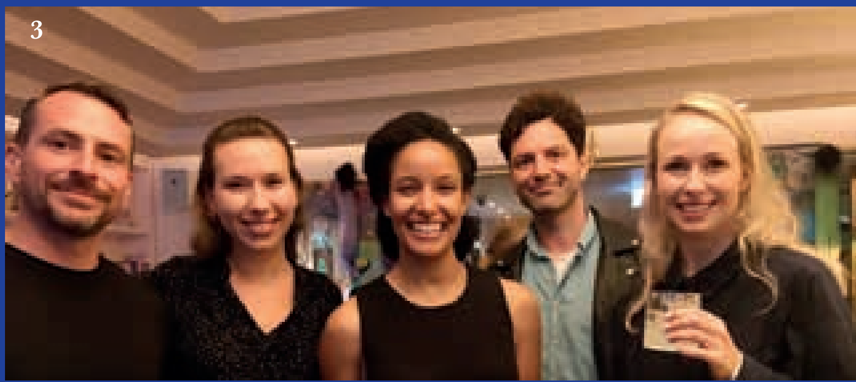

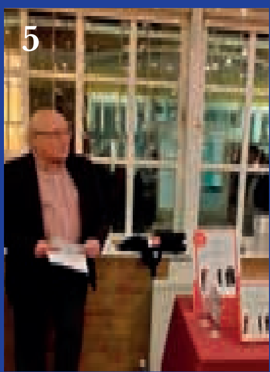

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