Bloomsbury Publishing Plc

Annual Report and Accounts 2021

BLOOMSBURY

Welcome to Bloomsbury's 2021 Annual Report

Who we are

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 in China.

Bloomsbury was founded in 1986 by its Chief Executive Nigel Newton and three other publishers with the aim of establishing an independent, medium-sized publisher of books of editorial excellence and originality, publishing literary authors of the highest quality and sales potential to high standards of design and production.

Following significant early successes, the Company floated on the main London Stock Exchange in 1994. In 2006, Bloomsbury entered the academic publishing market and embarked upon a strategy of expansion and diversification. This continues today and underpins the strength and resilience of our business. Since the Company's inception we have acquired 27 publishers and imprints.

Bloomsbury is the only major UK publisher to combine general and academic publishing, balancing the steady, high margins of academic publishing against the volatility of trade publishing with its explosive upside potential as demonstrated by bestsellers such as Harry Potter, the highest-selling children's series of our time.

We bring together the best talent in publishing by combining our dedicated, passionate colleagues and our bestselling authors. Through our single-minded commitment to quality, vigorous pursuit of growth, focus on digital publishing and our diversified, international strategy, Bloomsbury has grown to become one of the world's leading independent publishers in academic and general consumer publishing.

Contents

2020/2021 Highlights

Financial highlights

Revenue

£m

£185.1m

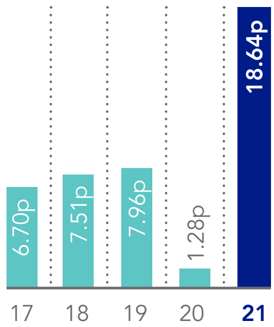
+14%

Dividend[1]

pence per share

18.64p

+1356%



Profit before tax and highlighted items[2]

£m

£19.2m

+22%

Profit before tax

£m

£17.3m

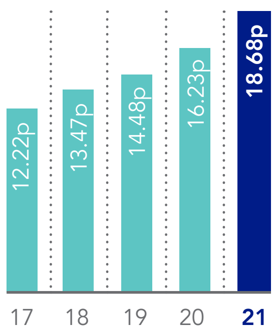
+31%

Adjusted diluted EPS[3 4]

pence per share

18.68p

+15%

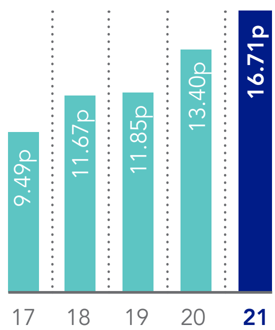


Diluted EPS[4]

pence per share

16.71p

+25%



- Revenues increased by 14% to £185.1 million (2019/2020: £162.8 million)
- Profit before taxation and highlighted items[2] grew by 22% to £19.2 million, up from £15.7 million in 2019/2020
- Profit before taxation grew by 31% to £17.3 million (2019/2020: £13.2 million)
- Diluted earnings per share, excluding highlighted items[3], grew by 15% to 18.68 pence (2019/2020: 16.23 pence)[4]
- Diluted earnings per share grew by 25% to 16.71 pence (2019/2020: 13.40 pence)[4]
- Net cash of £54.5 million at 28 February 2021, up 74% (2020: £31.3 million)
- Cash conversion of 142% (2019/2020: 111%)
- Final dividend of 7.58 pence per share (2020: bonus issue with a value equivalent to 6.89 pence per share[6])
- Special dividend of 9.78 pence per share

Notes

1 For the year ended 29 February 2020, 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. Bloomsbury decided in light of coronavirus to conserve cash and therefore made a bonus issue to Shareholders in lieu of, and with a value equivalent to, it's proposed final cash dividend of 6.89 pence per ordinary share. The dividend for the year ended 28 February 2021 includes a special dividend of 9.78p pence per share in recognition of the boom in trading this year.

2 Highlighted items comprise amortisation of acquired intangible assets, legal and other professional costs relating to ongoing and completed acquisitions and restructuring costs, and a grant under the US Government Paycheck Protection Program.

3 Adjusted diluted EPS is calculated from profit before tax and highlighted items with taxation on profit before tax and highlighted items deducted.

4 Restatement of all prior periods earnings per share due to bonus issue of shares in the year.

5 Publishers association: 2020 Consumer Market up 7% year on year.

6 2019/2020: bonus issue in lieu of, and with a value equivalent to, proposed final dividend of 6.89 pence per share.

Operational highlights

Consumer division

- Outstanding Consumer revenue growth of 22% to £118.3 million (2019/2020: £96.8 million)
- Consumer profit before taxation and highlighted items[2] increased by 61% to £14.2 million (2019/2020: £8.9 million)
- Very strong Adult Trade performance, with revenue up 17% to £43.7 million (2019/2020: £37.4 million) and profit before taxation and highlighted items[2] up 145% to £3.9 million (2019/2020: £1.6 million)
- Excellent Children's Trade performance, with revenue growth of 26% to £74.6 million (2019/2020: £59.4 million) and profit before taxation and highlighted items[2] up 42% to £10.4 million (2019/2020: £7.3 million)
- Sales of Sarah J. Maas' titles grew by 129% and Harry Potter sales grew by 7%
- Appointment of Ian Hudson as Managing Director, Consumer Publishing, and Paul Baggaley, Editor-in-Chief, Adult Consumer Publishing; an industry leading team to drive our ambitious growth plans

Read more in our performance section on pages 14 to 21

Non-Consumer division

- Resilient Non-Consumer performance, with revenue growth of 1% to £66.8 million (2019/2020: £66.0 million)
- Non-Consumer profit before taxation and highlighted items[2] of £5.4 million (2019/2020: £6.7 million)
- Bloomsbury Digital Resources ("BDR") revenues growth of 49% to £12.4 million (2019/2020: £8.3 million) and profit of £2.9 million (2019/2020: £0.7 million)
- Digital format sales now comprise 33% of Non-Consumer revenues, a CAGR of 31% over four years
- Good Academic & Professional performance, with revenue growth of 3% to £44.3 million (2019/2020: £43.1 million) and profit before taxation and highlighted items[2] of £4.3 million (2019/2020: £4.8 million)
- Acquisition of Red Globe Press assets in April 2021 for £3.7 million, accelerating our digital growth and our significant presence in humanities and social sciences academic publishing
- Voted "Academic, Educational and Professional Publisher of the Year" at the 2021 British Book Awards
- BDR partnerships with Taylor & Francis and Human Kinetics launched, and new partnerships with Yale University Press, Liverpool University Press and the Stratford Festival

Consumer revenue up by

22%*

Consumer profit up by

61%

Bloomsbury Digital Resources revenue up by

49%

Digital format sales comprise

33%

of Non-Consumer revenues

* significantly outperforming the industry's 7% growth[5]

Winner - Academic, Educational and Professional Publisher of the Year

"This is Bloomsbury's third win in this category in nine years: testament to consistently strong growth and innovation that not even a pandemic could disrupt. In fact, the closure of universities and schools, and a sudden shift to remote learning, played to Bloomsbury's strengths in digital resources, including its deep archives of specialist research content and e-books. It moved quickly to meet the needs of students, teachers, academics and librarians, opening up free access to a swathe of its databases, backed by an effective Read On campaign that promoted its support for home study. There tends to be little overlap between trade and academic publishing, but in 2020 Bloomsbury showed a rare mastery of both. "To grow sales in such a tough year for all its staff, customers and partners is remarkable," said the judges. "Bloomsbury is an all-round smart and creative business with timely and topical publishing… there's a strategic element to everything it does"."

Extract from The Bookseller — www.thebookseller.com/british-book-awards/academic-publisher-of-the-year

Bloomsbury's Culture

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 people

Bloomsbury aims to promote a culture of creativity and collaboration, inclusivity and respect, and ethical practice. Our culture is shaped by our people, our common purpose, and our shared values.

The pandemic has served to demonstrate how we live our values. In the face of personal and professional challenge, our colleagues have shown remarkable resilience, positivity and determination to support the Company and each other, and to keep serving our authors and our customers through a volatile and uncertain period. The collaborative spirit with which our teams have responded to the disruptions of the pandemic, the agility with which they have adapted to working remotely, and the creativity they have shown in pivoting to doing business in a virtual world are reflective of Bloomsbury's strong and positive culture.

Our success is due to the belief, commitment and hard work of our talented employees, and never more so than this year. The Board and senior management are committed to fostering this culture of partnership and trust, entrepreneurship and agility in support of individual and collective success and will continue to demonstrate Bloomsbury's values throughout their work and discussions. Bloomsbury's culture continues to evolve through our HR initiatives and our work on diversity and inclusion which are directed at capturing the full potential of the talented people who work at Bloomsbury and driving value creation for our stakeholders.

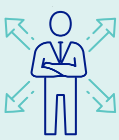
Read more about our HR and DE&I initiatives in our Corporate Responsibility section on pages 74 to 75

Engaging with our stakeholders and making good long-term decisions

Stakeholder engagement is integral to how we do business and to the formulation and execution of our strategy for achieving long-term success. Respect and consideration for our stakeholders in how we do business delivers better outcomes not just for Bloomsbury, but for society as a whole. Through broad engagement, our business decisions are informed by a wide range of perspectives, allowing us to deliver value and opportunities to our stakeholders groups, balanced between both the short and the long term. The interests of our various stakeholders and the consequences of any decision in the long term are considered carefully by the Board. The Board recognises that it sometimes has to make decisions based on the competing priorities of our stakeholders. Our stakeholder engagement enables the Board to understand and consider all relevant interests and factors in its decision-making process in order to select the course of action that best leads to the success of Bloomsbury in the long term at the same time as serving the interests of the Company's stakeholders as a whole.

Read more about our engagement with stakeholders in our Engagement with Stakeholders section on pages 55 to 64

Our values



Independence

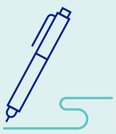
Collaboration

Ethical attitude

Determination

Inclusiveness

Entrepreneurial spirit



Author focus

Optimism

Sustainability

Sustainability and ESG

Sustainability is at the heart of Bloomsbury's business. It informs our culture and our strategic priorities as set out on page 27 of the Strategic Report.

Bloomsbury's core business of publishing books and resources to inform, educate and inspire is itself a social good. Our activities have a significant beneficial social impact globally through the publication of a diverse and inclusive range of titles from an international author base, across a wide range of genres and disciplines. We promote literacy through our publications for children and our work with literacy organisations and charities. We support learning and help to advance equity through education by way of our extensive portfolio of educational and academic resources for teachers and students. We believe that books have the power to change and shape lives, whether consumed for entertainment or education. The pandemic, combined with the social justice movements we have seen during the year, have served to highlight the societal impact of books. This has been illustrated by the huge upsurge in reading during the pandemic and the significant increase in sales of books about race and social inequalities. The National Literacy Trust has reported, based on its 10th Annual Survey into children's reading in 2020, that 60% of the children surveyed felt that reading had provided refuge and supported their mental well-being during the period of lockdown. During school closures, Bloomsbury was amongst a number of publishers which made educational and other resources freely available to teachers and librarians to support the continuing provision of education during these periods.

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 by publishing creatively and effectively in all formats across the diverse lists of our Consumer and Non-Consumer Divisions.

There is a pressing need to do more to enable and support the inclusion of people from all backgrounds and identities in our business and the wider publishing industry, to ensure that diverse voices both reflect and shape our culture and society. The events of the past year, the shocking death of George Floyd and the social justice movement which followed it have highlighted the urgency of taking ambitious steps to achieve this and we have accelerated our activities in this area to drive change, both in respect of our workforce and the books we publish.

Our social outreach includes significant donations to, and staff volunteering with, various organisations seeking to support literacy, alleviate poverty, reduce social inequalities and injustice, and protect the environment.

We are determined to nurture and develop our employees to their highest potential, and to promote a working environment that stimulates creativity and collaboration, and is inclusive, supportive and ethical. Our overriding priority during the year and throughout the challenges raised by the coronavirus pandemic has been the safety and well-being of our staff. We have introduced a range of initiatives to support our employees, including the provision of monetary allowances for the purchase of equipment to facilitate working from home, fully flexible working hours, mental health seminars and monthly worldwide Town Halls to ensure Bloomsbury's workforce is well-informed about business developments and management decisions in response to the constantly changing circumstances of the pandemic. In light of our experiences of remote working during the pandemic, and in response to feedback from our workforce, we have reviewed our working practices and are implementing long-term changes which will allow for greater flexibility for employees and a balance between home and office working.

We have made significant progress in our work on environmental sustainability, including by setting emission reduction targets to align with the goals of the Paris Agreement, and this area remains of the utmost importance to Bloomsbury's Board and management.

Read more on each of these areas in our Corporate Responsibility section on pages 65 to 81

We intend to undertake a materiality assessment in 2021/2022 to further identify and assess potential environmental, social and governance issues that could affect our business and to better understand the ESG topics that matter most to our internal and external stakeholders. This insight will enable us to consider how to further align our broader business performance and societal impact with the expectations of our shareholders, stakeholders and society at large, and will serve to prioritise areas of focus and guide our future sustainability strategy and reporting.

Publishing with a social mission

Bloomsbury at a Glance

Bloomsbury is an independent, international publisher, combining academic, educational and general fiction and non-fiction publishing for consumers, children, teachers, students, researchers and professionals.

Bloomsbury offers authors and illustrators access to global markets in multiple formats and via multiple channels: in print, as ebooks and audio books, through digital downloads and apps and via online educational databases; in schools, libraries and universities and through terrestrial and online retailers. Our entrepreneurial teams in New York, London, Oxford, New Delhi, Sydney, 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 page 4 of this Annual Report; our strategy for achieving our mission and purpose is summarised on pages 25 to 27 of the Strategic Report.

Strong financial position and liquidity

Bloomsbury's growth remains strong as a result of the successful execution of our diversified, international strategy, organic digital growth which has been accelerated by the coronavirus pandemic, and by acquisition. The bulk of Bloomsbury's turnover each year comes from its backlist: repeat sales on older titles and services. Over 64% 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 £54.5 million at 28 February 2021, the result of excellent trading through the pandemic and swift measures taken by the Board to strengthen Bloomsbury's balance sheet and liquidity, as well as a more profitable product mix.

See pages 44 to 47 to read more

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.

See pages 22 to 23 to read more

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.

See pages 32 to 35 and 40 to 41 to read more

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 cookery, sport, crime, health and well-being and natural history, as well as best-selling award-winning fiction lists for both adults and children. This diversified portfolio has enabled Bloomsbury to benefit from recent changes arising out of the coronavirus pandemic, including the accelerated shift from print to digital products to support remote learning and increased consumer demand for titles across multiple platforms and formats.

See pages 30 to 43 to read more

Read more about our Business Model on page 24.

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.

Consumer Division

The Consumer Division publishes trade books for both adults and children in print, ebook, and audio book formats, 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

Profit*

£14.2m

Revenue

£118.3m

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
- Special interest communities

Profit*

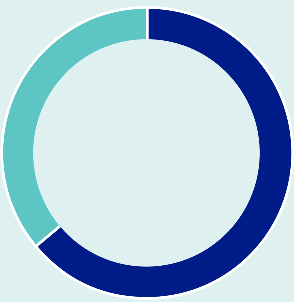
£5.4m

Revenue

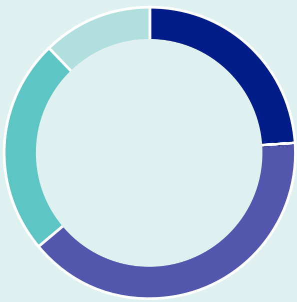
£66.8m

* Profit is profit before taxation, amortisation of acquired intangible assets and other highlighted items.

Revenue split by division

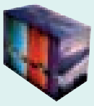


Revenue split by sub-division

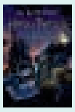


Bestsellers 2020/2021

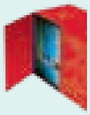
Print

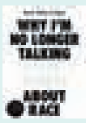
1 
Harry Potter Box Set: The Complete Collection (Children's Paperback)
J.K. Rowling

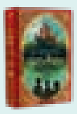
2 
Court of Silver Flames
Sarah J. Maas

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

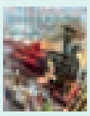
4 
Dishoom: From Bombay with Love
Shamil Thakrar, Naved Nasir and Kavi Thakrar

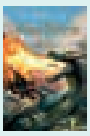
5 
Harry Potter Box Set: The Complete Collection (Children's Hardback)
J.K. Rowling

6 
Why I'm No Longer Talking to White People About Race
Reni Eddo-Lodge

7 
Harry Potter and the Philosopher's Stone: MinaLima Edition
J.K. Rowling

8 
Harry Potter and the Chamber of Secrets
J.K. Rowling

9 
Harry Potter and the Philosopher's Stone: Illustrated Edition
J.K. Rowling

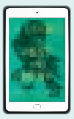
10 
Harry Potter and the Goblet of Fire
J.K. Rowling

Ebook

1 
Crescent City: House of Earth and Blood
Sarah J. Maas

2 
Court of Thorns and Roses
Sarah J. Maas

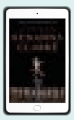
3 
Why I'm No Longer Talking to White People About Race
Reni Eddo-Lodge

4 
Court of Mist and Fury
Sarah J. Maas

5 
Court of Wings and Ruin
Sarah J. Maas

6 
Such a Fun Age
Kiley Reid

7 
The Dutch House
Ann Patchett

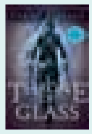
8 
Piranesi
Susanna Clarke

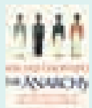
9 
Throne of Glass
Sarah J. Maas

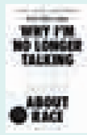
10 
Court of Frost and Starlight
Sarah J. Maas

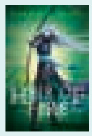
Audio

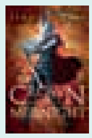
1 
The Madness of Crowds
Douglas Murray

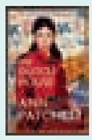
2 
Throne of Glass
Sarah J. Maas

3 
The Anarchy
William Dalrymple

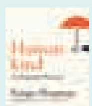
4 
Why I'm No Longer Talking to White People About Race
Reni Eddo-Lodge

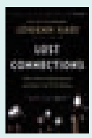
5 
Heir of Fire
Sarah J. Maas

6 
Crown of Midnight
Sarah J. Maas

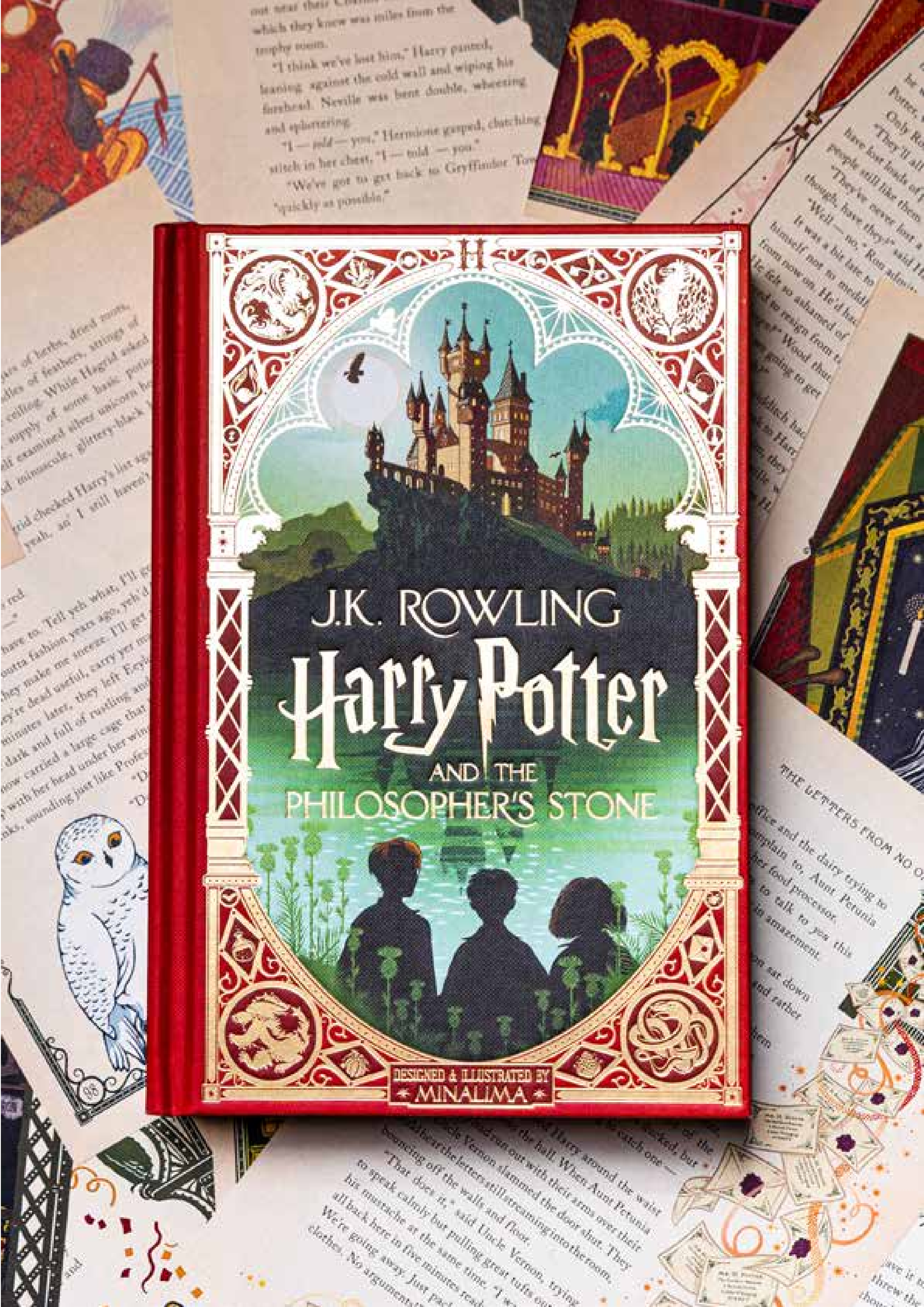
7 
The Dutch House
Ann Patchett

8 
Silk Roads
Peter Frankopan

9 
Humankind
Rutger Bregman

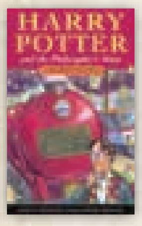
10 
Lost Connections
Johann Hari

Note: Rank is based on revenue.


J.K. ROWLING
Harry Potter
AND THE
PHILOSOPHER'S STONE
DESIGNED & ILLUSTRATED BY
MINALIMA

A Potted History of HARRY

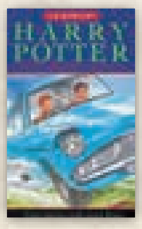
1997



Harry Potter and the Philosopher's Stone published

The first hardback print run was only 500 copies. To date, the entire series has sold over 500 million copies worldwide, more than the combined populations of the UK, Australia and the USA.

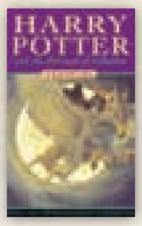
1998



Harry Potter and the Chamber of Secrets published

Despite being the second shortest book, this is the longest film in the series.

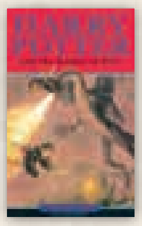
1999



Harry Potter and the Prisoner of Azkaban published

Bloomsbury published the book at 3.45 p.m. to allow children time to collect their copies after school had finished.

2000



Harry Potter and the Goblet of Fire published

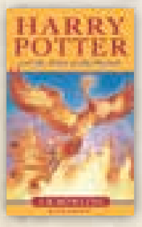
Booksellers coordinated the first ever global midnight release of a book (specifically, one minute past midnight) so everyone could experience the magic at the same time.

2001

Fantastic Beasts and Where to Find Them and *Quidditch Through the Ages* published

These companion books to the world of Harry Potter to date have raised over £20 million for Comic Relief and Lumos.

2003



Harry Potter and the Order of the Phoenix published

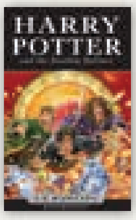
The phoenix is one of J.K. Rowling's favourite magical beasts in the Harry Potter series.

2005

Harry Potter and the Half-Blood Prince published

It would take one person 2,600 years to read every copy of *Harry Potter and the Half-Blood Prince* sold in the UK alone on the first day of its release.

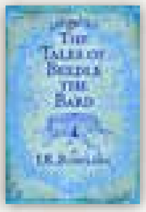
2007



Harry Potter and the Deathly Hallows published

Fewer than seven people were allowed to read the book before it was published.

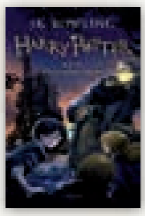
2008



The Tales of Beedle the Bard published

The book was originally produced in a limited edition of only seven copies, each handwritten and illustrated by J.K. Rowling. Proceeds go to Lumos.

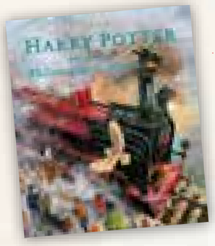
2014



A new face of Harry Potter, illustrated by Jonny Duddle, is revealed

Jonny Duddle was one of four illustrators approached by Bloomsbury to do a test cover.

2015



The first fully illustrated edition of Harry Potter, illustrated by Jim Kay, published

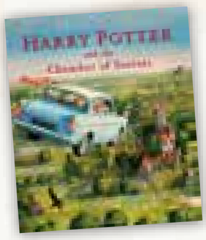
Jim Kay uses real-life people to inspire his character illustrations. He spotted his Harry Potter on the London Underground!

The first Harry Potter Book Night

Harry Potter Book Night was held for the first time on 4th February 2015. Fans, bookshops, schools and libraries celebrated with a total of OVER 12,000 events around the world.

POTTER

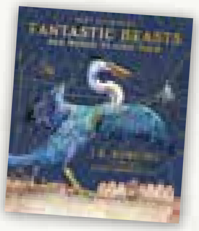
2016



The second fully illustrated edition of Harry Potter, illustrated by Jim Kay, published

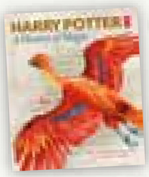
Jim Kay was in spellbinding form with his dazzling full-colour illustrations in this stunning edition.

2017



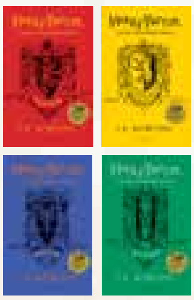
Illustrated Edition of *Fantastic Beasts and Where to Find Them* published

The wild wonders of the wizarding world beautifully illustrated by Olivia Lomenech Gill.



***Harry Potter – A History of Magic: The Book of the Exhibition* published**

The official book of the exhibition, a once-in-a-lifetime collaboration between Bloomsbury, J.K. Rowling and the brilliant curators of the British Library.



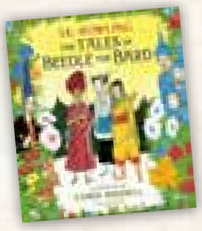
Four Hogwarts House Editions of *Harry Potter and the Philosopher's Stone* published

26th June 2017 marked 20 years since the first publication of *Harry Potter and the Philosopher's Stone.*

***Harry Potter and the Prisoner of Azkaban* Illustrated Edition published**

More breathtaking scenes and unforgettable characters, illustrated by Jim Kay.

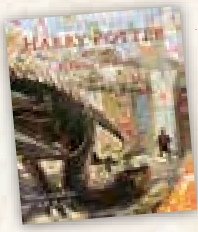
2018



Illustrated Edition of *The Tales of Beedle the Bard* published

The original fairy tales from the wizarding world reimagined by three times winner of the Kate Greenaway Medal, Chris Riddell.

2019



***Harry Potter and the Goblet of Fire* Illustrated Edition published**

Dragons, daring and danger abound in the fourth Illustrated Edition by Jim Kay.

2020

***Quidditch Through the Ages* Illustrated Edition published**

Bursting with glorious illustrations and magical memorabilia, illustrated by Emily Gravett.

***Fantastic Beasts: The Wonder of Nature* published**

The official companion to a unique exhibition at the world-famous Natural History Museum.

Chairman's Statement

This was the year that showed the benefits of Bloomsbury's long-term diversification strategy. A strong backlist plus the bold decision to continue publishing new titles all the way through the pandemic meant that the Company was able to ride the upswing in consumer sales that started in the late spring, increasing its market share in the process.

On the Non-Consumer side, the investment in Bloomsbury Digital Resources ("BDR") that has been sustained over the past five years allowed the Company to capitalise on the switch to digital learning that has been accelerated by coronavirus. BDR achieved a 73% increase in the number of its academic customers over the year, helping to offset the inevitable squeeze on academic print sales as libraries everywhere were obliged to close their doors.

Taken together with high rates of cash conversion and a tightly managed balance sheet, this means the Company emerges from this troubled year significantly stronger than when it went in.

We are determined to build on this success in the years ahead. Investment in digital channels will remain central to our plans, as will further expansion in Non-Consumer publishing with its higher and more predictable margins and digital opportunities around the world. On the Consumer side, there will be a renewed focus on discovering and championing outstanding authors and illustrators, reinforcing Bloomsbury's high quality reputation. And of course, the Harry Potter series will remain a jewel in the collection, continuing to enthrall new generations of young readers. The strong balance sheet will allow Bloomsbury to make further acquisitions to reinforce its position in both the Consumer and Non-Consumer sides of the business, balancing risk with opportunities as they arise.

A progressive dividend policy remains a high priority for the Board, as can be seen by the payments proposed for this past year. So does a commitment for the Company to be a model when it comes to environmental matters. We have set and submitted for validation demanding new targets against which to measure our performance, and this subject is on the agenda at all our meetings.

The past year has shown the resilience of Bloomsbury people everywhere, with a seamless shift to working from home and innovative ways of communicating with each other and developing the business. All this has inevitably taken its toll in terms of stresses and strains, and I would like to thank them all for their extraordinary performance in the most challenging of circumstances. Nowhere has the impact of the pandemic been more devastating than in India, and on behalf of the Company and its Shareholders I would like to send our deepest sympathy to those of our colleagues in Delhi who have suffered great personal losses in recent months.

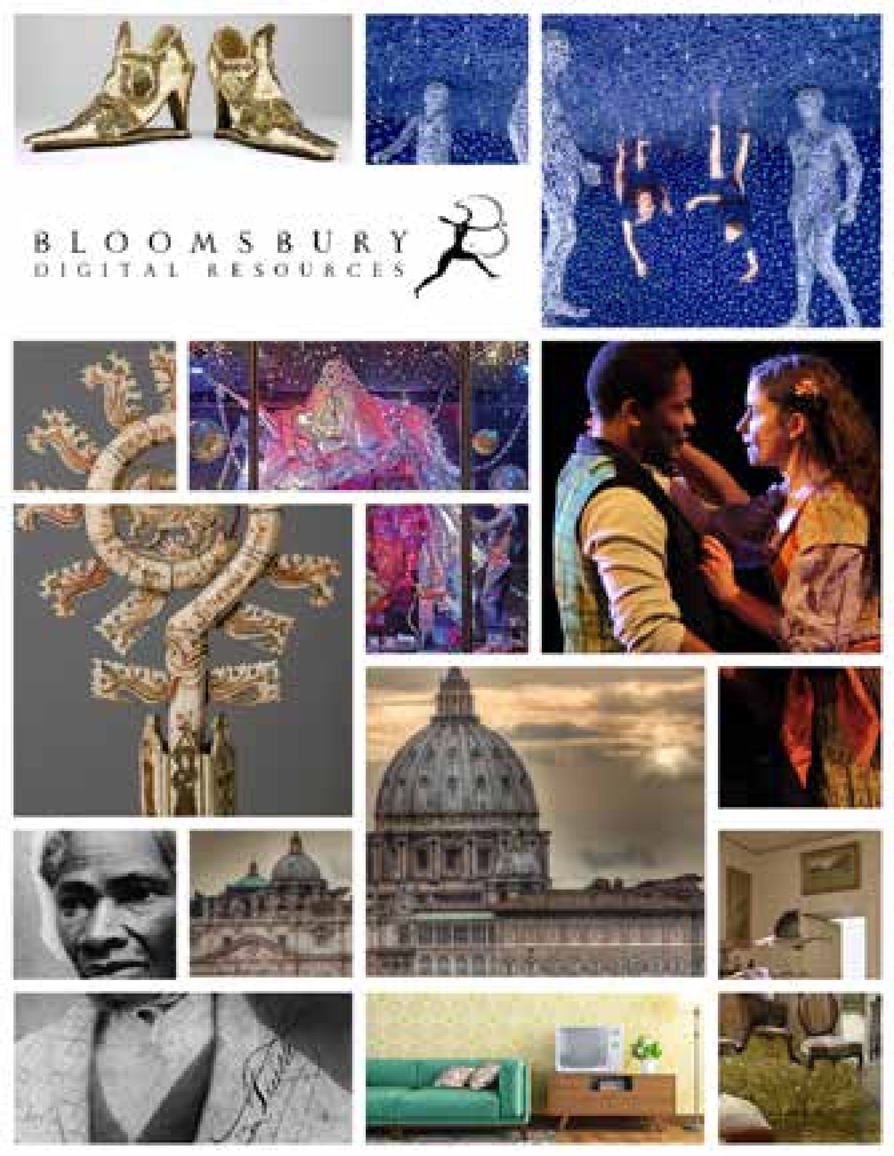
John Warren, who joined the Board in 2015, will step down at the Annual General Meeting in July. We will greatly miss his sound judgement, wide experience, and good humour. He will be succeeded as Chair of the Audit Committee and Senior Independent Director by Leslie-Ann Reed. Baroness Lola Young of Hornsey joined the Board earlier this year, bringing with her a wealth of understanding in cultural and diversity matters. Nigel Newton was awarded the CBE in the New Year Honours list, a great tribute to his contribution to the publishing business and to millions of readers. Three cheers for him.

The current year has got off to a good start. There is a strong list of publications planned for the coming months, and the recent acquisitions are settling in well. Some of the clouds that loomed so large a year ago have started to lift. I am confident that Bloomsbury is in good shape to make further progress.

Sir Richard Lambert,
Non-Executive Chairman

"This was the year that showed the benefits of Bloomsbury's long-term diversification strategy...the Company emerges from this troubled year significantly stronger than when it went in."

Sir Richard Lambert
Non-Executive Chairman



Bloomsbury Digital Resources serves a global community of students, scholars, instructors, and librarians by providing creative online research and learning environments that deliver excellence and originality

Strategic Report

Chief Executive's Review

"The popularity of reading has been a ray of sunshine in an otherwise very dark year."

Nigel Newton
Founder and
Chief Executive

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

Our purpose at Bloomsbury 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 that brings society.

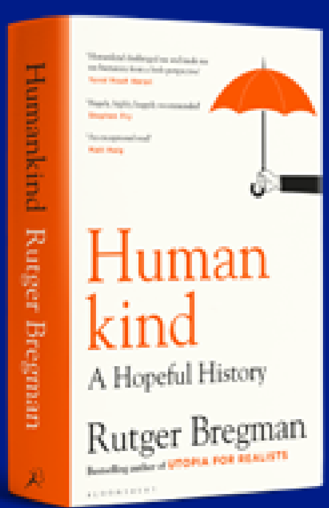
Our values are to be independent, entrepreneurial, collaborative, author-focused, ethical, optimistic, determined, inclusive and sustainable.

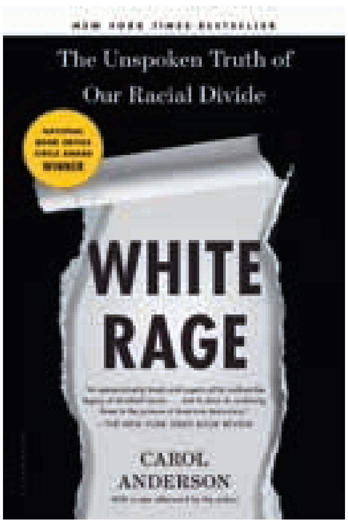
Embedded in our purpose is the social good that comes from publishing. Many of our books are in themselves a social good which have made a positive impact on readers and, in a few cases, helped make the world a better place. The Harry Potter series, aside from its commercial success, encouraged more reluctant readers – especially boys – to pick up a book and read for pleasure around the world than any other book published at that 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.

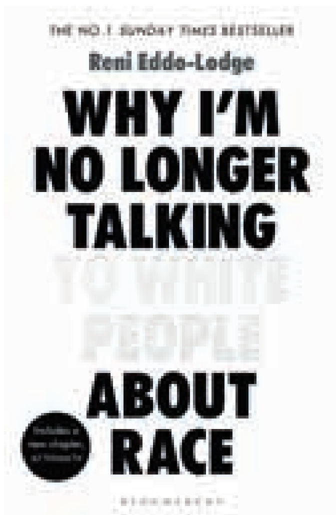
Our clear sense of purpose, and our shared values, are the foundation of Bloomsbury's strategy for building a sustainable business and guide our priorities and decision-making throughout the Group. They shape our culture and define Bloomsbury's character. They unite and connect colleagues around the 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 stakeholders.

I am grateful to our colleagues for demonstrating the strong and positive culture of Bloomsbury in the way in which they have risen to meet the challenges of the pandemic, and their commitment to ensuring Bloomsbury's continued success in the midst of a global crisis and during what has been a personally and professionally demanding time. Bloomsbury's excellent performance despite the volatility and difficulties of the pandemic, including the closure of many of our customers worldwide during periods of lockdown, is testament to how our values drive our behaviours, and to the strength and cohesion of the Bloomsbury community.







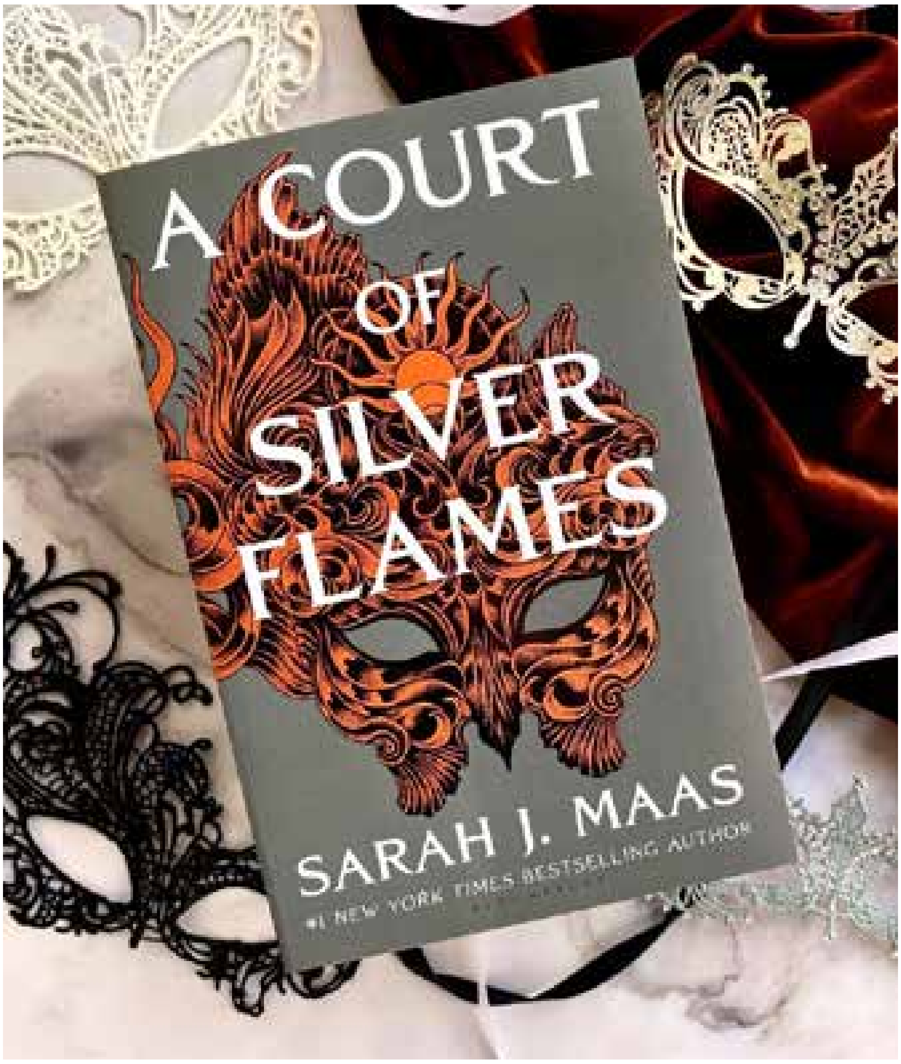
The pandemic has served to illustrate and reinforce the importance of fostering a strong company culture and sense of belonging amongst our colleagues. It has also highlighted the interdependence of Bloomsbury and its stakeholders and the importance of nurturing long-term relationships with our stakeholders based on a strong understanding of their interests and concerns.

Strategy

Bloomsbury's long-term growth strategy is aimed at diversifying into digital channels and building quality revenues, increasing earnings and building on the strategic success of the last six 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. Non-Consumer publishing is characterised by higher, more predictable margins and greater digital and global opportunities. **2020/2021:** delivered 52% growth in Non-Consumer digital.
  - Achieve BDR revenue of £15 million and profit of £5 million for 2021/2022. **2020/2021:** delivered £12.4 million revenue, up 49%, and profit of £2.9 million, up £2.2 million.
- *Consumer*
  - Discover, nurture, champion and retain high-quality authors and illustrators, while looking at new ways to leverage existing title rights. **2020/2021:** Bestsellers included Why I'm No Longer Talking to White People About Race by Reni Eddo-Lodge, Such a Fun Age by Kiley Reid, Piranesi by Susanna Clarke and Humankind by Rutger Bregman.
  - Grow our key authors through effective publishing across all formats alongside strategic sales and marketing. **2020/2021:** 129% growth in sales of Sarah J. Maas title sales, with both new titles: Crescent City: House of Earth and Blood and A Court of Silver Flames reaching Number One on the New York Times bestseller list.
  - As the originating publisher of J.K. Rowling's Harry Potter, to ensure that new children discover and read it for pleasure every year. **2020/2021:** 7% growth in Harry Potter title sales, 23 years after first publication.
- *International Expansion*
  - Expand international revenues and reduce reliance on UK market. **2020/2021:** increased overseas revenues to 64% of Group revenue; 81% of Academic BDR sales are international.
- *Employee Experience and Engagement*

  Our success is driven by our colleagues' 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;
  - Focus on targeted initiatives to create an environment that promotes diversity, nurtures talent, stimulates creativity and collaboration, supports well-being and is respectful of difference. **2020/2021:**
  - Expanded our Diversity and Inclusion ("D&I") Working Groups, supported by our nine employee-led network groups;
  - Appointed Baroness Young to the Board to help Bloomsbury improve our D&I practices;
  - With our staff, we are working on recruitment, staff engagement, training and our networks;



Chief Executive's Review

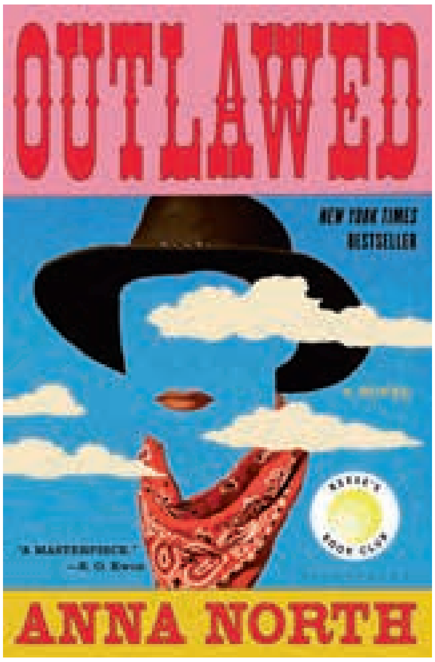
continued

+14%

Revenue

+25%

Diluted earnings per share



- With our publishing, we seek to publish diverse voices. We intend to monitor our publishing so we can ensure our list balance is representative of the societies we live in, and partner with organisations that can help us achieve these aims;
- Continued focus on employee engagement and development initiatives, including Employee Voice Meetings, monthly online Town Halls and our apprenticeship and mentoring schemes; and
- Increased flexible working to support employees.

• *Sustainability*

- Continue to switch to renewable energy across all sites, with the goal of net zero emissions in line with the Paris Agreement.

2020/2021:

- Measured Scope 1 and 2 emissions, our operational footprint, and set reduction targets in line with the Paris Agreement. Measured Scope 3 emissions for the first time and set targets; we are committed to working with our suppliers to make further significant emissions reductions across our supply chain. Our Scope 1, 2 and 3 targets have been submitted to the SBTi for validation;
- Recognised by the *Financial Times*' 'Europe's Climate Leaders 2021' – the 300 companies that achieved the greatest reduction in their greenhouse gas emissions intensity between 2014 and 2019, aligned with revenue growth; and
- Supporting the Woodland Trust and Reforest'Action for three years.

Creating value for stakeholders

Bloomsbury creates value for our stakeholders through our business model, set out on page 24.

Highlights for 2020/2021 are:

Consumers and society

We publish works of excellence and originality – to inform, educate, entertain and inspire, supporting literacy and culture. During the year, the excellence of our publishing was recognised through prizes including the British Book Awards Non-Fiction Book of the Year for Lisa Taddeo's *Three Women*, and *No Visible Bruises* by Rachel Louise Snyder achieving both the Hillman Prize for Book Journalism and the Helen Bernstein Book Award for Excellence in Journalism.

Our economic and social contribution to our communities was delivered through tax contributions, charitable donations, set out on pages 65 to 68, and partnerships, including publishing *The Book of Hopes* and *Portraits for NHS Heroes* with donations to NHS Charities Together.

Authors and illustrators

We help our authors and illustrators to create stories and communicate ideas to a global audience, connecting them with readers worldwide through multiple formats and channels. Bestsellers in the year included the *Sunday Times* and *New York Times* bestseller *Why I'm No Longer Talking to White People About Race* by Reni Eddo-Lodge, *Such a Fun Age* by Kiley Reid, *Lose Weight and Get Fit* by Tom Kerridge, *Three Women* by Lisa Taddeo, *White Rage* by Carol Anderson and *Women Rowing North* by Mary Pipher. Frontlist success came from new titles including *Humankind* by Rutger Bregman, the *New York Times* bestsellers *Piranesi* by Susanna Clarke and *Outlawed* by Anna North.

Shareholders

We are a resilient, global publishing company with a diversified portfolio. Our strong and resilient diversified, international strategy enabled us to deliver 25% growth in diluted earnings per share, to 16.71 pence.

In light of our strong financial position, confidence in the business and the importance of delivering attractive Shareholder returns in accordance with our dividend policy, the Board proposes an increase of 10% to our final dividend to 7.58 pence per share. In addition, and in recognition of such a boom in trading this year, we are proposing a special dividend of 9.78 pence per share. The Board greatly appreciates the support of our Shareholders during such unprecedented circumstances.

Since the year end, we have achieved another key step in the delivery of our strategic growth strategy and driving our Non-Consumer business, with the acquisition of the Red Globe Press list.

Bloomsbury is well positioned for the future, with significant headroom for further acquisition opportunities.

Employees

We create rewarding work, enabling ongoing professional development, and the opportunity for our employees to align with a business with a strong socially responsible purpose, entrepreneurial spirit and compelling global opportunity in a dynamic marketplace. During the year, we continued our focus on employee engagement and development initiatives, including Employee Voice Meetings, monthly online Town Halls, mentoring schemes, expansion of Diversity and Inclusion ("D&I") Networks which complement and inform the activities of our D&I Working Group, and increased flexible working to support employees.

Partners

We generate business activity that creates commercial opportunity for our supplies, business partners and commercial customers.

In addition, during the year, we supported independent bookshops during lockdown by sharing our ecommerce and distribution channels. Since then, we worked with the Booksellers Association supporting and championing independent bookshops as they reopen.

Key risks and 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.

The principal risks of the Group and how these link to our strategic priorities are set out on pages 48 to 54.

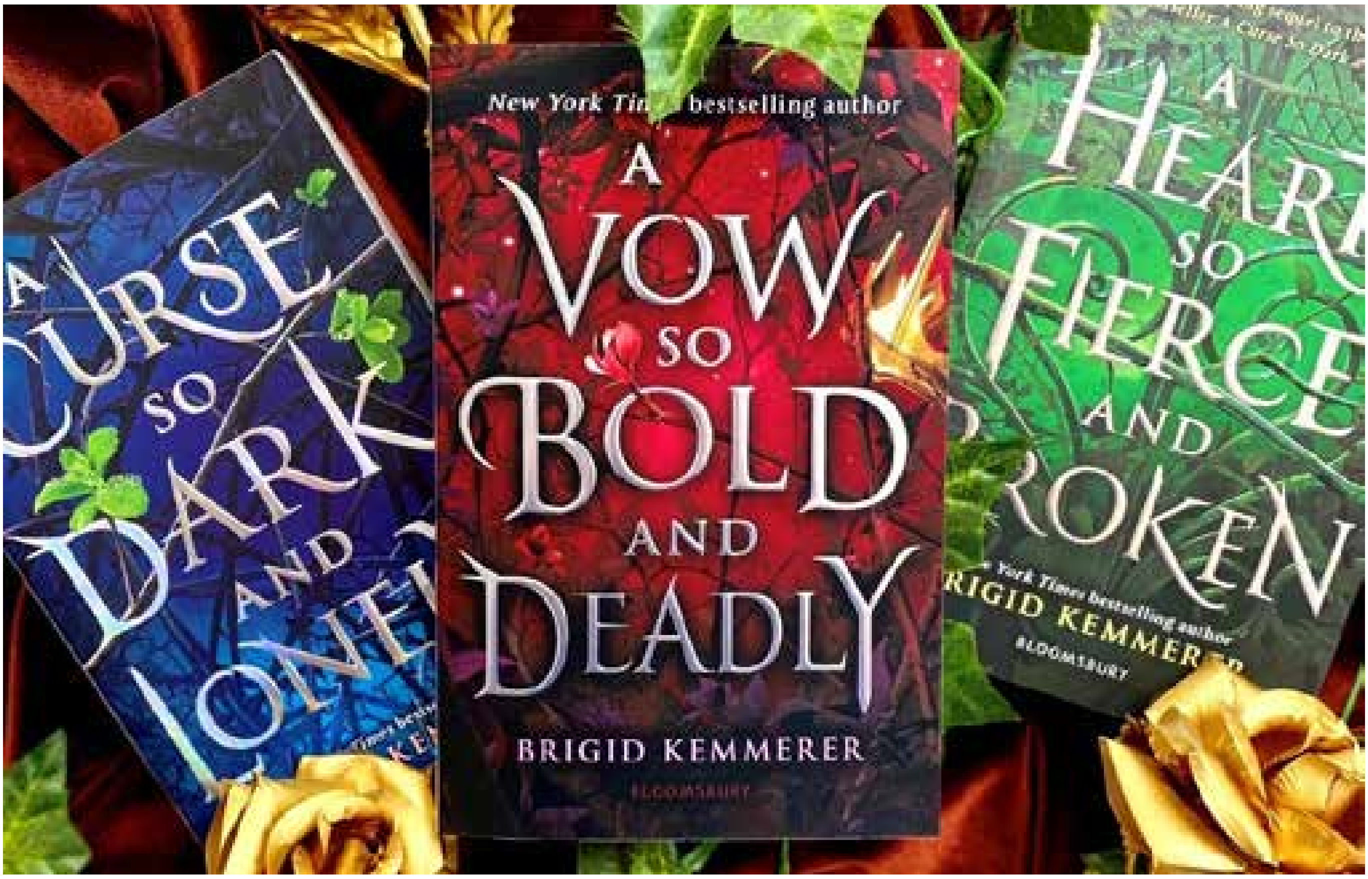
Overview of 2020/2021

The popularity of reading has been a ray of sunshine in an otherwise very dark year.

The year ended 28 February 2021 saw an outstanding performance by Bloomsbury, with 14% revenue growth to £185.1 million (2019/2020: £162.8 million) and a 22% increase in profit before taxation and highlighted items to £19.2 million (2019/2020: £15.7 million). Profit before taxation increased by 31% to £17.3 million (2019/2020: £13.2 million).

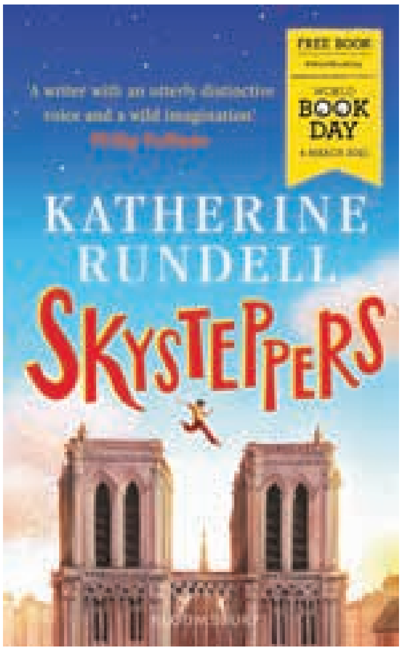
The strength of demand for our titles, in print, ebook and audio, and the surge in sales of our digital products, demonstrate the strength of our long term growth strategy.

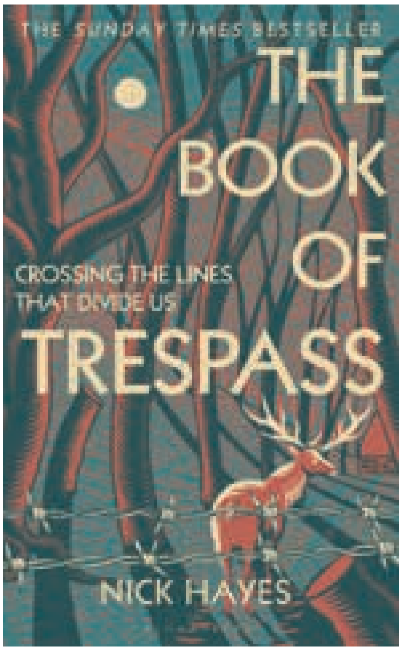
Our Bloomsbury Digital Resources ("BDR") strategy positioned us well to deliver further growth from the accelerated shift to digital learning, with a 73% increase in the number of

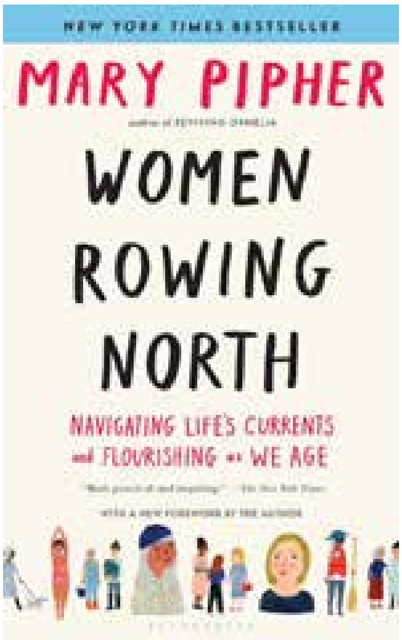


Academic customers during the year. BDR delivered 49% revenue growth year-on-year and generated profit of £2.9 million (2019/2020: £0.7 million).

The highlighted items of £1.8 million (2019/2020: £2.5 million) consist of the amortisation of acquired intangible assets of £1.8 million (2019/2020: £1.7 million), one-off legal and other professional fees relating to the acquisitions and restructuring costs of £1.3 million (2019/2020: £0.6 million) and a one-off US government grant under the Paycheck Protection Program of (£1.3 million). The effective rate of tax for the year was 21% (2019/2020: 21%). The adjusted effective rate of tax, excluding highlighted items, was 20% (2019/2020: 19%). Diluted earnings per share, excluding highlighted items, grew 15% to 18.68 pence (2019/2020: 16.23 pence). Including highlighted items, profit before tax was £17.3 million (2019/2020: £13.2 million) and diluted earnings per share grew 25% to 16.71 pence (2019/2020: 13.40 pence).







Consumer Division

The Consumer Division consists of Adult and Children's trade publishing. The Consumer Division generated outstanding revenue growth of 22% to £118.3 million (2019/2020: £96.8 million). Profit before taxation and highlighted items increased by 61% to £14.2 million (2019/2020: £8.9 million). Profit before taxation increased to £14.2 million (2019/2020: £8.8 million). The excellent performance was from both the Adult and Children's divisions, across front and backlist titles.

Bloomsbury's Consumer growth outperformed the rest of the UK market, in both print and digital formats; the Publishers Association reported Consumer growth of 7% for 2020.

Adult Trade

The Adult division achieved very strong growth with a 17% increase in revenue to £43.8 million (2019/2020: £37.4 million) and profit before taxation and highlighted items increasing by 145% to £3.9 million (2019/2020: £1.6 million). This was driven by bestsellers from our front and backlist.

Bestsellers in the year from our backlist included the *Sunday Times* and *New York Times* bestseller *Why I'm No Longer Talking to White People About Race* by Reni Eddo-Lodge, the *Sunday Times* bestsellers *Such a Fun Age* by Kiley Reid, *Lose Weight and Get Fit* by Tom Kerridge and *Three Women* by Lisa Taddeo. *New York Times* bestsellers included *White Rage* by Carol Anderson and *Women Rowing North* by Mary Pipher. Further backlist bestsellers included *Dishoom: From Bombay with Love* by Shamil Thakrar, Kavi Thakrar and Naved Nasir and *The Song of Achilles* by Madeline Miller.

Frontlist success came from new titles including *Humankind* by Rutger Bregman, the *New York Times* bestsellers *Piranesi* by Susanna Clarke and *Outlawed* by Anna North, *The Book of Trespass* by Nick Hayes, *We Are Bellingcat* by Eliot Higgins and *The Mask Falling* by Samantha Shannon.

Children's Trade

Children's sales also delivered excellent growth, with a 26% increase to £74.6 million (2019/2020: £59.4 million). Profit before taxation and highlighted items increased by 42% to £10.4 million (2019/2020: £7.3 million). Sales of the Harry Potter titles were 7% ahead of last year. *Harry Potter and the Philosopher's Stone* was the third bestselling children's book of the year on UK Nielsen Bookscan.

Bloomsbury acquired certain assets of Zed Books Limited in March 2020

Harry Potter and the Philosopher's Stone, *Harry Potter and the Chamber of Secrets* and *Harry Potter and the Half-Blood Prince* were all *Sunday Times* bestsellers in the year, showing the reach of this classic series, 24 years after it first began.

Sarah J. Maas' sales grew by 129% compared to last year, with two new *New York Times* and *Sunday Times* bestselling titles published during the year: *Crescent City: House of Earth and Blood*, in March 2020, and *A Court of Silver Flames*, in February 2021, and strong backlist sales. Other highlights on the Children's list included the third in Brigid Kemmerer's *Cursebreaker* trilogy, *A Vow So Bold and Deadly*, *Skysteppers* by Katherine Rundell, *Cinderella is Dead* by Kaylynn Bayron, *The World Made a Rainbow* by Michelle Robinson, illustrated by Emily Hamilton, and *Ways to Make Sunshine* and *Love is a Revolution* by Renee Watson.

Non-Consumer Division

The Non-Consumer Division consists of Academic & Professional, including Bloomsbury Digital Resources, and Special Interest. Revenues in the division increased by 1% to £66.8 million (2019/2020: £66.0 million). Profit before taxation and highlighted items for the Non-Consumer Division was £5.4 million (2019/2020: £6.7 million). Profit before taxation was £3.6 million (2019/2020: £5.0 million).

Academic & Professional revenues increased by 3% to £44.3 million (2019/2020: £43.1 million) and profit before taxation and highlighted items was £4.3 million (2019/2020: £4.8 million). The accelerated demand for digital products and swift adoption of digital learning by academic institutions helped drive excellent performance of BDR and accelerated demand for ebooks, which offset reduced print sales. Our Academic digital growth outperformed the rest of the UK market, with our BDR digital strategy, conceived six years ago, ahead of and benefiting from the market changes. Our achievements were recognised at the 2021 British Book Awards, winning Academic Publisher of the Year.

We are focused on delivering further digital growth from accelerating our established and most successful digital products, including the award-winning Drama Online, building partnerships and launching new products. Key achievements during the year, demonstrating the opportunities to further leverage our digital platforms and content, were:

- 73% increase in the number of Academic customers during the year;
- Maintaining our customer renewal rate above 90%;
- Growth of Bloomsbury Collections to over 13,000 front and backlist Bloomsbury Academic titles; over 40% higher than last year. These include titles from our acquisitions of Oberon and Zed;
- Launch of the new content partnerships with Taylor & Francis and Human Kinetics;
- New partnerships with Yale University Press, Liverpool University Press and the Stratford Festival.

Special Interest revenue was £22.5 million (2019/2020: £22.9 million), and profit before taxation and highlighted items was £1.1 million (2019/2020: £1.9 million), with resilient demand for wildlife titles, Wisden and Osprey games during the year.

Acquisitions

In March 2020, we acquired certain assets of Zed Books Limited ("Zed"), the London-based academic and non-fiction publisher. The consideration was £1.7 million, of which £1.5 million was satisfied in cash on completion and during the year and the remainder paid in March 2021. Zed has been integrated into Bloomsbury's Academic & Professional division.

Chief Executive's Review

continued

During the year, we also integrated Oberon Books Ltd ("Oberon"), acquired in December 2019, into the Academic & Professional division, and included its key titles in Drama Online.

Since the year end, in April 2021, we have achieved another key step in the delivery of our strategic growth strategy and driving our Non-Consumer business, with the acquisition of certain assets of Red Globe Press ("RGP"), the academic imprint, from Springer Nature Group, as previously announced. The consideration was £3.7 million, £1.8 million of which was satisfied in cash on completion in June 2021. The acquired RGP titles are a good strategic fit, strengthen Bloomsbury's existing academic publishing, and establish new areas of academic publishing in Business and Management, Study Skills and Psychology. RGP's three digital products will be migrated to BDR's own platform and its content added to Bloomsbury Collections.

Bloomsbury has a strong and successful track record in strategic acquisitions, with 17 acquisitions completed since 2008. We are actively targeting further acquisition opportunities in line with our long-term growth strategy.

Cash and financing

Bloomsbury's cash generation was strong with cash at the year end of £54.5 million, up £23.1 million, and cash conversion of 142% (2019/2020: 111%). During the year, we invested £0.9 million of capital expenditure in BDR and £1.5 million of the £1.7 million cash consideration for the acquisition of Zed Books Limited.

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. At 28 February 2021, the Group had no draw down (2020:£nil) of this facility.

Dividend

The Group has a progressive dividend policy aiming to keep dividend earnings cover in excess of two times, supported by strong cash cover. The Board is recommending a final dividend of 7.58 pence per share, totalling £6.2 million. Together with the interim dividend, this makes a total dividend for the year ended 28 February 2021 of 8.86 pence per share, an 8% increase on the 8.17 pence value of the dividend for the year ended 29 February 2020.

The Board greatly appreciate the support of our Shareholders during such unprecedented circumstances last year and we are also proposing a special dividend of 9.78 pence per share, totalling £0.8 million.

Subject to Shareholder approval at our AGM on 21 July 2021, the final and special dividend will be paid on 27 August 2021 to Shareholders on the register on the record date of 30 July 2021.

Including the proposed 2020/2021 final dividend, over the past ten years, the dividend has increased at a compound annual growth rate of 6.5%.

Social Initiatives

As part of Bloomsbury's ongoing commitment to our wider communities, and in addition to our focus on promoting literature, literacy and education, we actively support numerous organisations worldwide. We published *The Book of Hopes: Words and Picture to Comfort, Inspire and Entertain Children*, edited by Katherine Rundell, with contributions from more than 110 children's writers and illustrators. A donation from the sale of each book is made to NHS Charities Together. We also published *The World Made a Rainbow*, by Michelle Robinson and Emily Hamilton, with a donation from the sale of each book being made to Save the Children. In addition to our donation to Black Lives Matter, in partnership with Waterstones in July 2020, we donated 10% of profits of certain sales of Reni Eddo-Lodge's *Why I'm No Longer Talking to White People About Race* to BTEG and Inquest.

We also supported the Society of Authors emergency appeal fund and The Trussell Trust's network of foodbanks. These initiatives are in addition to our three-year partnership with the National Literacy Trust, which included our financial support for their emergency appeal to help support children, parents, teachers and schools through the pandemic, our educational resources and activity ideas made available through their website and donation of over 60,000 books. 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.

Coronavirus Victims

We also share the sad news of the loss of two colleagues in India from coronavirus. Yogesh Sharma, Senior Vice President for Sales and Marketing, who passed away in May, was a founding member of Bloomsbury India and his contribution to the growth of the company was vital. Aravind Murthy, Bloomsbury's India's Regional Sales Manager-South, passed away in April. Aravind was an amazing sales manager, very dependable, hardworking, focused, and passionate about his work. We will miss them deeply and send our sympathy and support to the families of Aravind and Yogesh and to our colleagues in India.

Board Changes

As announced in December 2020, Baroness Lola Young of Hornsey joined the Board as a Non-Executive Director on 1 January 2021. Baroness Young also became a member of the Nomination Committee.

In addition, John Warren will step down from the Board at the conclusion of Bloomsbury's 2021 AGM taking place on 21 July 2021. John Warren joined the Board in 2015 and is the Senior Independent Director and Chair of the Audit Committee. It is intended that John will be succeeded by Leslie-Ann Reed as Chair of the Audit Committee and Senior Independent Director.

Sir Richard Lambert, Chairman of Bloomsbury, said: "On behalf of myself, the Chief Executive, Nigel Newton, and the Board, I would like to thank John for his tremendous contribution to Bloomsbury during his six-year tenure. John has been a wonderful colleague – rigorous, shrewd and good humoured. He will be much missed."

Future Publishing

Our BDR strategic initiatives include the launch of a new Drama Online collection from the market-leading US drama publisher Theatre Communications Group, expanding Bloomsbury Collections to include more than 7,000 Red Globe Press titles and the migration of Red Globe Press' three digital products to BDR's own platform.

Our strong Consumer publishing list for 2021/2022 includes Tom Kerridge's *Outdoor Cooking: The Ultimate Modern Barbeque Bible*, *Lost Focus* by Johan Hari, *Gino's Italian Family Adventure* by Gino D'Acampo and *Animal* by Lisa Taddeo.

We will be publishing the Sarah J. Maas' second *Crescent City* title, *House of Sky and Breath*, in January 2022. Our Children's frontlist for 2021/2022 includes *Harry Potter – A Magical Year: The Illustrations of Jim Kay*, a beautiful new gift book with a moment for every day of the year, *Defy the Night*, the much-anticipated new series from Brigid Kemmerer, and Renée Watson's new book *Ways To Grow Love*.

Outlook

The start of our 2021/2022 has seen a continuation of strong trading. Whilst the Board remains mindful of the external environment, the outstanding performance in 2020/2021 increases our confidence in the strength of the business and our long-term strategy.

At this early stage of the new financial year, and considering the ongoing momentum and strength of our business, Bloomsbury expects revenue to be ahead and profit to be comfortably ahead of market expectations for the year ended 28 February 2022.

I would like to express my thanks to our staff, authors, illustrators, printers, distributors and suppliers for their outstanding work and profound resilience over the last year. Our ability to adapt to the rapidly changing conditions, together with the strength of our strategy supported by our strong financial position, has enabled Bloomsbury to emerge even stronger from this crisis and deliver an excellent performance.

Nigel Newton,
Chief Executive

A selection of titles on the 2021/2022 front list

Bloomsbury's Marketplace

Bloomsbury's publishing encompasses a wide range of sectors, genres and parts of the world, spanning adult fiction and non-fiction children's books, digital academic and professional resources and humanities and social sciences monograph publishing. With offices in London, Oxford, New York, Sydney and New Delhi, and a joint venture in China, we are well-positioned to assess global and local market trends and respond to them strategically.

Covid Pandemic

The global impact of the Covid pandemic and the resulting lockdowns have had a significant impact on consumer behaviour and sales channels. Consumers turned to books as a key comfort, and a source of education and inspiration. Print and digital books saw significant growth during lockdowns in all territories for the Consumer Division. In the Non-Consumer Division, there was a very significant increase in digital sales, accompanied by a decline in print sales to universities. Consumers rediscovered the pleasure of reading during lockdown when they were unable to pursue other leisure activities, demonstrating the enduring appeal of books. The National Literacy Trust has reported, as a result of its 10th Annual Literary Survey in 2020, that children's enjoyment of reading has increased during pandemic lockdowns, having reached a 15-year low before the pandemic, and that one-third of the children surveyed are reading more as a result of the pandemic.

Growth of Online Retail

In prior years we have noted the consistent growth of online retail. In 2020/2021, sales through online channels have soared as a result of lockdowns and the closure of high street outlets for extended periods during the year. Digital format sales through online retail channels have also significantly increased.

In response, we have increased our sales and marketing resource and have concentrated our efforts on maximising sales through online channels, at the same time as supporting high street and independent bookshops face the challenges of the pandemic with various initiatives. We have seen bookshops successfully reopen when restrictions were lifted; these periods have shown that physical retail has bounced back quickly. We remain committed to supporting high street and independent bookshops as we emerge from the pandemic.

In the academic and professional division we have witnessed a material increase in sales via digital aggregators and wholesalers of content to Higher Education institutions as well as in our sales of digital resources direct to institutional customers.

Digital Sales Growth

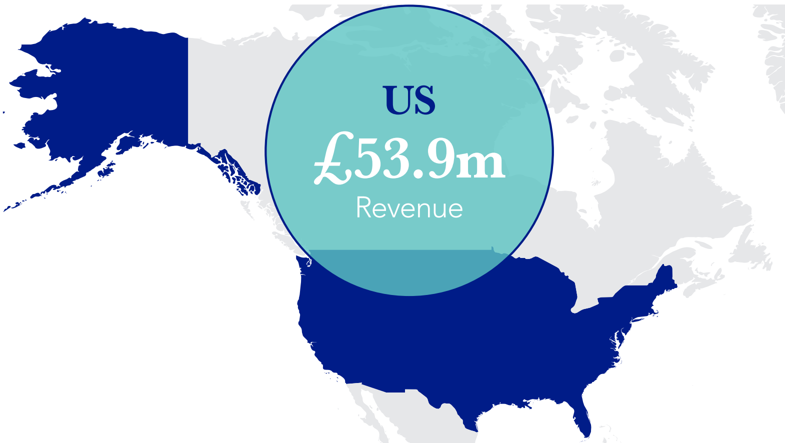
In 2020/2021, digital sales grew significantly across all publishing divisions. In the Consumer Division there was a marked growth in sales of ebooks, particularly of backlist titles.

Digital audio sales have continued growing apace despite lockdowns and changes to commuter behaviours, with digital audio book listening occurring concurrent with other activities (such as cooking or cleaning). Bloomsbury's Non-Consumer Division benefited from a large proportion of Higher Education institutions turning to digital resources and products over print books due to campus and library closures.

Brexit

The impact of Brexit on Bloomsbury's business has been low. Precautionary measures were implemented during the period of negotiations between the UK Government and the EU over the terms of the UK's withdrawal and have remained in place. Robust buffers were built into our processes and supply chains in order to mitigate potential interruptions and delays arising out of logistical complexities and customs procedures. We have also taken the necessary measures to comply with regulatory changes arising as a result of Brexit which are relevant to our products.

As has been the case for many British businesses, there has been a temporary impact on sales from our Bloomsbury websites direct to consumers within the EU, but this has not had a material financial impact and we are taking steps to resolve this issue. B2B sales to wholesale and retail customers in the EU have not been affected.



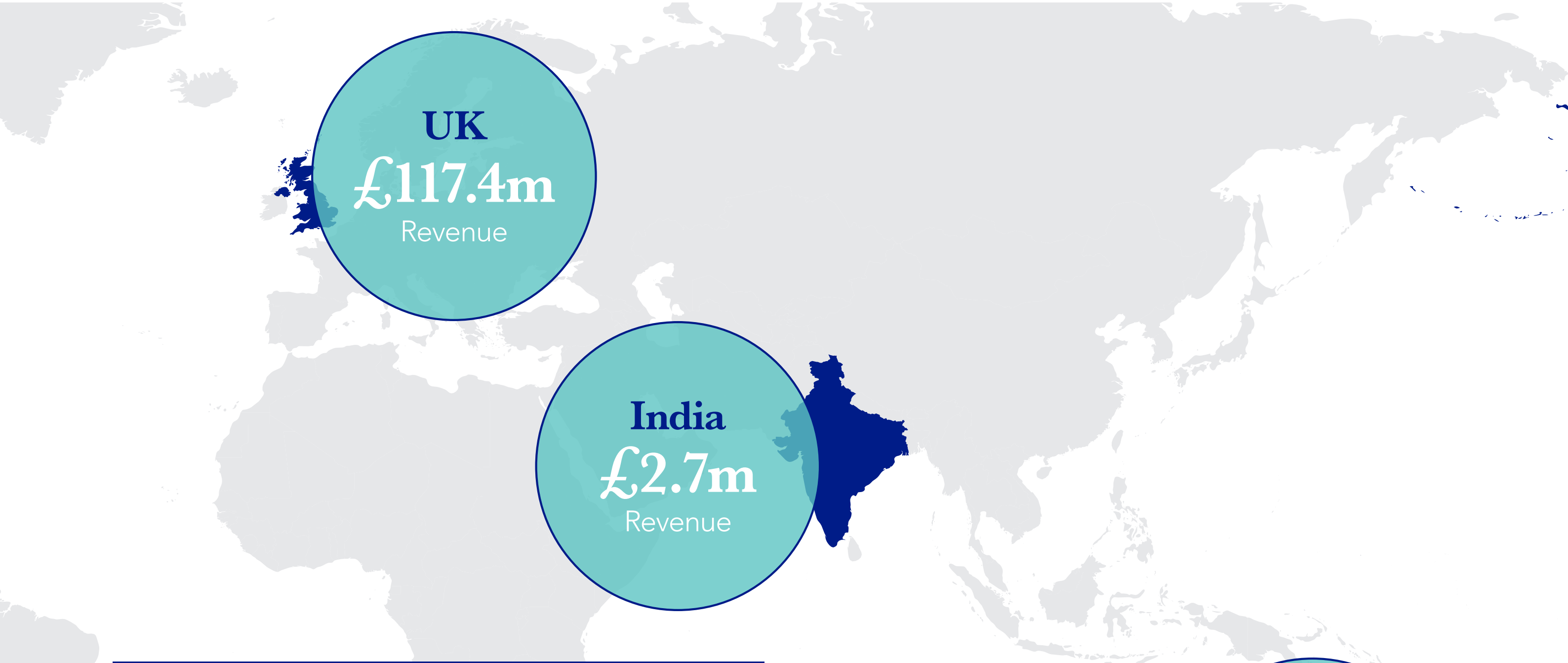
Non-Consumer Division

The Non-Consumer Division consists of the following Bloomsbury publishing subdivisions: Academic & Professional; Bloomsbury Digital Resources; Special Interest; and Education. The Non-Consumer Division delivered revenue of £66.8 million (2019/2020: £66.0 million). Profit before taxation and highlighted items was £5.4 million (2019/2020: £6.7 million).

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

- **The ongoing shift to digitally deliver academic and professional content:** The global pandemic accelerated digital purchasing from academic institutions and professional companies. The shift to remote learning and remote working increased demand for Bloomsbury's digital resources. The Non-Consumer Division has experienced digital revenue growth of 51.7% during the year, compared to overall academic market growth of 1–2%. Digital sales are now 32.6% of total revenues of the Non-Consumer Division.

  In response to coronavirus and the immediate migration to online classes, we opened up free access to our digital resources as a solution to unprecedented educational challenges. This resulted in over 6,000 new product trials. We brought forward new e-textbook digital resource product releases, developed new e-textbook sales partnerships and launched a new schools Classics textbook in print and online formats with supplementary online teaching resources to support remote learning.
- **Open access:** There is increased demand for open access research monograph publications but little funding in the arts, humanities and social sciences arena to enable it to happen at scale. New policies from UKRI will encourage more open access in the future. Bloomsbury is well-positioned to respond to the demand for open access, 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. In February 2021 we appointed a new role, Director of Research and Open Access to help drive our response to the increased demand.
- **University budgets:** There has for some time been increasing pressure on library budgets, unrelated to the pandemic. We are responding to this trend with flexible purchasing options allowing universities to select the content they need on pricing models which suit them. We continue to broaden our international institutional customer base to reduce reliance on sales in specific territories.



Consumer Division

The Consumer Division consists of Adult and Children's Trade publishing. The Consumer Division delivered revenue of £118.3 million (2019/2020: £96.8 million). Profit before taxation and highlighted items was £14.2 million (2019/2020: £8.9 million).

The Consumer Division has identified the following key global trends and is responding to them.

- **Increase in digital format sales:** growth in digital audio books continued as new generations of consumers listen to books on smart phones. Consumer behaviour during lockdown contributed to strong ebook sales, with older readers turning to the easy availability of ebooks. Bloomsbury will continue to invest in our specialist audio division and acquire more rights in this area alongside print and ebook formats.
- **Backlist growth:** coronavirus lockdowns facilitated a large increase in backlist sales as consumers turned to well-known and highly reviewed titles for comfort and entertainment. This applied equally to adult and children's titles. The Black Lives Matter movement had an additional material impact on backlist sales by Black and Minority Ethnic authors. In response, Bloomsbury has invested in placement and metadata through online retail channels to ensure backlist discovery and conversion to sales.
- **Frontlist decline:** Frontlist sales are usually heavily promoted through high street retail shops and suffered as a result of their closure. We have invested in our marketing and publicity teams and refined our adult strategy to address this development which we see as being an issue specifically related to the circumstances of the pandemic. Frontlist sales have improved with the reopening of physical retail.

CYP and Bloomsbury (Beijing) Culture Development Co. Ltd.

Bloomsbury's joint venture business in Beijing, China, CYP and Bloomsbury Culture Development Co., Ltd. (known as Bloomsbury China in English) began operating at the beginning of 2020. Coronavirus lockdowns and restrictions in China meant a slower start to the business. Notwithstanding, Bloomsbury China launched ten titles before the end of 2020, and results were in line with expectations.

Trend

The Chinese domestic book market suffered an overall decline in year-on-year book sales. Physical bookstore sales declined against the previous years', but there was an increase in online book sales. Children's books continued to show growth in 2020.

Our response

Bloomsbury China's launch publishing is focused on tapping into China's large and growing Children's book market. Its marketing and sales activities prioritise social media, digital and online channel sales.

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.

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.

What we are investing in...

Acquisitions

We continue to pursue targeted acquisitions which will support our growth strategy, accelerate our digital offerings, strengthen existing areas of publishing, and enable us to expand into new areas. Since Bloomsbury's inception we have made 27 acquisitions of publishers and imprints.

Content

We continue to invest in new content by acquiring works of originality and excellence from established and emerging authors and partners across a range of genres and from an array of voices in order to enhance our diversified portfolio of valuable intellectual property and build a strong publishing pipeline.

Our employees

We are committed to ongoing investment in our colleagues and our working environment, including through the provision of development and training opportunities, the implementation of flexible and balanced working, and the promotion of a diverse, inclusive and ethical culture in order to enable individual and collective success and attract new talent.

Digital

We are focused on delivering growth by investing in the development of our existing and most successful digital resource products and accelerating the launch of new products. We continue to invest in our specialist audio publishing division to maximise opportunities presented by this growth area.

Our strategic priorities

- Non-Consumer publishing
- Consumer publishing
- International expansion
- Employee experience and engagement
- Sustainability

Bloomsbury's 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.

  2020/2021 progress:
  - Delivered 52% growth in Non-Consumer digital revenue;
  - Acquisition of assets of publisher Zed Books Limited, strengthening our position in African Studies and Development Studies and our presence as a leader in academic Area Studies publishing. The acquisition also enhances Bloomsbury's Politics and International Relations list.

- **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.

  2020/2021 progress:
  - Delivered £12.4 million revenue, up 49% and profit of £2.9 million, up £2.2 million;
  - Number of Academic customers increased by 73% during the year;
  - 40% increase in content of Bloomsbury Collections;
  - Launch of 3 new products and 7 new modules;
  - Launch of content partnership products with Taylor & Francis and Human Kinetics; and
  - New partnerships include Yale University Press, Liverpool University Press, Human Kinetics and the Stratford Festival.

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.**

  2020/2021 progress:
  - Bestsellers included *Why I'm No Longer Talking To White People About Race*, by Reni Eddo-Lodge, *Such A Fun Age*, by Kiley Reid, *Piranesi* by Susanna Clarke, and *Humankind* by Rutger Bregman.

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

  2020/2021 progress:
  - 129% growth in sales of Sarah J Maas titles, with both new titles *Crescent City: House of Earth and Blood* and *A Court of Silver Flames* reaching Number One on the *New York Times* bestseller list.

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

  2020/2021 progress:
  - 7% growth in *Harry Potter* title sales, 23 years after first publication; and
  - *Harry Potter and the Philosopher's Stone* was the 3rd bestselling Children's title on UK Nielsen Bookscan, 23 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.

  2020/2021 progress:
  - Increased overseas revenue to 64% of Group revenue; and
  - 81% of Academic BDR sales are international.

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 promotes diversity, nurtures talent, stimulates creativity and collaboration, supports well-being and is inclusive and respectful of difference.**

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. We recognise the value of diversity of thought, perspectives and experience in shaping our culture and strategy, driving our long-term success and informing the ways in which we fulfil our social purpose.

2020/2021 progress:

Continuing focus on employee engagement, well-being and development initiatives, including:

– Ongoing Employee Voice Meetings, listening to each of our employees' views;

– Introduction of monthly online Town Halls led by the Chief Executive and featuring participation from management colleagues from across the Group;

– Ongoing provision of mentoring scheme for early and mid-career employees;

– Introduction of increased flexible working to support employees during the pandemic, including fully flexible working during school closures;

– Expansion and alignment across international offices of Diversity and Inclusion Employee Networks which complement and inform the activities of our Diversity and Inclusion Working Groups;

– Strengthened our Diversity and Inclusion governance structure; and

– Formulated our Diversity, Equity and Inclusion Action Plan, and set ambitious targets to increase representation of Black and Ethnic Minorities in our workforce and our author base.

Link to KPIs 5 6 7

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.

2020/2021 progress:

– Measured Scope 3 emissions for the first time;

– Set reduction targets in respect of Scope 1 and 2 emissions in line with the goals of the Paris Agreement and further in respect of Scope 3 emissions, which have been submitted to the Science Based Targets Initiative for validation;

– Recognised by the Financial Times' 'Europe's Climate Leaders 2021' – the 300 companies that have achieved the greatest reduction in their greenhouse gas emissions intensity between 2014 and 2019, aligned with revenue growth; and

– Supporting the Woodland Trust and Reforest'Action for three years.

An analysis of our environmental performance during the year is set out in the Strategic Report on pages 76 to 81.

Link to KPIs 8

Key to KPIs:

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

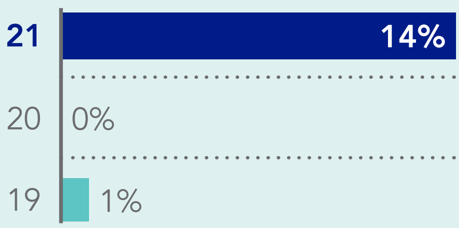
Key Performance Indicators

Financial measures

1 Revenue growth

£185.1m

+14%



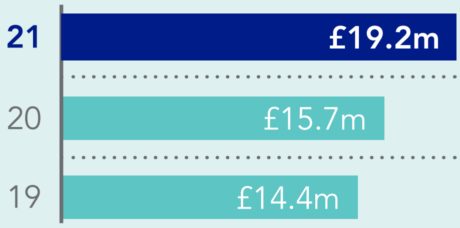
Link to risks

A B D

2 PBTA*

£19.2m

+22%



Link to risks

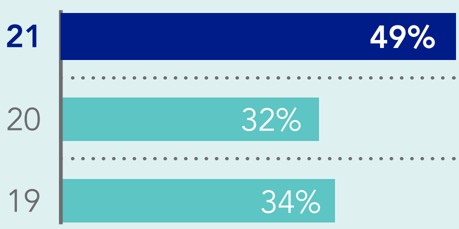
A B C D F

* PBTA is profit before tax, amortisation of acquired intangibles and other highlighted items.

3 Digital resources revenue

£12.4m

+49%



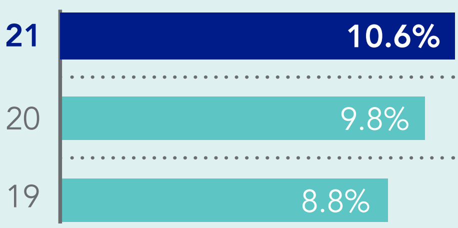
Link to risks

A B

4 Adjusted operating profit margin

10.6%

+8%



Link to risks

A B C D F

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

Non-financial measures

5 Employee engagement

23*
(2020: 51)
Employee Voice Meetings connecting employees with the Board and senior management

9
(2020: 6)
Active employee Diversity and Inclusion networks

Average attendance rate at monthly Town Halls

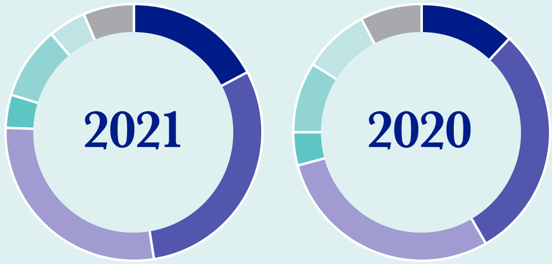
70%
(2020: –)

Link to risks

I K

* The total number of Employee Voice Meetings have decreased since being introduced in 2018/2019 based on the maturity of the initiative in 2020/2021. There are now two meetings per month hosted by Executive Committee members.

6 Gender diversity



	2021	2020
Female Board members	**42.9%**	28.5%
Female Executive Committee members	**75%**	71.4%
Female employees	**70.3%**	69%
Ethnic minority groups*: UK	**10%**	10%
Ethnic minority groups*: US	**22.7%**	21.5%
UK median gender pay gap	**11.7%**	19.7%
UK mean gender pay gap	**15.6%**	18.3%

Link to risks

I K

7 Ethnic Diversity

Board

1 (14%)
Board member – Directors of colour
(2020: 0)

Company

10%
Ethnic minority groups*: UK
(2020: 10%)

22.7%
Ethnic minority groups*: US
(2020: 21.5%)

Link to risks

J K

* These figures have been taken from the results of the Bloomsbury workforce survey and UK Publishers Association industry survey conducted in 2019 and 2020 respectively. Participation in these surveys was voluntary, therefore the figures may not have captured Bloomsbury's full workforce.

8 Environmental performance – greenhouse gas emissions (absolute tonnes CO_2e)

9
Stationary fuel use
(2020: 42)

128
Electricity use: location-based emissions
(2020: 289)

9
Vehicle fuel use
(2020: 22)

Link to risks

J K

The Consumer Division

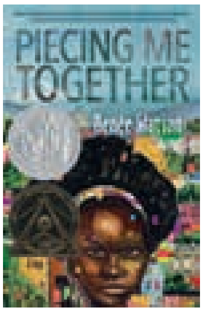
The Consumer Division publishes books for both adult and child readers. It publishes around 550 new titles per year and these books are published in print, ebook and audio book formats under the following imprints: Bloomsbury Absolute, Bloomsbury Activity Books, Bloomsbury Children's Books, Bloomsbury Circus, Bloomsbury Publishing and Raven Books.

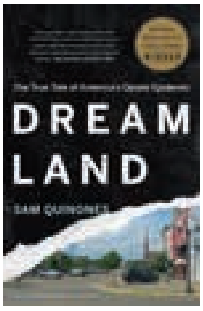
The Division publishes cookery, fiction and non-fiction titles on our Adult Trade list – and activity books, fiction, non-fiction, picture books and preschool titles on our Children's Trade list. Our main publishing operations are based in London and New York, and are coordinated by experienced editorial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

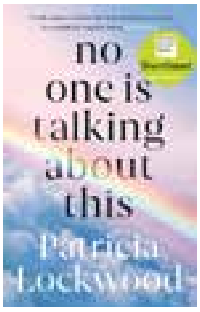
Known for the quality and the prize-winning calibre of the list, we publish authors such as George Saunders, Reni Eddo-Lodge, Madeleine Miller, Lisa Taddeo, Kamila Shamsie, Peter Frankopan, Khaled Hosseini and Stuart Turton on our Adult Trade list. On our Cookery list we publish Tom Kerridge, Hugh Fearnley-Whittingstall and the Dishoom Cookbook. On our Children's Trade list we publish exceptional talent from Katherine Rundell, Jessie Burton, Ben Bailey Smith and Neil Gaiman, to Benjamin Zephaniah, Sarah J. Maas, J.K. Rowling and Brigid Kemmerer.

The markets we serve:

Our publishing serves the global bookshop and online retail market, in print, audio and ebook formats; and rights sales to foreign language publishing houses.







Divisional facts

£118.3m
Revenue - total

£40.7m
Revenue - US

£14.2m
PBTA*

£65.9m
Revenue - UK

£11.7m
Revenue - Other territories

12%
PBTA Margin

*PBTA is profit before taxation, amortisation of acquired intangible assets and other highlighted items.

Ian Hudson
Managing Director, Consumer Division

Ian Hudson joined Bloomsbury in January 2021 as Managing Director of the Consumer Division and Executive Director, member of the Executive Committee, following the departure of Emma Hopkin in December 2020.

Ian's most recent role was as Global C.E.O. of Dorling Kindersley Publishing, a division of Penguin Random House. He began his career at magazine publisher Marshall Cavendish, subsequently joining Random House in 1992 where he went on to hold the role of Group Commercial Director before becoming Managing Director of Random House Children's Books.

With the merger of Random House and Transworld in 1998, Ian became Group Managing Director and Chairman of TBS Distribution and joined the Random House Global Board. He was a member of the Bertelsmann team which negotiated the Penguin Random House merger in 2012/2013. Post-merger, he sat on the Global Executive Committee of Penguin Random House and was appointed to the roles of C.E.O. of Penguin Random House International and deputy C.E.O. of Penguin Random House UK. Once the global integration of the two companies was completed, Ian was appointed C.E.O. of Dorling Kindersley.

Ian was a member of the Supervisory Board of global media group Bertelsmann for 12 years, is a former President of the UK Publishers Association and has been a non-executive director of Which? for five years.

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 and special format editions such as interactive, paper-engineered (pop-up) editions. Our ambition is to introduce new children to reading these books for pleasure every year.
Adult Trade fiction	Publishing bestselling, award-winning fiction in print, audio and ebook formats.
Adult Trade non-fiction	Publishing 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.

Strategic goals

- Significantly grow our Adult and Children's Consumer sales and gain market share in UK, USA and Australia.
- Enhance our margins and grow return on sales in the medium term.
- Grow our brand and become a talent magnet for both authors and new colleagues alike.
- Continue to grow our audio publishing programme.
- Increase our annual number of entries on both *The New York Times* and in *Sunday Times* bestseller charts.
- Continue to win prestigious publishing prizes and awards for our books.
- Ensure our content portfolio, author base and staff representation is diverse and inclusive.
- Grow our business sustainably.

Strategy for growth

- Develop and execute exciting and ambitious new global publishing strategies for both Adult and Children's publishing.
- Invest further in digital formats and tools to make our books more discoverable online and improve conversion to purchase.
- Invest further in International sales growth especially in United States, China and Australia.
- Greater focus on our consumer audiences and brand development.
- Increased exploitation of our rich backlist.
- Growing and building author 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 to maximise the success of established and new brands and authors.
- Improve margins through refining publishing processes and optimising decision-making.
- Further develop the diversity of our publishing teams and their lists.
- Provide excellent author care and support to attract and retain author talent.
- Value-adding M&A activity.

The Consumer Division

continued

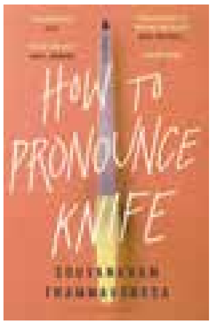
Adult Trade division - recent prizes and awards

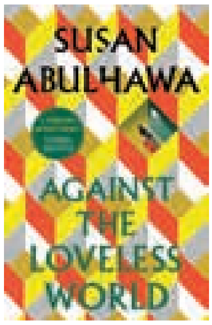
UK winners

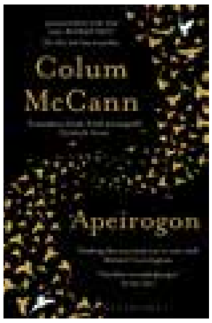
1. **Scotiabank Giller Prize:** *How to Pronounce Knife* by Souvankham Thammavongsa
2. **Palestine Book Award:** *Against the Loveless World* by Susan Abulhawa
3. **Books Are My Bag Readers Award 2020 (Fiction):** *The Devil and the Dark Water* by Stuart Turton
4. **UK Goodreads Choice Awards 2020 (Debut Novel):** *Such a Fun Age* by Kiley Reid
5. **CrimeFest's eDunnit Award for Best Crime eBook:** *To the Lions* by Holly Watt
6. **Best Biography, Memoir or Autobiography by a Parliamentarian:** *The Glamour Boys* by Chris Bryant

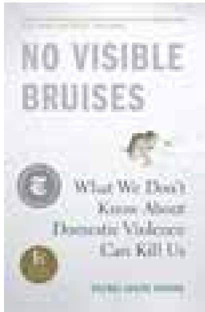
US winners

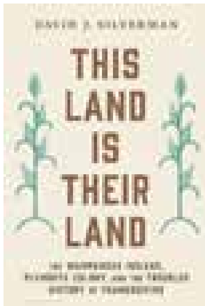
1. **2020 Hillman Prize for Book Journalism:** *No Visible Bruises* by Rachel Louise Snyder
2. **2020 Helen Bernstein Book Award for Excellence in Journalism:** *No Visible Bruises* by Rachel Louise Snyder
3. **2020 Excellence In Craft Contest by the Outdoor Writers Association of America:** *The Deer Camp* by Dean Kuipers
4. **US Goodreads Choice Awards 2020 (Fantasy):** *Crescent City: House of Earth and Blood* by Sarah J. Maas
5. **William Hickling Prescott Award for Excellence in Historical Writing:** *This Land is Their Land* by David Silverman
6. **Morris D. Forkosch Award for Best Humanist Book of 2020:** *The Power Worshippers* by Katherine Stewart
7. **American Book Award:** *In West Mills* by Charles De'Shawn Winslow
8. **2020 Arthur Ross Book Award (Bronze Medal):** *The Anarchy* by William Dalrymple

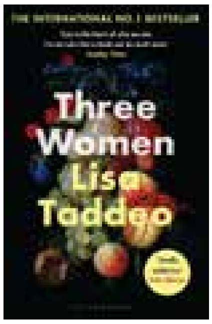


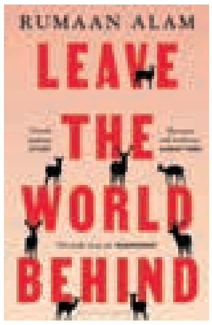












Winners - British Book Awards 2020

- **Non-Fiction: "Narrative" Book of the Year:** *Three Women* by Lisa Taddeo
- **30 from 30:** *Harry Potter and the Philosopher's Stone* by J.K. Rowling

Shortlistings for British Book Awards 2021

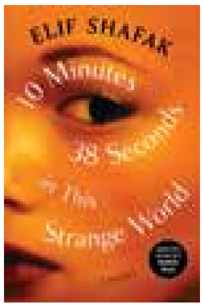
- **Book of the Year: Fiction: Debut:** *Such a Fun Age* by Kiley Reid
- **Book of the Year: Children's Non-fiction & Illustrated:** *The Book of Hopes* by Katherine Rundell (ed)
- **Audio book of the Year:** *Piranesi* by Susanna Clarke
- **Editor of the Year:** Alexis Kirschbaum
- **Publisher of the Year**
- **The British Book Award for Export - Sales above £10 million**

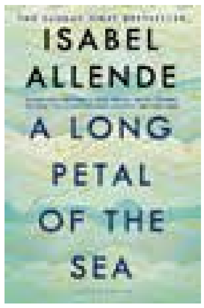
Shortlistings of note: UK

- **Baillie Gifford Prize:** *The Haunting of Alma Fielding* by Kate Summerscale
- **Costa Novel Award:**
  - *Peace Talks* by Tim Finch
  - *Piranesi* by Susanna Clarke
- **An Post Irish Popular Book of the Year Award:** *Here is the Beehive* by Sarah Crossan
- **National Book Award (Fiction):** *Leave the World Behind* by Rumaan Alam
- **Sunday Times Young Writer of the Year:** *Inferno* by Catherine Cho
- **Jhalak Prize:**
  - *Suncatcher* by Romesh Gunesekera
  - *Inferno* by Catherine Cho
- **Dalkey Literary Award:** *Apeirogon* by Colum McCann
- **The Author's Club Best First Novel:** *Tsarina* by Ellen Alpsten
- **Crime Writers' Association (CWA) Awards:**
  - **Ian Fleming Steel Dagger (for best thriller):** *Between Two Evils* by Eva Dolan
  - **Historical Dagger** (for best historical crime novel): *The Anarchists Club* by Alex Reeve
  - **Publishers' Dagger** (Publisher of the Year): Raven Books
- **Wingate Literary Prize:** *Apeirogon* by Column McCann
- **Gordon Burn Prize:** *Three Women* by Lisa Taddeo
- **Wolfson History Prize:** *Double Lives* by Helen McCarthy
- **Wainwright Prize:** *Dark, Salt, Clear* by Lamorna Ash
- **Blogger's Book Prize:** *Piranesi* by Susanna Clarke
- **HWA Non-Fiction Book of the Year:** *The Anarchy* by William Dalrymple
- **Comedy Women in Print prize:** *The Blessed Girl* by Angela Makholwa
- **Bollinger Everyman Wodehouse Prize:** *House of Trelawney* by Hannah Rothschild
- **Ondaatje Prize:** *Small Days and Nights* by Tishani Doshi
- **The Great Outdoor Awards (Book of the Year):** *The Book of Trespass* by Nick Hayes
- **Pushkin House Prize:** *An Impeccable Spy* by Owen Matthews
- **UK Goodreads Choice Awards 2020:**
  - **Fantasy:** *Piranesi* by Susanna Clarke
  - **Historical Fiction:** *A Long Petal of the Sea* by Isabel Allende
  - **Mystery and Thriller:** *The Devil and the Dark Water* by Stuart Turton
  - **Non-Fiction:** *Hood Feminism* by Mikki Kendal
  - **Fiction:** *Such a Fun Age* by Kiley Reid
- **Books Are My Bag Awards 2020:**
  - **Non-Fiction:** *Humankind* by Rutger Bregman
  - **Breakthrough Author:** Kiley Reid, author of *Such a Fun Age*

Shortlistings of note: US

- **NBCC Awards (Non Fiction):** *No Visible Bruises* by Rachel Louise Snyder
- **Edgar Awards 2020 (Best Critical / Biographical):** *Beyond the 39 Steps* by Ursula Buchan
- **Los Angeles Times Book Prize:**
  - **Art Seidenbaum Award for First Fiction:** *In West Mills* by Charles De'Shawn Winslow
  - **Current Interest:** *No Visible Bruises* by Rachel Louise Snyder
- **Edmund White Debut Fiction Award:** *In West Mills* by Charles De'Shawn Winslow
- **2020 BookTube Prize**:
  - **Best Critical / Biographical:** *10 Minutes 38 Seconds in This Strange World* by Elif Shafak
  - **Non-Fiction:** *No Visible Bruises* by Rachel Louise Snyder
  - **Fiction:** *Women Talking* by Miriam Toews
- **Dayton Literary Peace Prize:** *10 Minutes 38 Seconds in This Strange World* by Elif Shafak
- **Northern California Book Award (Non-Fiction):** *Elderhood* by Louise Aronson
- **2020 Pulitzer Prizes (General Non-Fiction):** *Elderhood* by Louise Aronson
- **Lambda Literary Award for 2020:**
  - **Gay Fiction:** *In West Mills* by Charles De'Shawn Winslow
  - **Lesbian Memoir/Biography:** *Long Live the Tribe of Fatherless Girls* by T Kira Madden
  - **Bisexual Fiction:** *The Man Who Saw Everything* by Deborah Levy
  - **LGBTQ Science Fiction/Fantasy/Horror:** *The Priory of the Orange Tree* by Samantha Shannon
- **89th Annual California Book Awards (Non-Fiction):** *Shadowlands* by Anthony McCann
- **2020 NEIBA Book Award (Non-Fiction):** *This Land is Their Land* by David Silverman
- **PEN E.O. Wilson Literary Science Writing Award:** *The Next Great Migration* by Sonia Shah
- **2020 Cundill History Prize:** *The Anarchy* by William Dalrymple
- **US Goodreads Choice Awards 2020: Fantasy:** *Piranesi* by Susanna Clarke





The Consumer Division

continued

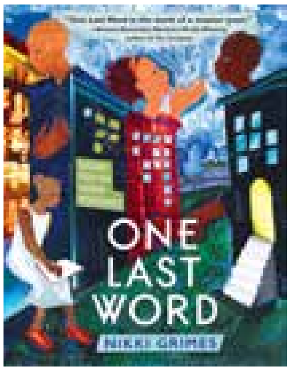
Children's Trade division - recent prizes and awards

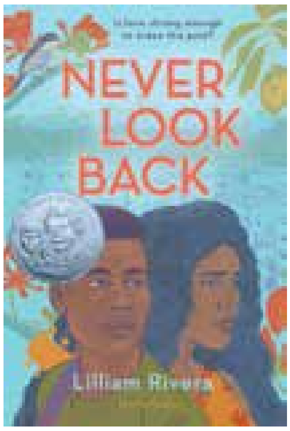
UK winners

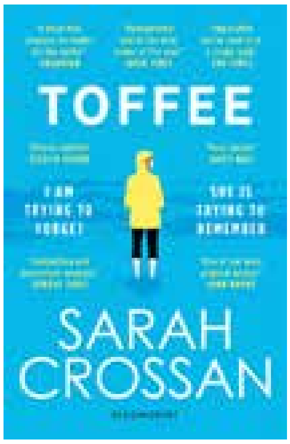
1. **Blue Peter Book Award (Winner of Winners):** *Harry Potter and the Philosopher's Stone* by J.K. Rowling
2. **Wordery Book of the Year (Children's):** *Cinderella Is Dead* by Kalynn Bayron
3. **Wordery Book of the Year (Picture Book):** *The Girl and the Dinosaur* by Hollie Hughes
4. **Books Are My Bag Readers Award 2020 (Young Adult Fiction):** *Cinderella Is Dead* by Kalynn Bayron
5. **Sainsbury's 2020 Book Award (Learning & Development):** *Do You Love Bugs?* by Matt Robertson
6. **KPMG CBI Book of the Year 19/20 (Fiction):** *Toffee* by Sarah Crossan
7. **Teach Primary Book Awards 2020 (KS2):** *The Space We're In* by Katya Balen
8. **North Somerset Teachers Book Awards 2020 (Picture Books):** *Meesha Makes Friends* by Tom Percival

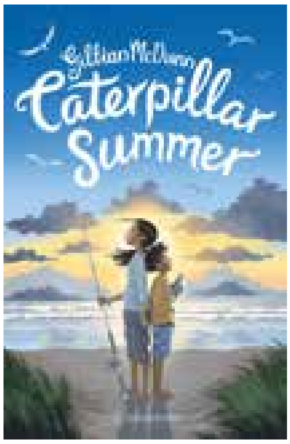
US winners

1. **2020 Florida Teen Reads Award:** *A Curse So Dark and Lonely* by Brigid Kemmerer
2. **2020 ALAN Award Winner:** Nikki Grimes (author of Southwest Sunrise (2020), *One Last Word: Wisdom from the Harlem Renaissance* (2017), and *Planet Middle School* (2011))
3. **2020 Arnold Adoff Poetry Award for New Voices:** *This Promise of Change: One Girl's Story in the Fight for School Equality* by Jo Ann Allen Boyce
4. **ILA 2020 Children's and Young Adults' Book Award:** *Caterpillar Summer* by Gillian McDunn
5. **2020 Social Justice Literature Award:** *Watch Us Rise* by Renee Watson and Ellen Hagan
6. **2021 Pura Belpré Author Honor for Young Adult Text:** *Never Look Back* by Liliam Rivera
7. **2021 SCBWI Golden Kite Award:** *Ways to Make Sunshine* by Renée Watson



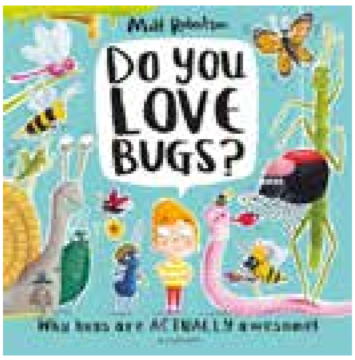


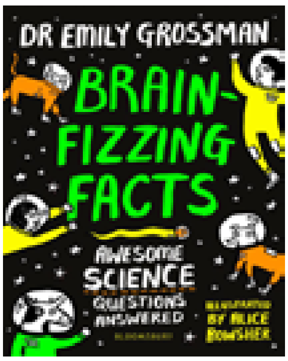




Shortlistings of note: UK

- **Indie Book Award 2020 (Children's):** *Toffee* by Sarah Crossan
- **Teach Primary Book Awards 2020 (Non-fiction):** *Brain-fizzing Facts* by Emily Grossman
- **North Somerset Teachers Book Awards 2020:**
  - **Read Aloud:** *Do Not Disturb the Dragons* by Michelle Robinson
  - **Information:** *Epic Tales of Triumph and Adventure* by Simon Cheshire
  - **Information:** *Everest* by Alexandra Stewart
- **East Anglian Book Awards 2020 (Mal Peet Children's Award):** *Do You Love Bugs?* by Matt Robertson
- **Goodreads Choice Awards 2020:**
  - **Young Adult Fiction:** *The Gravity of Us* by Phil Stamper
  - **Young Adult Fantasy/Science Fiction:** *Cinderella Is Dead* by Kalynn Bayron
- **ASE Science Book of the Year 2020:**
  - *Fantastically Great Women Who Saved the Planet* by Kate Pankhurst
  - *Do You Love Bugs?* by Matt Robertson (Highly Commended)
- **Young Quills 2020 (Age 10-13):** *The Good Thieves* by Katherine Rundell
- **Scottish Teenage Book Prize 2021:** *The Gifted, The Talented and Me* by Will Sutcliffe
- **Branford Boase 2020:** *The Space We're In* by Katya Balen (highly commended)
- **Biblio-Buzz Alexandra Palace Children's Book Award 2021:** *October, October* by Katya Balen
- **Costa Book Awards 2021 (Children's):** *The Great Godden* by Meg Rosoff
- **Wordery Book of the Year (Picture Book):** *Pirate Stew* by Neil Gaiman
- **YA Book Prize 2020:** *The Gifted, The Talented and Me* by Will Sutcliffe
- **BookTrust Storytime Prize 2020:** *Go, Go Pirate Boat* by Katrina Charman
- **Waterstones Book of the Year:** *The Book of Hopes* by Katherine Rundell (ed)





Shortlistings of note: US

- **2020 New York Historical Society Children's History Book Prize**: *This Promise of Change* by Jo Ann Allen Boyce and Debbie Levy (Finalist)
- **2021 YALSA Excellence in Nonfiction Finalist:** *The Cat I Never Named* by Amra Sabic-El-Rayess and Laura L. Sullivan (Finalist)
- **2021 SCBWI Sid Fleischman Award:** *Ways to Make Sunshine* by Renée Watson (Finalist)
- **Goodreads Choice Awards 2020:**
  - **Young Adult Fiction:** *The Gravity of Us* – Phil Stamper
  - **Young Adult Fantasy/Science Fiction:** *Cinderella is Dead* by Kalynn Bayron

Creating value in our Consumer Division

22%
Revenue growth

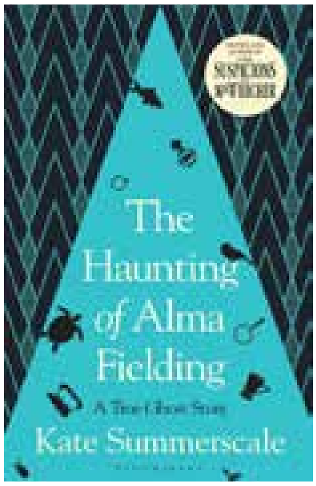
61%
Profit growth

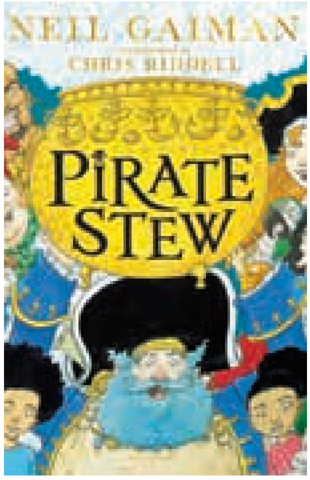
What we have done this year
The richness and depth of our backlist is our biggest asset. In the year, backlist sales grew by 37% demonstrating the resilience of our publishing. Top titles in Adult included *Why I'm No Longer Talking to White People About Race*, *Dishoom*, and *White Rage*. Within the Children's subdivision, *Harry Potter* is a perennial bestseller and the success of Sarah J. Maas' new title has fuelled sales of her backlist titles.

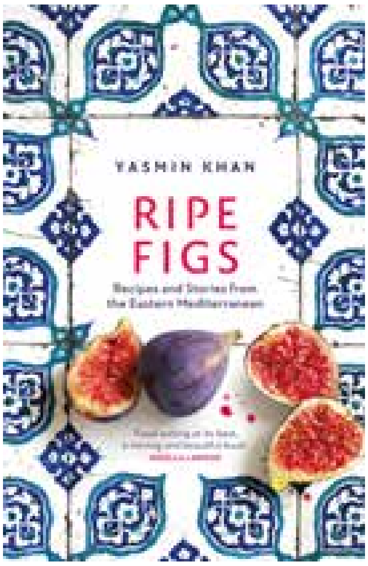
How we add value
Heightened public concerns about racial inequality, and pandemic-related lockdowns, have both highlighted the vital role books play in society. Our backlist titles have provided thought-provoking perspective in response to the former, and education, entertainment, escapism and mental wellbeing in response to the latter.

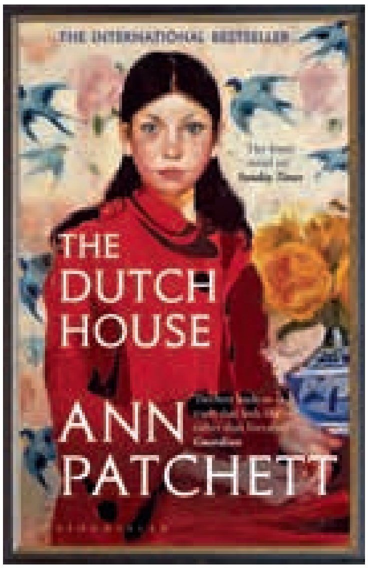
Outlook
We continue to invest in our sales, marketing and metadata capabilities to ensure our high margin backlist titles reach as many consumers as possible globally in order to maximise the contribution from our valuable backlist portfolio.

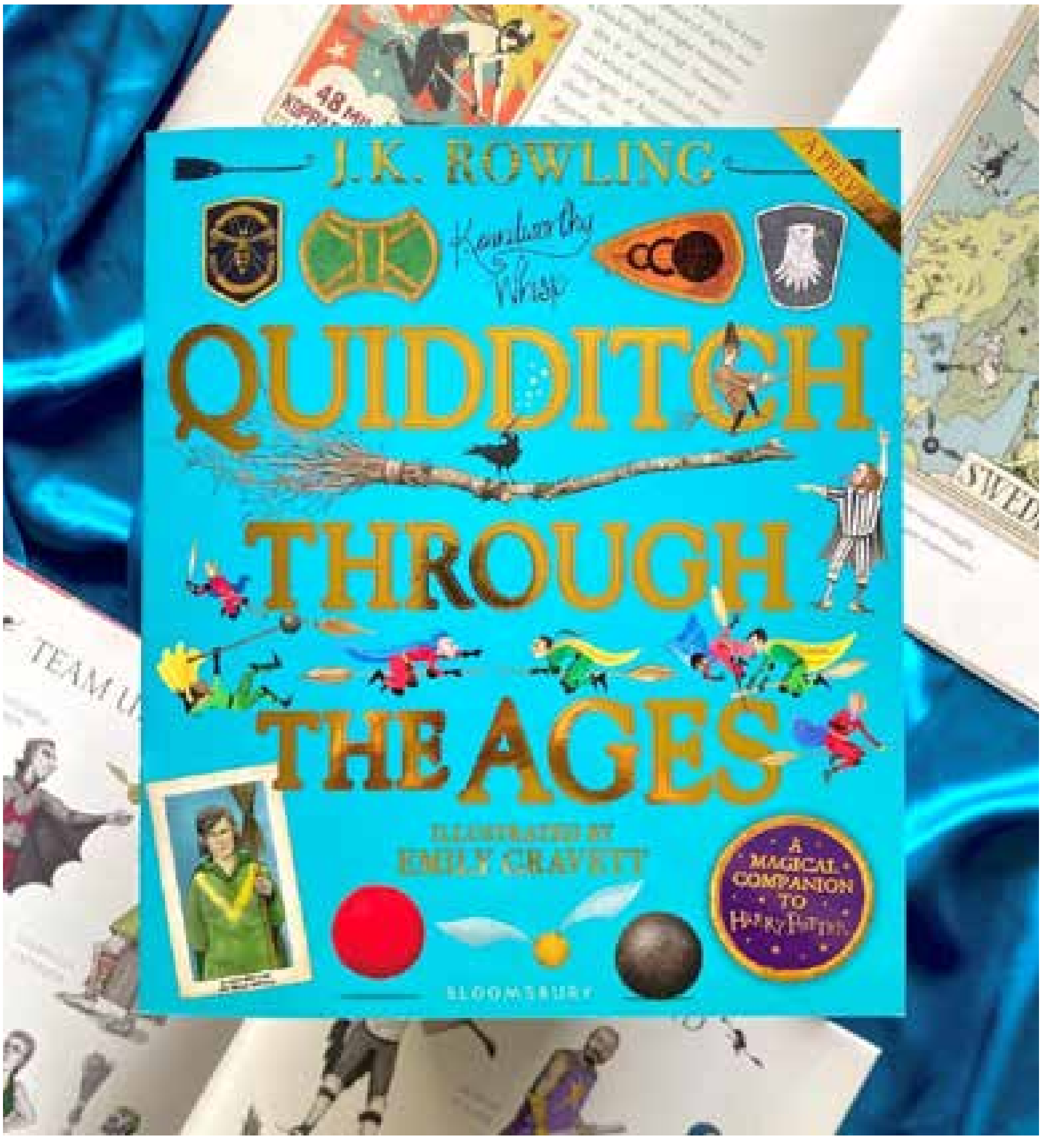

'Wholly original and captivating'
New York Times bestselling author BRIGID KEMMERER
CINDERELLA IS DEAD
KALYNN BAYRON
CINDERELLA'S BALL


The Haunting of Alma Fielding
A True Ghost Story
Kate Summerscale


NEIL GAIMAN
CHRIS RIDDELL
PIRATE STEW


YASMIN KHAN
RIPE FIGS
Recipes and Stories From the Eastern Mediterranean


THE INTERNATIONAL BESTSELLER
THE DUTCH HOUSE
ANN PATCHETT


J.K. ROWLING
QUIDDITCH THROUGH THE AGES
ILLUSTRATED BY EMILY GRAVETT
A MAGICAL COMPANION TO HARRY POTTER
BLOOMSBURY

The Non-Consumer Division

Jenny Ridout
Managing Director,
Non-Consumer Division

Jenny Ridout was appointed as Managing Director of Bloomsbury's Non-Consumer division and Executive Director, member of the Executive Committee, following the retirement of Jonathan Glasspool in July 2020. In her role, Jenny is responsible for the academic, professional and special interests lists, and Bloomsbury Digital Resources. Jenny is also the Executive Sponsor for Bloomsbury's group-wide Diversity, Equity and Inclusion Action Plan. Read more about this in the Corporate Social Responsibility section on pages 74 to 75.

Jenny has been with Bloomsbury for over 15 years, and prior to her current role had global responsibility as head of Bloomsbury's academic publishing where she oversaw the integration of several acquisitions. She has many years of experience in digital resource publishing, being responsible for the creation and rapid growth of Drama Online as Project Director, for which she won the Futurebook Digital Achiever industry award. Jenny was previously the Editorial Director for the Methuen Drama and Arden Shakespeare lists and started her career in publishing at Elsevier where she was the global Publishing Director for the specialist trade and professional media imprint, Focal Press. Jenny is a member of the Higher Education and Academic Councils of the Publishers Association and is on the Industry Advisory Board for the publishing course at Oxford Brookes University.

The Non-Consumer Division consolidates the following Bloomsbury publishing subdivisions: Academic and Professional; Special Interest; and Education.

The Non-Consumer Division provides works of excellence and originality to inspire, educate and inform our specialist audiences, supporting them in their study, careers, hobbies, skills and interests. We are building innovative lifelong learning and information resources, sold direct to institutions, businesses and consumers.

The Division produces a large portfolio of scholarly and B2B digital resources sold direct to higher education institutions, schools and companies worldwide with over 1,100 international academic institutions and 2,600 corporate customers now purchasing digital resources direct from Bloomsbury. We publish over 2,000 new titles per year across subjects in the arts, humanities and social sciences, law and finance, 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 general reference (through Who's Who, Whitaker's, and www.writersandartists.co.uk). Bloomsbury Digital Resources provides academic and professional digital resources, organised around specific subject areas, which support scholarly research and inspire students around the world by providing creative online learning environments. Bloomsbury Digital Resources releases ten new digital resource products annually via its bespoke digital platforms. In addition to its publishing programme, the Division provides content services to corporations and institutions round the world.

The markets we serve:

- 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 publishing services;
- Niche communities of interest in sports and sports science, nautical, military history, natural history, arts and crafts and popular science; and
- Teachers and trainee teachers looking for content to support continuing professional development and their teaching.

Divisional facts

£66.8m
Revenue

£13.2m
Revenue - US

£5.4m
PBTA*

£51.5m
Revenue - UK

£2.1m
Revenue - Other territories

8.1%
PBTA Margin

* PBTA is profit before taxation, amortisation of acquired intangible assets and other highlighted items.

In March 2020, Bloomsbury purchased and integrated certain assets of Zed Books Limited, an academic publisher specialising in Africa studies, economics, development, politics and books about the Global South. In April 2021 Bloomsbury purchased certain assets of Red Globe Press (RGP), the academic imprint from Macmillan Education Limited, a part of Springer Nature Group. RGP specialises in high-quality academic publishing in the Humanities and Social Sciences. RGP has a backlist of more than 7,000 titles and publishes more than 100 new titles per year, with content including digital platforms, textbooks, research-driven materials and general academic publishing. The acquired RGP titles are a good strategic fit, strengthen Bloomsbury's existing academic publishing, and establish new areas of academic publishing in Business and Management, Study Skills and Psychology.

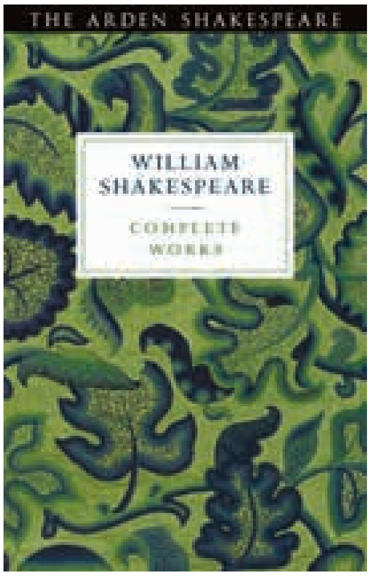
Value-generating activities	Description
Academic book publishing in print and ebook formats	Required study material for students of the arts, humanities and social sciences. Mainly backlist, print and ebooks, with a significant USA weighting. Sold direct and through industry intermediaries.
Digital academic and B2B services	Online services sold direct to institutions and companies worldwide, e.g. 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, e.g. Bloomsbury Professional Online sold direct through subscription.
Books and online resources for teachers	Content for teachers and trainee teachers.
Publishing services	Range of end-to-end publishing and content services, digital and print, provided direct to authors, funders, corporations and organisations.
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.

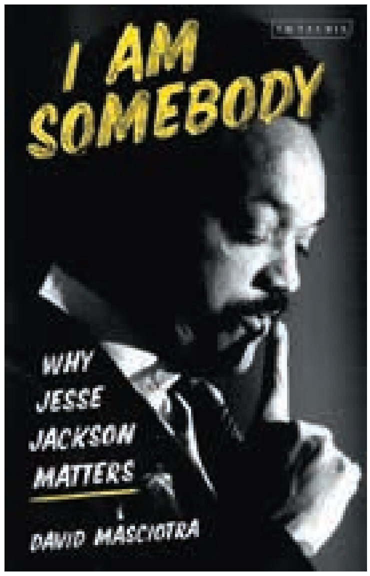
Strategic goals

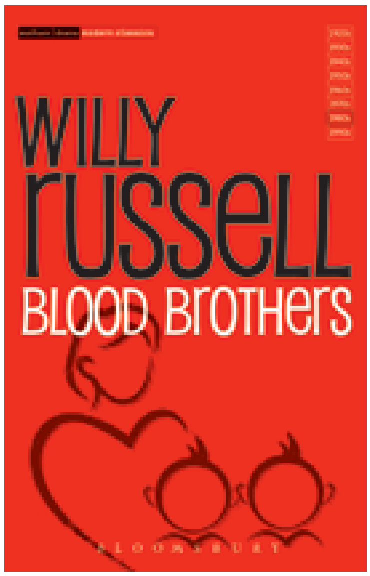
- Growing the Division via direct sales to institutions such as higher education libraries worldwide, law firms, accountancy practices, and tax practitioners rather than via traditional third-party retailers and content aggregators.
- Increasing investment in repeat purchase digital services for professional,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

Strategy for growth

- 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.
- Ensure our content portfolio, author base and staff representation is diverse and inclusive.

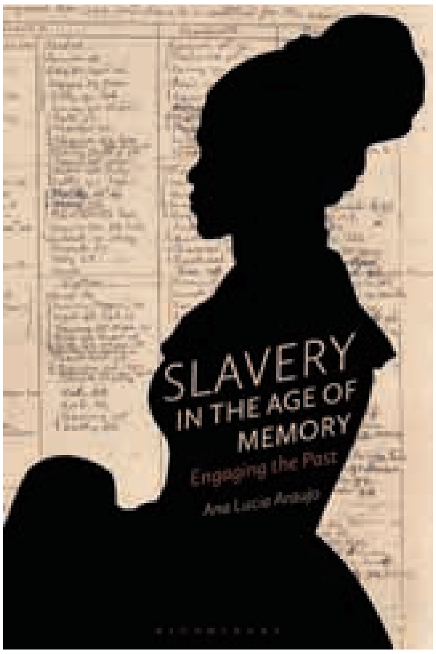


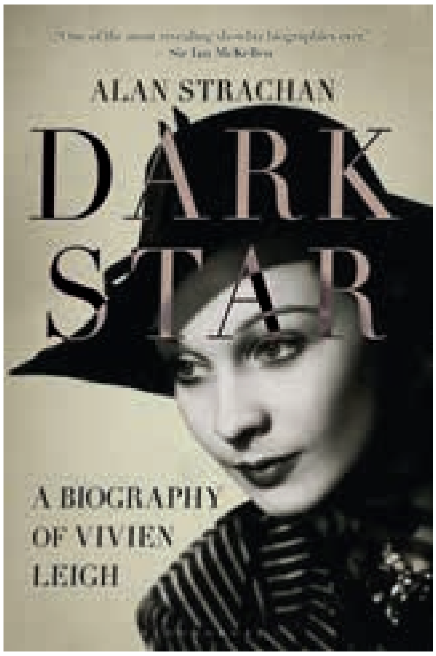




The Non-Consumer Division

continued





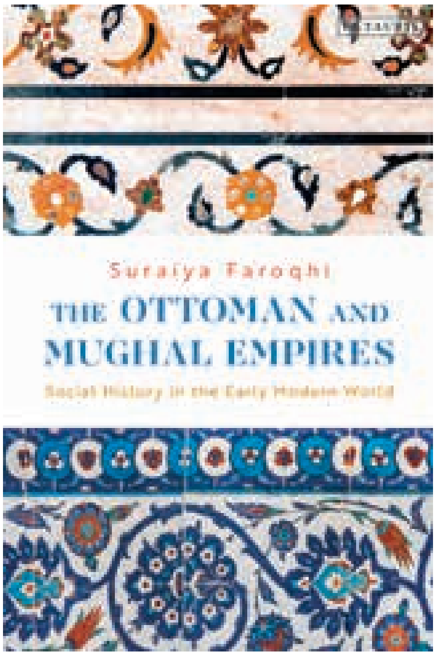
Examples of recent Non-Consumer prizes and awards

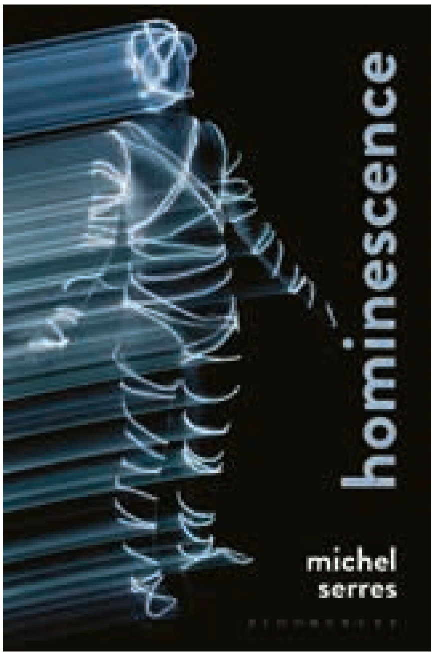
Special Interest

- Shortlisted for 2020 British Book Awards, Audiobook of the Year for *The Madness of Crowds* by Douglas Murray
- Winner: British Trust for Ornithology Bird Book of the Year 2020 for *Moult and Ageing of European Passerines* by Lucas Jenni and Raffael Winkler
- Shortlisted for the Wainwright Prize for *Wanderland* by Jini Reddy
- Winner: Shut Up and Sit Down Recommends for *Undaunted: Normandy*
- Shortlisted for The William Hill Sports Book Award for *This is Esports*

Academic

- Winner: 2021 British Book Awards: Academic, Educational and Professional Publisher of the Year
- Winner: James Tait Black Prize for Drama for *J'Ouvert*
- Winner: The Best Black History Books of 2020 Black Perspectives - African American Intellectual History Society for *Slavery in the Age of Memory* by Ana Lucia Araujo
- Winner: The American Institute of Graphic Arts for *Writing for the Design Mind* by Natalia Ilyin
- Winner: Society for Theatre Research Theatre Book Prize for *Dark Star: A Biography of Vivien Leigh* by Alan Strachan
- Winner: Royal Historical Society Whitfield Prize for *Ireland and the Great War* by Niamh Gallagher
- Winner: Stage Magazine Stage Debut Awards for *The High Table* by Temi Wilkey
- Winner: The Society of Architectural Historians of Great Britain Colvin Prize for *Sir Banister Fletcher's Global History of Architecture* by Murray Fraser
- Winner: Modern Languages Association Scaglione Award for Germanic Languages and Literature for *The Fontane Workshop* by Petra S. McGillen
- Winner: Limina Award Cinéma & Cie for *European Cinema and Continental Philosophy* by Thomas Elsaesser
- Winner: WIRED 26 of the Most Fascinating Books for *Bulletproof Vest* by Kenneth R. Rosen





Choice Outstanding Academic Title Award Winners:

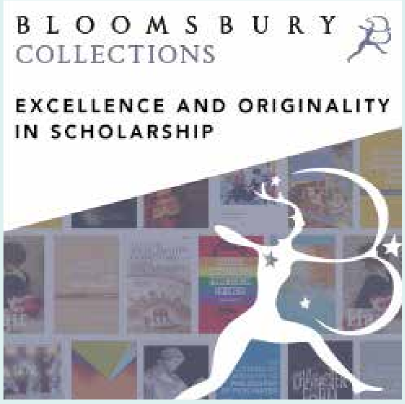
- *Hominescence* by Michael Serres
- *Political English* by Thomas Docherty
- *The Bloomsbury Reader in the Study of Myth* by Jonathan Miles-Watson and Vivian Asimos
- *The Origins of the Film Star System* by Andrew Shail
- *Troy on Display* by Abigail Baker
- *The T&T Clark History of Monasticism* by John Binns
- *Freemasonry and the Visual Arts from the Eighteenth Century Forward* by Reva Wolf and Alisa Luxenberg
- *The Ottoman and Mughal Empires* by Suraiya Faroqhi
- *Women and Democracy in Iraq* by Huda Al-Tamimi
- *The Making of the Slovak People's Party* by Thomas Lorman

Digital Awards

- *Bloomsbury International Encyclopedia of Surrealism* was named a Prose Awards finalist for best e-resource
- *Bloomsbury Medieval Studies* was recognised by Library Journal as a 2020 Best Reference of the year

Shortlistings of note

2020 British Book Awards
Academic, Educational and Professional Publisher of the Year



Creating value in our Non-Consumer Division

What we have done this year

In June 2020 we finalised partnerships with the two key higher education library suppliers, ProQuest and EBSCO, allowing integration of Bloomsbury Collections into library acquisition workflows. This entirely new channel provides academic libraries with the option of purchasing individual titles or collections via their preferred vendors.

How we add value

Total sales of Bloomsbury Collections via these two channels were £1.1m, with 7,449 titles sold, representing 28% of all Bloomsbury Collections sales. To support the rapidly accelerated shift to digital learning that was driven by the pandemic, we opened up gratis access to Collections. This resulted in 950 trials across 56 countries.

Outlook

Title by title ebook sales continue to grow. We are rapidly expanding the number and range of titles available for sale on the Bloomsbury Collections platform, now totaling more than 14,000 titles across 24 disciplines. We are further enhancing value by adding textbooks and professional titles, meeting library demand for a broader range of content.

Group Functions supporting the Publishing Divisions

Sales, Marketing and Sales Operations

Kathleen Farrar is Managing Director, Group Sales and Marketing and an Executive Director, member of the Executive Committee. She 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 and an Executive Director, member of the Executive Committee. 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 an Executive Board Director and 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.

Bloomsbury's International Offices

Bloomsbury USA

Bloomsbury USA is led by Adrienne Vaughan, who was appointed as Chief Operating Officer of Bloomsbury USA, and Executive Director, member of the Executive Committee, in September 2020. Adrienne has a 20-year career in publishing including roles at Scholastic, Disney Publishing, Worldwide, Oxford University Press and most recently was Senior Vice President at Trustbridge Global Media.

Established in 1998, Bloomsbury USA publishes high quality fiction and non-fiction for adults and children as well as cutting edge scholarship from a global list of renowned academic authors. Located in Manhattan, our extensive roster of bestselling and award-winning trade authors includes Carol Anderson, Sam Quinones, Jesmyn Ward, Susanna Clarke, Sarah J Maas, Brigid Kemmerer, Renée Watson and many more. Bloomsbury Academic publishes a rich portfolio of content, in both print and digital formats, across a broad range of disciplines within the humanities, social sciences, and law.

Bloomsbury USA operated completely remotely from March 2020 onwards. The team has had many challenges during 2020/2021, but quickly adapted to stay connected with each other, authors, illustrators, distributors, suppliers and customers, meeting and exceeding business expectations. Highlights included the spectacular performance of Sarah J Maas print and ebook sales, with both of her new 2020/2021 titles achieving Number 1 on *The New York Times* Bestseller list.

Bloomsbury India

Bloomsbury India is led by Managing Director, Rajiv Beri. Rajiv was appointed in March 2012, with the mandate of setting up the Indian office. Prior to joining Bloomsbury, Rajiv was Managing Director of Macmillan India from 1995 to 2011, head of Palgrave in India from 1990 to 1994, Publishing Director of Macmillan India from 1987 to 1994 and Publishing Chief of Tata McGraw-Hill India from 1976 to 1987.

Bloomsbury India was formally launched in September 2012 with the objective of maximising sales of the Group product range and developing fundamentally strong, long lasting and successful publishing programmes, sourcing the best of Indian writing talent. Within eight years the company has published over 1,000 India originating titles, including the highest selling self-help books in the country, by Shiv Khera. With a focus on diversity in publishing, Bloomsbury India has strong publishing programmes in Adult Trade, Children's, Academic and Professional. The company operates from its head office in New Delhi with 45 employees.

2020/2021 was hugely challenging. The pandemic hit India hard and for most of the year academic institutions and colleges were closed, physical book stores were closed or with minimal footfall and for a third of the year even the online supply of books was at a halt.

During this very difficult period what stood out was the resilience and commitment of Bloomsbury India employees who, while working from home for the whole year, adjusted to the new normal and remained committed to their work and pursued business objectives with clear focus. The Bloomsbury community is extremely saddened by the loss of two of our colleagues in India, Aravind Murthy and Yogesh Sharma, from coronavirus. Our thoughts are with the family and friends of both and all our colleagues in the India office.

Bloomsbury Australia

Bloomsbury Australia is led by Managing Director, Liz Bray, who joined Bloomsbury in April 2018. Liz began her career as a bookseller in Sydney, then moved to Allen & Unwin where she worked in various Marketing and Product Management roles before heading up Allen & Unwin's Children's and Young Adult Books division for five years. Prior to joining Bloomsbury Liz was Deputy Sales Director at Simon and Schuster Australia.

Bloomsbury Australia is responsible for Australian and New Zealand sales, marketing and distribution of Bloomsbury titles commissioned and published in the UK and US.

This year, the team achieved the Number One fiction bestseller slot for *House of Earth and Blood* by Sarah J. Maas (Bookscan).

We received the coveted International Book of the Year Award at the Australian Book Industry Awards, recognising our year-long campaign for *Such a Fun Age* by Kiley Reid. This book was the highest-selling fiction debut in Australia in calendar year 2020 (Bookscan). Our Sydney-based staff worked entirely from home for six months of the year, with the whole team meeting online every day. We returned to the office from September following the implementation of appropriate safety measures.

Financial Review

In 2020/2021, Group revenues increased by 14% to £185.1 million (2019/2020: £162.8 million).

The Consumer division generated exceptional revenue growth of 22% to £118.3 million (2019/20: £96.8 million), with excellent performance from both the Adult and Children's divisions, across front and backlist titles.

In our Non-Consumer Division, Bloomsbury Digital Resources ("BDR") achieved 49% growth, and delivered £12.4 million revenue. Our academic digital growth significantly outperformed the UK market, with our digital strategy, conceived six years ago, ahead of and benefiting from the market changes. Total revenue in the Non-Consumer Division increased by 1% to £66.8 million (2019/20: £66.0 million), generated by 3% growth in Academic & Professional division, and resilient sales in the Special Interest division.

Revenues by territory

Revenues sold overseas totalled £119.3 million, increasing to 64% of total revenues.

The chart on the next page shows where Group revenues by source were generated for the year ended 28 February 2021.

Revenues by type

Digital sales grew by 56%, driven by ebook growth of 64%, across both divisions, the 49% increase in BDR revenues and audio growth of 31%. Print sales were strong with an 8% increase during the year, with increased Consumer sales, partly offset by lower Non-Consumer print revenues. Rights and services revenues reduced by 20%, with strong prior year comparatives in both divisions.

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

Profit

Profit before tax and highlighted items increased by 22% to £19.2 million (2019/2020: £15.7 million). Profit before tax increased by 31% to £17.3 million (2019/2020: £13.2 million).

The increased profit was driven by the excellent performance of the Consumer Division, with profit before taxation and highlighted items up 61% to £14.2 million (2019/2020: £8.9 million).

The operating profit margin increased year-on-year to 9.6% from 8.3%, with improved profitability. The operating profit margin before highlighted items increased year-on-year to 10.6% from 9.8%. Administrative expenses, excluding highlighted items, and employee bonus were 7% higher; this was due to adverse foreign exchange movements, the increased bad debt provision and higher share option charges.

Highlighted items in the year comprised the amortisation of acquired intangible assets of £1.8 million (2019/2020: £1.7 million), one-off restructuring costs and legal and other professional fees relating to the acquisitions of £1.3 million (2019/20: £0.6 million), and a one-off US government grant under the Paycheck Protection Program (£1.3 million).

Interest

The net finance cost was £0.5 million (2019/2020: £0.2 million). The finance income of £0.1 million relates to bank interest and the unwinding of interest on long-term revenue contracts. The finance cost of £0.6 million predominantly relates to interest on lease liabilities under IFRS 16.

Taxation

The tax charge of £3.7 million (2019/2020: £2.7 million) is a reported effective rate of tax of 21.0%, slightly higher than the reported rate of 20.6% for the prior year. Excluding the effect of highlighted items, the effective tax rate for the Group was 20.0% (2019/2020: 19.0%).

"Profit before tax and highlighted items increased by 22% to £19.2 million (2019/2020: £15.7 million)."

Penny Scott-Bayfield
Group Finance Director

Profit before tax increased by

31%

to £17.3 million

(2019/20: £13.2 million)

Earnings per share

Diluted earnings per share before highlighted items increased by 15% to 18.68 pence (2019/2020: 16.23 pence), as a result of the profit growth. Diluted earnings per share, after deducting highlighted items, increased by 25% to 16.71 pence (2019/2020: 13.40 pence). The prior year earnings per share has been restated to reflect the bonus issue of shares in the year; see note 10. Information on distributable reserves can be found on page 194. Information on the dividend can be found in the Chief Executive's Review on page 20.

Capital structure

Our balance sheet at 28 February 2021 is summarised in the table below:

	2021 £m	2020 £m
Goodwill and acquired intangible assets	58.0	58.8
Internally generated intangible assets	8.0	7.9
Investments	0.2	0.5
Property, plant and equipment	1.8	1.9
Net right-of-use assets and lease liability	(1.5)	(1.2)
Net deferred tax assets	1.5	0.4
Working capital	45.5	49.9
Other non-current assets and liabilities	0.2	0.2
Total net assets before net cash	113.7	118.4
Net cash	54.5	31.3
Total net assets	168.2	149.7

Net assets per share were 206 pence (2020: 199 pence). The main movements on the balance sheet were working capital and cash. Working capital decreased mainly due to the £2.6 million employee bonus accrual (2019/2020 £nil) due to strong results delivered during the year. The £23.2 million improvement in net cash was due to the strong trading, the net £8.0m proceeds from the share issue and the bonus issue in lieu of the 2019/20 final cash dividend.

Inventories decreased by 1% to £26.8 million (2020: £27.2 million). On a like-for-like basis, excluding the effect of acquisitions (reduced by £0.3 million) and on a constant currency basis (increased by £1.0 million), the increase in inventories was 1% or £0.3 million.

Total trade and other receivables increased by 10% to £94.5 million (2020: £86.0 million). Net trade receivables were £6.2 million higher at £58.7 million (2020: £52.4 million) due to strong trading during the year.

Trade and other liabilities increased by 20% to £74.3 million (2020: £61.8 million). Trade payables were £1.7 million lower at £23.7 million (2020: £25.4 million) due to timing of title releases and printing. Accruals were £9.3 million higher than last year at £29.0 million (2020: £19.7 million) due to the higher royalty accrual, up £4.4 million, and the £2.6 million employee bonus payable for the year (2020: £nil).

Cash

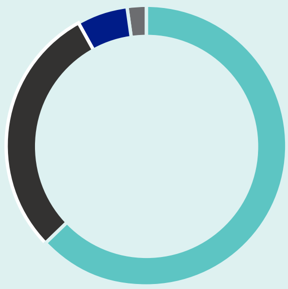
Cash and cash equivalents were £54.5 million (2020: £31.3 million). Cash flow conversion in the year was 142% (2020: 111%).

The net cash generated from operating activities, including the effect of highlighted items, was £25.2 million (2020: £16.6 million). This movement is due to increased profit. Cash used in investing activities was principally the acquisition of certain assets of Zed Books Ltd and the cost of internally generated intangible assets such as product and system development. Cash used in financing activities mainly comprised the rights issue for £8.0 million and dividend payments.

Liquidity

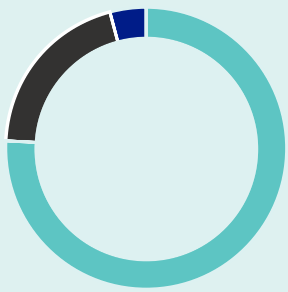
The Group has an unsecured committed revolving credit facility with Lloyds Bank Plc. The facility comprises £8.0 million in the first half and an additional £4.0 million in the second half, totalling £12.0 million, to match Bloomsbury's cashflow cycle. The facilities are subject to two covenants, being a maximum net debt to EBITDA ratio of 2.5x and a minimum interest cover of 4x. The loan facilities mature in 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.

Revenues by territory



- UK 63%
- USA 29%
- Australia 6%
- India 2%

Revenues by type



- Print 76%
- Digital 20%
- Rights and Services 4%

Financial Review

continued

Acquisitions
In March 2020, the Company acquired Zed Books for £1.7 million, £0.9 million of which was paid on completion, £0.6 million was paid during the year and £0.2 million was paid post year end. For the year ended 28 February 2021, Zed Books contributed £0.8 million of revenue to the Academic & Professional division.

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 the 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:

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.

Highlights

£185.1m
Revenue

£19.2m
PBTA

18.68p
Adjusted diluted EPS (pence per share)

15.4%
ROCE

Cash conversion

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

	2021 £m	2020 £m
Cash generated from operating activities	**29.6**	18.3
Settlement of pre-existing acquisition liabilities	**–**	0.1
Adjusted cash generated from operating activities	**29.6**	18.4
Less: Purchase of property, plant and equipment	**(0.4)**	(0.3)
Less: Purchase of intangible assets	**(3.8)**	(3.1)
Net cash generated	**25.4**	15.0
Operating profit	**17.8**	13.5
Cash conversion	**142%**	111%

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 2020 to convert the overseas revenue into sterling. This has been applied on a month-by-month basis to the 2021 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 2021 – reported	74,599	43,761	118,360	44,307	22,469	66,776	185,136
Currency adjustment	526	211	737	228	84	312	1,049
2021 – currency adjusted	**75,125**	**43,972**	**119,097**	**44,535**	**22,553**	**67,088**	**186,185**
2020 – reported	59,354	37,416	96,770	43,123	22,879	66,002	162,772

	United Kingdom £0'000	North America £'000	Australia £'000	India £'000	Total £'000
Group revenue 2021 – reported	117,429	53,872	11,084	2,751	185,136
Currency adjustment	–	920	(99)	228	1,049
2021 – currency adjusted	**117,429**	**54,792**	**10,985**	**2,979**	**186,185**
2020 – reported	104,440	42,415	11,107	4,810	162,772

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
Group operating profit before highlighted items 2021 – reported	10,542	3,965	14,507	4,368	1,172	5,540	(410)	19,637
Currency adjustment	114	10	124	26	4	30	–	154
2021 – currency adjusted	**(10,656)**	**3,975**	**14,631**	**4,394**	**1,176**	**5,570**	**(410)**	**19,791**
2020 – reported	7,400	1,667	9,067	4,906	1,974	6,880	–	15,947

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

Principal Risks 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. The Group has policies and procedures in place to ensure that risks are properly identified, evaluated and managed at the appropriate level within the business. The Group maintains a comprehensive risk register which assesses all pertinent risks, including operational, financial, compliance and strategic risks. The risk assessment is dynamic so includes emerging and retiring risks as the risk landscape changes. Each risk is monitored and where necessary updated, using a rating system which seeks to assess the likelihood and impact of the relevant risks crystallising. Against this an assessment is made of the controls that are in place to mitigate the relevant risk.

Each division and department maintains the risk register in respect of the risks relevant to that division or functional area. The risk register is reviewed on a quarterly basis by Bloomsbury's Executive Committee and a report on the internal controls and assurances that are in place in respect of the risks identified is submitted to the Audit Committee three times a year.

Further explanation of the Group's risk management and internal control framework is provided in the Corporate Governance section on page 106, 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

Executive Committee

Divisional and departmental management

Bloomsbury's risk management framework is designed to provide the Board with oversight of the most significant risks faced by 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 measures and controls in place to manage and mitigate the level and 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. The Board receives a comprehensive report on the principal risks of the Group and the measures and controls in place to manage those risks twice a year.

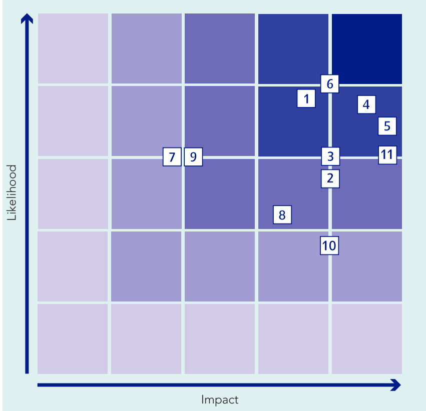
Outlined in the table starting on page 49 of this section of the Annual Report, and shown on the risk heat map on this page, are the principal risks that management have identified to the Group. These risks are included in the table on the basis of the gross risk rating described above; the actions and controls applied to mitigate these risks are described alongside each risk. The risk heat map illustrates the net risk ratings of these risk areas after mitigation and controls.

Not all the risks listed in the table, starting on page 49 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 92 of the Directors' Report with regards to forward-looking statements. Details on financial risk management are given in note 25.

Principal risks

The table on pages 49 to 52 summarises those risks which management considers significant for the Group's business 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. 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

Key area	Risk	Description	Mitigation
Market Change in risk: ↓	A	**Market volatility: Impact of the coronavirus pandemic** Sales of print books in the Group's key markets are impacted by the imposition of Government lockdowns, restrictions and retail closures.	• Close monitoring of revenue streams and affected supply chains during lockdowns, as well as following the lifting of restrictions to assess recovery levels of offline retail; 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.
		Open access UK funding body UKRI is proposing to extend Open Access requirements to monographs from 1 January 2024, with a 12-month embargo for titles made available in institutional repositories (Green) and Open Access on publication for funded titles (Gold). If there is not sufficient funding in place for Gold and the sector opts for Green then income from UK-originated monographs that are submitted to the REF - the UK's system for assessing the quality of research in UK Higher Education institutions - may be impacted.	• Develop digital services that deliver mixed open access and proprietary content in the form that customers demand and will continue to pay for. • Open access publishing initiatives are underway to ensure Bloomsbury is well placed to continue to serve its UK academic authors and in preparation for the possible adoption of UKRI's proposed policy in respect of monographs from 2024. • Recruitment in February 2021 of Director of Research and Open Access to ensure the successful transition to sustainable open access business models. Business workflow and systems are in the process of being adapted to ensure capacity to operate at scale.
		Sales of used books Sales of used books for academic purposes erode backlist sales.	• Digital subscriptions and multiple ebook purchasing models are offered direct to institutions and students.
		Rental of textbooks US 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 resources and ebook platforms to deliver, direct to institutions and students, the content and flexible pricing models to suit readers' requirements.

Key to risk change ↑ Increased ↓ Decreased → No change

Principal Risks and Risk Management

continued

Key area	Risk	Description	Mitigation
Importance of digital publishing Change in risk: ↓	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 more quickly and create economies of scale. • Continue to invest in internal resource and infrastructure to support product pipeline.
		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.
Acquisitions Change in risk: →	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) Change in risk: →	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. • Editorial guidelines and policies in place to guide acquisition decisions.

Key to risk change ↑ Increased ↓ Decreased → No change

Key area	Risk	Description	Mitigation
Information and technology systems Change in risk: ↑	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 Change in risk: ↑	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.
Intellectual property Change in risk: →	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.
		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 procedures. • Undertake targeted enforcement action against third party infringers. • Ensure appropriate digital rights management protection of ebooks and digital formats.
Reliance on key counterparties Change in risk: ↑	H	**Failure of key counterparties or breakdown in key counterparty relationships** The failure of key counterparties could result in a significant disruption to the Group'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. • Diversification of supplier base.

Principal Risks and Risk Management

continued

Key area	Risk	Description	Mitigation
Talent management and retention Change in risk: →	I	**Failure to attract and retain key talent and create an inclusive and supportive environment in which the Group's employees can thrive** Inability to recruit individuals with the necessary skills and experience could impact on Bloomsbury's ability to innovate and grow. 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. • Development of a Diversity and Inclusion Action Plan with clear and ambitious targets to increase diversity within Bloomsbury's workforce and author base. • Global staff turnover by Division and functional area is reported to the Executive Committee and monitored against agreed thresholds.
Legal and compliance Change in risk: →	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 Change in risk: →	K	**Investor confidence** City confidence undermined by events outside of the Company's control, e.g. collapse of a retailer.	• Diversify the Company's portfolio of products and services to reduce dependencies on individual customers, sales channels and markets.

Key to risk change ↑ Increased ↓ Decreased → Stayed the same

Changes during the year

Market

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. However, the net risk rating has decreased. Despite restrictions imposed in response to the pandemic, our supply chains have proven resilient, sales have continued via online retail channels, and our diversified portfolio of content and formats means that Bloomsbury has been well-positioned to respond to the significant shift to digital consumption of content by consumers and institutional customers.

In addition, the risk ratings associated with the sale of used textbooks and textbook rentals have decreased as we continue to develop our portfolio of digital products. The risk associated with developments in open access publishing which has previously been noted under the principal risk area of Intellectual Property is now included under the area of Market risk.

Reliance on key counterparties

The risk rating for this principal area of risk has been increased, due to the coronavirus pandemic exacerbating pre-existing capacity issues arising out of ongoing consolidation within the US print industry, against a backdrop of unprecedented demand. We are expanding our supplier base as a means of mitigating this issue.

Financial valuations

The risk rating for this principal area of risk has been increased as the coronavirus pandemic has impacted the judgemental assumptions relating to the operations of some of our customers.

Information and technology systems

The risk rating for this principal area of risk has been increased as a result of increased risk of malware attacks.

Risk watchlist

In addition to the principal risks set out on pages 49 to 52, the Group monitors emerging threats which may potentially impact the Group in the longer term. The Group considers emerging risks both through the risk management process and in ongoing and established meetings embedded in our performance management system. There may not be sufficient information available to fully assess the likely impact of these emerging risks or to fully define a mitigation plan until a better understanding of the potential risk or the likelihood of the risk crystallising becomes clear. Such risks are kept under review as part of the Group's risk management processes in order to monitor any changes to their probability, likely impact and velocity.

Examples of such emerging risks are:

Potential changes to the UK's copyright exhaustion regime

Exhaustion of rights under applicable copyright law limits the extent to which rights holders can assert their rights after the first authorised sale of a genuine product controlled by their intellectual property rights (IPRs). While the UK was a member of the European Union, it was subject to an exhaustion regime which served to protect the exclusive contractual territorial copyrights acquired by publishers under their publishing agreements in respect of the UK and Europe by allowing rightsholders who authorised the sale of a product outside the European Economic Area ("EEA") to withhold consent for that product to be imported into the EEA.

Following Brexit, the UK is free to adopt its own policy on exhaustion. The UK has for the time being maintained the system of regional exhaustion applicable to EEA countries, with the effect that IPRs in goods placed on the market outside the EEA will not be considered exhausted in the UK. Consequently, the position of publishers in respect of their contractual territorial copyrights currently remains unaffected by Brexit. The UK Government has plans for a formal consultation on the exhaustion regime in 2021 and this may lead to changes which may have a bearing on the Company's contractual copyrights in terms of the Company's ability to prevent the importation into the UK of foreign editions (published by foreign publishers) of works in which the Company has acquired exclusive UK publication rights. This could potentially impact on UK sales and revenues.

We are carefully monitoring developments in this area and are cooperating closely with the UK Publisher's Association (PA) which represents the UK publishing industry before Government. We will engage with any consultation which the Government may publish in order to ensure that the Company's interests are strongly represented.

Climate risk and sustainability

Climate change, and the interventions of Governments around the world which are aimed at reducing greenhouse gases, could present risks to our operations, supply chains and business model in the future. Work is underway to define and address the Group's risks in this area, as described in the Corporate Responsibility section on pages 76 to 81.

Principal Risks and Risk Management

continued

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 Board of Directors confirm that it has carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The Group prepares five-year plans for the Group and each of the global publishing divisions. Projections for the first three years of the plan are based on performance of future new publishing, online platforms and other income pipelines, as well as sales of backlist titles. There is inherently less certainty in the fourth and fifth years.

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

The Group's principal risks (see pages 49 to 52) 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 the areas the Board believes to be the key risks to viability:

- Market volatility, including the ongoing impact of the coronavirus pandemic;
- Increased dependence on internet retailing; and
- Failure of key counterparties.

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 ongoing impact of the coronavirus pandemic.

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

The severe but plausible downside scenario, assumes:

- Print revenues are reduced by 25% – 50% during 2021/2022, with recovery during 2022/2023;
- Downside assumptions about extended debtor days during 2021/2022, with recovery during 2022/2023;
- Cash preservation measures implemented and variable costs reduced.

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 operation 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 continues 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 29 February 2024.

Engagement with Stakeholders

We believe that effective engagement with our key stakeholders, and consideration of their interests, is a vital aspect of our ability to achieve our mission and purpose, drive long-term value creation and ensure Bloomsbury's continued success. The Board is responsible for oversight of stakeholder engagement, ensuring that we balance the needs and expectations of our different stakeholder groups. The Board maintains its oversight through a variety of direct and indirect mechanisms, as illustrated below.

The insights which the Board gains through Bloomsbury's engagement mechanisms provide essential context for the Board's discussions and decision-making process. Board materials and discussions seek to appropriately consider the interests of key stakeholder groups while ensuring the need to promote the success of the Company for the benefit of its members as a whole. In addition, at each Board meeting the Directors are presented with a report on a particular stakeholder group, the key issues affecting that group and the engagement that has taken place to ensure a strong and continued understanding of stakeholder interests and concerns and the potential impact of the Board's decisions across our various stakeholder groups.

The global pandemic and the rising social justice movement have served to highlight the necessity and importance of stakeholder engagement. Companies and individuals are being judged on how they have responded to these events and to societal and stakeholder needs. Close and ongoing engagement with our stakeholders over the year has been integral to ensuring Bloomsbury's successful navigation of the challenges posed by the pandemic. This engagement also enabled us to support our various stakeholders, and particularly our employees, authors, customers and suppliers through these unprecedented times.

On these pages, we have grouped our stakeholders into seven key categories and have provided an overview of their interests and concerns, the ways in which the Company and the Board (either directly and through the senior management team) engage with them, and how the interests of these key stakeholder groups are taken into account in our decision making and the formulation of our strategy.

This section of the report, in conjunction with our Section 172(1) Statement on pages 129 to 130, sets out how the Directors have taken into account the interests of material stakeholders in their decision making during the year.

Bloomsbury's key stakeholder groups

Shareholders

Authors and illustrators

Employees

Suppliers

Customers - wholesale and retail

Customers - academic and educational institutions, corporate customers

Society (including community and the environment)

See pages 56 to 64 to read more

Shareholders

Why they matter	What matters to them	Ways we engage	How we consider the interests of our stakeholders
Our Shareholders are the ultimate owners of Bloomsbury. They 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.	• Long-term value creation through a mix of capital appreciation and dividends; • Timely and relevant information on performance against expectations; • Dividend Policy; • Remuneration Policy; • Clear strategy to deliver long-term growth; • Opportunities for engagement with management; • A supportive Company culture and the wellbeing of employees; and • ESG (environmental, social and governance) performance. In 2020/2021 there has been a particular focus on the impact of the pandemic on Bloomsbury's performance.	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 current and prospective Shareholders 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. All meetings during the year were held virtually due to the pandemic. 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. Due to the coronavirus pandemic, the 2020 AGM was held as a closed meeting. Shareholders were strongly encouraged to participate by submitting a proxy vote prior to the meeting and were invited to submit to the Board any questions they would otherwise have asked at the AGM ahead of the meeting by email. Prior to the 2020 AGM, Shareholders with a holding over 1% were consulted in respect of proposed revisions to the Company's Remuneration Policy. The Remuneration Policy was approved by Shareholders at the 2020 AGM.	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 14 to 21, which explains the Company's performance and investment decisions during 2020/2021. 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 was taken into account and reflected in the Policy, which was approved by Shareholders 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	What matters to them	Ways we engage	How we consider the interests of our stakeholders
Authors are the lifeblood of our Company.	• 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.	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.	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.

Engagement with Stakeholders

continued

Employees

Why they matter	What matters to them	Ways we engage	How we consider the interests of our stakeholders
Our employees are amongst Bloomsbury's most important strengths. They are key to delivering Bloomsbury's purpose and strategy, and are the driving force behind Bloomsbury's success. Attracting and retaining talent is therefore integral to our performance and our business model.	• Fulfilling work; • Recognition; • Fair and transparent remuneration; • Career development and progression; • To work in a stimulating, positive, ethical and supportive environment for a business with a strong social purpose; • A culture of inclusivity; • To understand business context and strategy; • To have a voice in Bloomsbury's business; • Engagement with management; and • The long-term health of the business.	Information about the ways we engage with our employees is set out on pages 70 to 73 of the Strategic Report.	Information about how we consider the interests of our employees and the outcome of our engagement is set out on pages 70 to 73 of the Strategic Report.

Suppliers

Why they matter	What matters to them	Ways we engage	How we consider the interests of our stakeholders
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.	• 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.	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.	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.

Engagement with Stakeholders

continued

Customers – wholesale and retail

Why they matter	What matters to them	Ways we engage	How we consider the interests of our stakeholders
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.	• 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.	Senior management meets with key customers at relevant book fairs. During the pandemic, all meetings have been virtual. 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.	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.

Customers – academic and educational institutions, corporate customers

Why they matter	What matters to them	Ways we engage	How we consider the interests of our stakeholders
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.	• 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.	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. During the pandemic, site visits have been halted, all meetings have been online and attendance at conferences and events has been virtual.	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.

Engagement with Stakeholders

continued

Society – including community and the environment

Why it matter	What matters	Ways we engage	How we consider the interests of our stakeholders
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.	• That Bloomsbury behaves as a responsible and ethical corporate citizen; • That we support relevant charities; • That we contribute to community success; • That we promote diverse representation within our workforce and in the content we publish; and • That we manage our environmental footprint.	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 65 to 70 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 and progress during the year is set out in the Corporate Responsibility section on pages 76 to 77.	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 policy and performance can be found in the Corporate Responsibility section on pages 76 to 81. The Board has oversight of Bloomsbury's environmental policy and strategies for reducing the environmental impact of our business. The Executive Committee and the Board receive regular presentations on the activities of Bloomsbury's Sustainability Steering Group, considers recommendations from the Steering Group for proposed sustainability initiatives and approves action where appropriate to improve Bloomsbury's environmental footprint, including the setting of targets to reduce greenhouse gas emissions.

Considering our Stakeholders through the Covid-19 Pandemic

Employees

The safety and wellbeing of colleagues has been a key priority for the Board through the pandemic. As the scale of the global pandemic became clear, a decision was taken, prior to the first UK Government "stay at home" order, to close our offices worldwide on 16 March 2020 and ask colleagues to work remotely from home.

During this period of uncertainty and change, the Board and senior management team focused on providing reassurance, dedicating resource and attention to helping colleagues successfully adapt to working from home while seeking to maintain a sense of community and connection.

The frequency of communications from management to our workforce was significantly increased in order to ensure that colleagues remained informed of business developments and the measures taken by the Board and senior management to establish the security of the business, and to provide guidance and support to colleagues.

We have fostered employee engagement through ongoing Employee Voice Meetings, monthly virtual Town Halls, and online social networks, as well as hosting virtual Wellbeing Lunches Live events for all employees. Colleagues have been able through the forum of Employee Voice Meetings to provide feedback on actions and initiatives taken by Bloomsbury in response to the pandemic and the extent to which this has met their specific needs and concerns. We have responded to this feedback with various measures as set out on pages 70 to 71 of the Strategic Report.

We eschewed redundancies and, while making necessary adjustments to our operational and working practices in response to the practical impact of the pandemic, we pursued as far as possible a course of "business as usual" to provide stability for our colleagues. We restricted our use of the Government furlough scheme to a small number of employees performing office management and facilities roles, for a limited period.

With the objective of avoiding redundancies and as one of the measures we took in the early days of the pandemic to preserve cash and ensure the resilience of the business at a time of extreme uncertainty, we asked all staff earning over a particular threshold to agree to a voluntary reduction in salary for a period of three months. The response from colleagues to this request was overwhelmingly positive. Salaries were subsequently reinstated in July 2020, and in November 2020 all amounts which had been voluntarily sacrificed by colleagues were repaid in full.

As the year has unfolded we have sought the views of colleagues on future working practices once social distancing measures are lifted and Bloomsbury's offices reopen. The feedback received has informed the decision of the Board and management to introduce a balanced, agile working model in response to the desire of colleagues for more flexibility and has enabled the Board to manage the Company's real estate requirements more effectively.

As the global social justice movement has gained momentum and to demonstrate our commitment to tackling issues of social inequality, we have responded by accelerating our work on Bloomsbury's diversity and inclusion strategies. Read more about our HR practices and our D&I initiatives in our Corporate Responsibility section on pages 70 to 75.

Shareholders

In response to the pandemic, the Board took swift measures to strengthen Bloomsbury's balance sheet and increase liquidity to ensure sufficient working capital to weather the impact of the pandemic and ensure the long-term viability of Bloomsbury's business.

The Board determined that it would be in the best interests of Shareholders to raise funds by undertaking an equity placing ("Placing"). The Chief Executive and Group Finance Director held meetings with major Shareholders to seek their views on the proposed Placing, and received broad support for this action.

Proactive measures were also taken to conserve cash and safeguard Shareholder interests, including:

- The Board taking salary or fee reductions of 30%;
- Salary reductions across the majority of staff, weighted to senior colleagues;
- Applying for government schemes in the UK, US and Australia to support staff and the operation of the business;
- Recruitment freeze; and
- Reducing discretionary spend.

The Board further determined that it would be appropriate to cancel the final cash dividend for 2019/2020. Major Shareholders were consulted in respect of a proposal for the Company to instead settle the dividend by way of a bonus issue, which it did following Shareholder approval at the 2020 AGM.

Authors and Illustrators

While many other publishers responded to the pandemic and the closure of physical retail by delaying publications schedules, Bloomsbury made a strategic decision not to delay publication of our frontlist titles.

This decision provided certainty and security for our authors, who also consequently benefitted from a greater opportunity for publicity and increased visibility of their books. This decision was also intended to guard against the potential impact on the book market once publishers who had delayed their publication schedules simultaneously released the titles they had put on hold later in the year.

At the same time, we have been supportive of our authors by agreeing changes to manuscript delivery dates where necessary and in response to their personal circumstances.

We have worked closely with our authors to pivot to online marketing and virtual publicity events to promote their books, succeeding in reaching far larger audiences than would have been possible in the physical world.

Considering our Stakeholders through the Covid-19 Pandemic

continued

A key concern for authors during the pandemic and particularly during the periods when physical retail shops have been closed has been the availability of their books for sale; we have been in continuous communication with our authors to keep them informed of any issues with the supply chain and have worked extremely closely with our suppliers and customers to meet scheduled publication dates and ensure the availability of stock for sale.

Customers

Government lockdown measures and retail closures affected our wholesale and retail customers worldwide, particularly in the UK, Europe and India. We have supported customers by extending credit terms to help them continue trading through lockdowns and have supported the Booksellers Association and independent bookshops on initiatives such as the arrival of Bookshop.org, through online campaigns promoting delivery or click & collect from physical bookshops and by creating exclusive promotional materials for physical retailers.

We have cooperated closely with our online retail customers to respond to the massive shift to online consumer purchasing which has resulted from the pandemic, to meet increased demand, and to address logistical issues arising in the supply chain.

Bloomsbury websites were also adapted to become alternative retailers for consumers during lockdown and we created bespoke website promotions for different markets.

Academic and educational institutions around the world have been required to migrate rapidly to online classes; we responded by creating an expanded free access initiative to Bloomsbury Digital Resources to support our customers in making this transition to digital learning. We continue to build our digital learning strategy to provide more solutions for the shifting academic landscape and to meet the changing needs of our customers.

Suppliers

As the pandemic disrupted business operations and some publishers decided to delay publication dates, a key concern for our print suppliers was certainty over incoming business and revenue streams. As a result of our decision not to delay publication of our frontlist titles despite lockdown measures and the closure of physical retail, we were able to support our print suppliers by ensuring a continuous work flow. We also increased the frequency of our engagement with these suppliers to effectively manage the impact of creating safe working environments, staff illness and Government restrictions on supplier capacity.

For our print distributors, the key concern was how to manage supply and deliveries with a reduced workforce as a result of Government restrictions and placing employees on furlough. The priority for them has been to have certainty over the availability of stock in order to meet rapidly changing customer demand and delivery requirements. This was particularly challenging as orders shifted dramatically to key online retailers and then shifted again when High Street retailers were able to open. We have been in constant communication with our distributors to manage these issues on a day-to-day basis throughout the pandemic, keeping them informed over stock availability and supply and liaising with customers as necessary to support our distributors in meeting their requirements.

Society and the Environment

We recognise the responsibility of publishers to reflect the societies in which we operate, and the important role that we play in shaping culture.

We have been at the forefront of the social justice movement with *Why I'm No Longer Talking to White People About Race*, by Reni Eddo-Lodge, which was the number one paperback *Sunday Times* bestseller for seven weeks, and *White Rage* by Carol Anderson which reached number eight on the *New York Times* bestseller list.

We have expanded our Diversity and Inclusion Working Groups and employee networks globally, to ensure engagement with our colleagues on the vital topics of equality, diversity and inclusion and have developed a global Diversity, Equity and Inclusion Action Plan towards increasing diversity within our workforce and in our publishing.

We are in the process of formulating our strategy for responding to climate change and reducing our environmental footprint, including by setting science-based targets to reduce our emissions in line with the goals of the Paris Agreement. The Board has approved emission reduction targets and these have been submitted to the Science Based Targets initiative for validation.

In light of Bloomsbury's strong performance during the year, the Board determined that it would be appropriate to repay the UK Treasury in full in respect of sums received under the Government furlough scheme, particularly in light of the severe negative impact of the pandemic on certain other industries.

Read more about how we have responded to social and environmental issues in the Corporate Responsibility section on pages 65 to 77.

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.

Our community

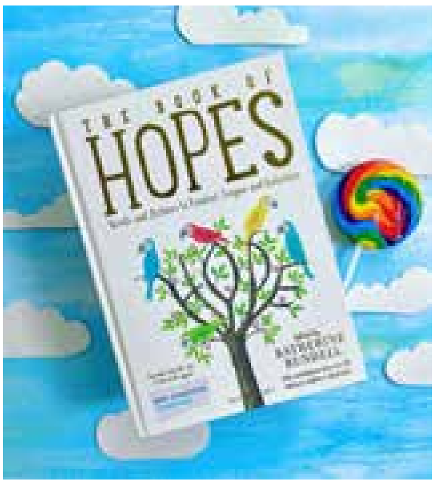
Our publishing teams share a common passion for promoting the enjoyment of reading and high-quality literature that is often cutting edge and provides new authors with opportunities to establish themselves. Our Children's Trade division is focused on promoting literacy for young readers of all abilities 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 donations

- Bloomsbury 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 in July 2019. 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 2020, we made a donation of £10,000 to the NLT. These funds were put towards an emergency appeal to help and support children, parents, teachers and schools through the coronavirus pandemic. In addition, Bloomsbury made its educational resources and activity ideas available as part of the NLT's "Family Zone" website. For the second year in a row, as part of the Christmas campaign with the NLT, Bloomsbury donated 11,245 books, which were shared across 25 primary and secondary schools in Hastings in support of the NLT's pledge to support children's literacy and instil a love of reading from an early age.

  Over the year, Bloomsbury donated more than 60,000 books to the NLT, which included copies of *Harry Potter and the Philosopher's Stone*.
- 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 been donating 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 contributed towards the provision of 269,495 meals for children living with food insecurity.
- In February 2021, our India office made a separate donation of over £5,000 to the Akshaya Patra Foundation, who work to eliminate classroom hunger, alleviate poverty and improve access to education with their midday meal scheme. The funds will be put towards providing lunch for 225 children in Government-run schools in Delhi for one year and distributing 225 "happiness kits" to poorer families affected by coronavirus. These kits contain essential items such as nutritious groceries, immunity boosters, hygiene products and learning materials.
- In response to the social deprivation caused by the coronavirus pandemic and the rising levels of unemployment in the UK, Bloomsbury donated £10,000 to The Trussell Trust, which supports more than 1,200 food bank centres in the UK. Bloomsbury also matched amounts donated by staff.
- In June 2020, in response to the social justice movement which followed the killing of George Floyd and to demonstrate its commitment to playing its part in addressing issues of social inequality, Bloomsbury made a donation of $10,000 to Black Lives Matter. In July 2020, in partnership with Waterstones, Bloomsbury also donated 10% of profits from certain Waterstones' sales of *Why I'm No Longer Talking to White People About Race* by Reni Eddo-Lodge to the



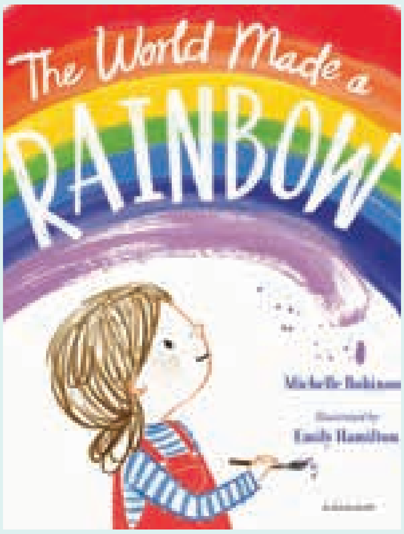
The gift edition of the *Book of Hopes*, published in October 2020 in support of NHS Charities Together

Corporate Responsibility

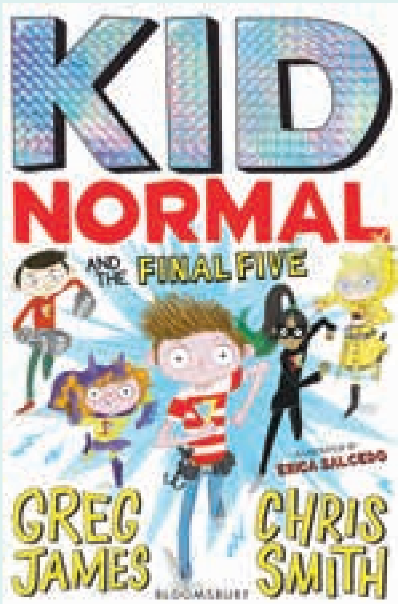
continued

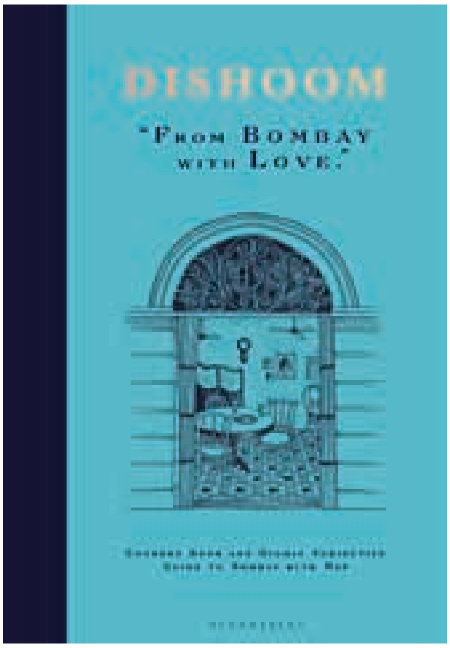
Black Training and Enterprise Group, a national charity delivering programmes for BAME people aged 11 to 30 years, and **INQUEST**, a charity that provides expertise on state-related deaths, and campaigns alongside families and others to access the truth, hold those responsible to account and effect meaningful change to prevent future deaths. A total of £15,704 was donated in equal amounts to each of these charities.

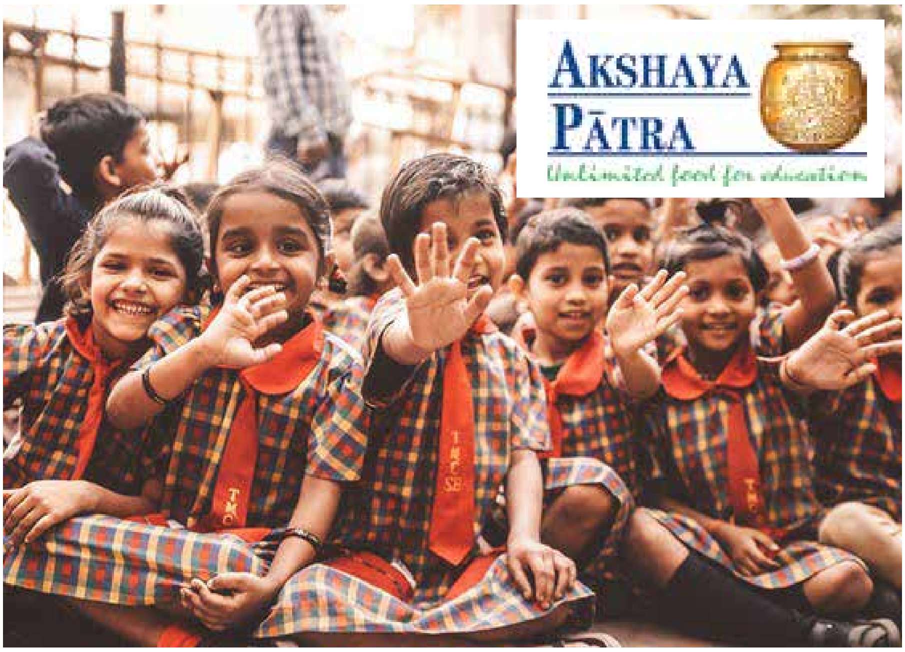
- We support good causes that promote literacy and literature. We are a sponsor of, and partner with, World Book Day, the most important, inclusive reading initiative in the UK, established by UNESCO to promote reading amongst children and adults. During the year, Bloomsbury made a donation of £21,000 to World Book Day. In 2020, we published *Kid Normal and the Loudest Library* by Greg James and Chris Smith. Greg and Chris spent World Book Day (and the day after) sharing stories with almost 1,000 children at two school events with Owl Bookshop and Children's Bookshop, Muswell Hill. Bloomsbury also supported World Book Day's "Share a Million Stories" campaign, encouraging parents and children to develop new reading behaviours by sharing stories for at least ten minutes every day. Bloomsbury was able to coordinate over 80 events with over 12,000 children in the UK and Ireland. Furthermore, as part of Bloomsbury's partnership with the NLT, author Action Jackson lead an assembly at Hastings Academy, Hastings, motivating children to overcome mental blocks or lack of confidence that prevented children from taking pleasure in reading.
- In response to the disruption and exceptionally difficult circumstances created by the coronavirus pandemic for authors, the Company made a donation of £5,000 to the Society of Authors emergency appeal fund.
- 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 the Children's Book Council, a charity that promotes children's books and reading, the Center for Fiction, the only non-profit organisation in the US solely dedicated to the promotion of readers and writers of fiction, the National Coalition Against Censorship, which promotes freedom of thought and inquiry and opposes censorship, the Amy Rosenthal Foundation, a foundation which provides funding for ovarian cancer research as well as children's literacy, and Open eBooks, which offers free eBooks to children from in-need communities. In light of coronavirus, the US office also made a donation to the Book Industry Charitable Foundation, which provides support to owners and employees of bookshops and booksellers with unforeseen emergency financial needs, in particular this year, arising from the pandemic.
- Our Australia office supports the Indigenous Literacy Foundation ("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 262,000 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 6,600 books to Book Aid International, which gives free books to institutions and organisations in 30 countries and territories around the world to support reading and literacy. Our Australia office has donated books to the Children's Book Council of Australia, a Sydney Writers Festival programme supporting disadvantaged schools in Western Sydney, and children receiving treatment in Queensland hospitals, amongst other causes. 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.



National Literacy Trust







A portion of Bloomsbury's proceeds from book sales of *Dishoom* are donated 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

Charitable partnerships

- Bloomsbury entered into a three-year partnership with the **National Literary Trust** ("NLT") in July 2019 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 helps 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. Prior to the outbreak of the coronavirus pandemic and the ensuing social restrictions, 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 1 celebrities and *Kid Normal* authors, Greg James and Chris Smith.
- As part of our wider goal to make a positive contribution to the environment, Bloomsbury has embarked upon a new partnership with the **Woodland Trust**. During the year, Bloomsbury made a donation of £15,000 to The Woodland Trust to sponsor a one acre grove at Langley Vale Wood in Epsom, Surrey which contains around 750 newly planted trees. The donation encompasses ongoing care and management of the trees planted to ensure they grow into maturity, enabling them to provide shelter and food for wildlife.
- Bloomsbury has also teamed up with **Reforest'Action**, which aims to preserve, restore and create forests around the world in order to develop their multiple environmental, social and economic benefits. Bloomsbury has made donations equalling £10,379 to several of their projects, planting trees around the world to actively support reforestation, increased biodiversity and carbon absorption. Bloomsbury has sponsored the preservation of over 8,900 trees in 2021 via the Reforest'Action projects Bloomsbury are sponsoring in Guinea, Peru and Indonesia.
- 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 three 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. The long-term nature of our commitment to these collaborations is evident in our relationship with the RSPB. It now spans a decade, 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 and over the year, sales raised a total sum of £59,708.
- Our Education publishing division has worked with Lee Elliot Major, Professor of Social Mobility and former CEO of the Sutton Trust, and Steve Higgins, Professor of Education, to publish *What Works?* based on the findings of the EEF-Sutton Trust Teaching and Learning Toolkit. This research helps schools to promote social mobility and improve the life chances of those experiencing socioeconomic disadvantage.
- 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.

- Bloomsbury's Chief Executive is President of Book Aid International which gives approximately 1,000,000 books a year to public libraries, community libraries, schools, universities, refugee camps, hospitals and prisons worldwide.

Staff volunteering

- The volunteering activities which staff would ordinarily engage with have been severely curtailed due to the coronavirus pandemic. However, employees took the initiative to volunteer virtually and within their local communities during this challenging time.
- A significant number of our employees worldwide, both through a Bloomsbury coordinator and privately, are usually involved in formal volunteer reading schemes and regularly attend schools in the UK and the US. These provide supervised reading support to young readers, often from disadvantaged backgrounds where their opportunities to develop reading skills may be hindered. During the pandemic however, due to restrictions on socialising, employees were unable to attend schools to do so.
- Bloomsbury employees provided virtual talks to schools and colleges on careers, such as in digital publishing and IT, publishing in general 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. by giving online 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. US employees also support various organisations, for example by mentoring 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. Much of the activities would have either been conducted virtually or when social distancing restrictions were relaxed during the financial year.
- The main Board Directors commit significant spare time outside of work to book-related charities, not-for-profit organisations and higher education.

Staff donating

In previous years, Bloomsbury employees worldwide would often call on their colleagues for fundraising sponsorship such as with marathons, cake sales and many other employee-inspired activities. Due to social distancing restrictions and the closure of Bloomsbury offices worldwide, there were limited opportunities for employees to collectively raise money for charity. However, as part of Bloomsbury's virtual Christmas celebrations, through a fundraising raffle, employees made donations to the Book Trade Charity, a charity that provides care and support to people working in the UK book trade industry. Usually, our US office would participate in food, coat and feminine hygiene product drives, and donate these to the homeless and vulnerable communities in New York City. In 2020, in light of the pandemic, staff were invited to make donations online to Food Bank for New York City, which campaigns to end food poverty in the five boroughs of New York. These donations were matched by Bloomsbury, and a total donation of $4,000 was made, which provided 9,700 meals to the people of New York.

Events for the community

Bloomsbury's public events series, The Bloomsbury Institute, produced 14 virtual literary and publishing-related events during the year and welcomed over 1,600 writers, editors and publishers into virtual event sessions with Bloomsbury authors and staff. Successful events included a brand new series of talks around "A Career in Publishing", which featured Bloomsbury editors, producers and publicists sharing career advice and mentoring tips to students and professionals from other industries who want to work in publishing. The Bloomsbury Institute hosted five events in this new series in 2020.

Sarah J. Maas appears at the virtual Jaipur Literature Festival to celebrate the release of *A Court of Silver Flames*

Further initiatives in response to the coronavirus pandemic

In addition to the activities mentioned in the preceding pages, Bloomsbury undertook a number of initiatives to help support and inspire the community during the coronavirus crisis:

- Recognising that many people would be combining working from home and looking after children, we made our Bloomsbury Education online product Bloomsbury Early Years free to all. While 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 was plenty of inspiration for children who were a bit older too.
- We gave 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 customers. This also included additional online resources and activities for home learning, including videos, lesson plans and teaching tools. We also allowed for free licence upgrades on a temporary basis so that institutions that had purchased a single user or three users licence could upgrade their access to unlimited usage, free of charge.
- 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 launched a three-month expanded access initiative to present Bloomsbury as part of a solution to the educational issues created by this unprecedented crisis. This initiative allowed libraries to gain free access to all of our online resources so their faculty, staff, and students could 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 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 had the information they needed about the features and tools to make best use of our resources. The response was significant. Many of these institutions had not purchased from, or subscribed to, Bloomsbury previously. In addition, in response to the high number of requests for extending the free access period, Bloomsbury offered short-term subscriptions for the first time.
- The outbreak of the coronavirus pandemic made us, our authors and illustrators very aware of the challenges for families, schools and young people processing the sudden changes in the world around them. Two books were created to offer a window of hope in this challenging period, as well as raising funds for two important charity partners. 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. A gift edition of the book was published in October 2020 in support of NHS Charities Together. A proportion of the proceeds from each copy sold is donated by Bloomsbury to the charity, raising £47,389 during the year. Also in partnership with NHS Charities Together, Bloomsbury published *Portraits for NHS Heroes*, which showcases a remarkable collection of portraits from artists around the world arising from artist Tom Croft's #PortraitsforNHSHeroes project. A proportion of the proceeds from each copy of the book sold goes to NHS Charities Together to fund vital projects. To date, sales have raised £24,000 for the charity.

Corporate Responsibility

continued

- Bloomsbury also worked with BUPA and the NLT to donate 5,000 copies of *The Book of Hopes* title to primary schoolchildren. To date, we have sold over 25,000 copies. Furthermore, inspired by the rainbows children made in lockdown, *The World Made a Rainbow* by Michelle Robinson and Emily Hamilton was written to help children navigate their way through the complex emotions of the past year, with Bloomsbury donating a proportion of the proceeds to our charity partner, Save the Children. The book has sold nearly 40,000 copies across all markets and has raised over £21,000 for Save the Children.
- We have granted schools permissions to create free readings from our books to share with their students and support learning during school closures.

Our people

The success of our company is driven by the expertise, passion and commitment of our workforce. Our colleagues are a key asset of the business and our employment practices and policies 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 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 and 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. During 2020/2021, EVMs continued to take place virtually.

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 include:

- Town Halls;
- Employee networks and focus groups;
- A weekly newsletter to all employees worldwide;
- 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. During the year, all appraisal meetings were conducted online.

Employee engagement and wellbeing during the Covid pandemic

Our first priority in response to the coronavirus pandemic was ensuring the health and safety of our employees and we closed our offices on 16 March 2020. To support the overnight transition to working from home by Bloomsbury's

23
Employee Voice Meetings

9
Active D&I Employee Resource Groups

70%
average employee attendance rate at monthly Town Halls

Nigel Newton, Chief Executive, hosting a monthly Bloomsbury Town Hall workforce globally, we significantly increased the frequency of Head Office 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 the following:

- Daily updates during the first lockdown from Bloomsbury's Health & Safety Committee;
- Monthly Town Halls, hosted by the Chief Executive, Nigel Newton, and members of senior management to present Company news and other initiatives. Employees were invited to submit questions in advance of sessions, which would be answered during the live session;
- Regular email communications from the Chief Executive to all staff; and
- Surveys conducted during the year to gather information and insights into employee preferences for future working and when the offices should open.

To provide guidance and support on physical and mental health and wellbeing during the pandemic, we implemented the following initiatives:

- The creation of a designated Mental Health Hub area on the Company's intranet for those struggling with their mental health;
- The establishment of numerous online social channels to enable colleagues to connect with one another while our offices have been closed due to pandemic restrictions;
- The provision of access to private medical consultations over the telephone;
- Wellbeing Town Halls hosted by Dr Bill Mitchell, a clinical psychologist based in London who specialises in rebalancing the lives of the overwhelmed, overstressed and overscheduled and author of *Time to Breathe*, Anna Williamson, television presenter, ambassador for Mind and author of *Breaking Mad: The Insider's Guide to Conquering Anxiety*, Imogen Dall, author of *Burnout Survival Kit*, and Lexie Williamson, yoga instructor and author of *Move: Free Your Body Through Stretching Movement* and *The Stretching Bible: The Ultimate Guide to Improving Fitness and Flexibility*; and
- Bloomsbury books on mental health and wellbeing were made available to employees free of charge in PDF format on the Company's intranet.

To coincide with the UK's Mental Health Awareness Week from 10 May to 16 May, Bloomsbury employees were invited to attend a week-long programme of online events focusing on mental health.

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 72 to 73, which include:

- Introduction of a Group bonus scheme to reward all employees for their contribution to Bloomsbury's success;
- The introduction of a Home Rental Deposit Loan scheme for employees in entry level or early career roles to assist with securing accommodation;
- 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;

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 formal management training programme has been suspended during 2020/2021, given the challenges posed by the pandemic and the unpredictable demands on employees' time, especially during school closures, but will resume in May 2021 with the launch of The Bloomsbury Diploma in Leadership and Management, which will be run by our third party training provider Corndel;

- Operation of a Mentoring Scheme to enable employees in the business to succeed and develop in their roles with the help of a mentor;
- Provision of executive coaching for employees in senior leadership positions;
- Reduction of notice periods for entry level and early career roles, and the reduction of probationary periods for the same level of roles;
- Provision of a global Employee Assistance Programme to support employee well-being 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 and personal issues.

In addition to the above, the following initiatives were rolled out in specific response to the coronavirus pandemic:

- Employees were offered two personal wellness days during the 2021 calendar year to rest, recharge and do whatever was necessary to feel refreshed;
- Core Hours were extended to cover a 12-hour period from 7.00am to 7.00pm to offer employees flexibility around managing work and wider personal and family responsibilities. For those employees who needed further flexibility in respect of work, schooling, parenting or caring, employees were given the choice to complete their contracted work hours at any time between Monday to Sunday with no set start or finish time;
- Winter hours, which were modelled on the Company's Summer Hours policy, were implemented as part of the flexible working arrangements to enable employees to finish work early on Fridays over the winter months;
- "Meeting-Free Fridays" were introduced to mitigate virtual meeting fatigue; and
- Employees were encouraged to purchase office and computer equipment required to work from home effectively up to a specific value and seek reimbursement from the Company.

Recognising that working practices across all industries were changing, we have examined our ways of working and gathered employee feedback on flexible working preferences. A new Flexible Working Policy has been developed and will come into effect once our offices reopen.

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. Further information on how Bloomsbury engaged with its employees during the coronavirus pandemic is set out above on pages 70 to 71.
Employee development	Bloomsbury is acquisitive and has benefited from an intake of successful 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. A new Flexible Working Policy has been developed during the year, which will come into effect once our offices reopen. Further information on how Bloomsbury adapted its flexible working policies for employees during the coronavirus pandemic is set out on pages 70 to 71.

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. Further information on how Bloomsbury provided guidance and support on physical mental health and wellbeing for employees during the coronavirus pandemic is set out above on page 70 to 71.
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" 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; this has been on hold during the pandemic but will resume when our offices reopen.
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, Equity and Inclusion at Bloomsbury.
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.

Corporate Responsibility

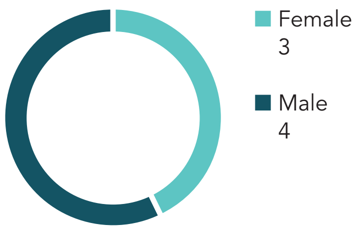
continued

Diversity & Inclusion at Bloomsbury

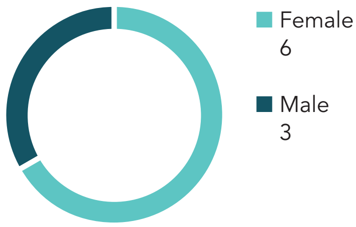
Bloomsbury is committed to diversity, equity and inclusion. The Board receives regular updates on strategic HR initiatives across the Group with a view to ensuring that the strategies in place and in development are supportive of a culture that upholds Bloomsbury's principles of inclusion, diversity and equity.

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 28 February 2021 the number of employees by each gender is:

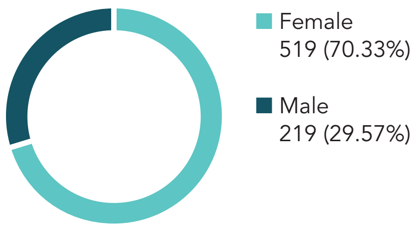
Directors of the Group Parent Company



Senior managers of the Group (other than Directors)[1]



All employees of the Group[2]



[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.

Diversity is not simply a matter of regulatory compliance, or even social justice. It is also a business-performance imperative. Attracting talented people from all backgrounds enriches our business and the lives of our employees. It drives productivity, creativity and innovation. As such, it is integral to the delivery of our strategy, as is creating an environment in which all Bloomsbury employees feel a sense of belonging and are able to do their best work. We believe that diversity and inclusion go hand in hand.

In 2019 we established a Diversity and Inclusion Working Group ("D&I Working Group") 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. This Working Group is being expanded to a number of Diversity and Inclusion Working Groups ("D&I Action Groups") focusing on particular diversity and inclusion projects which will advance our aims in the core areas of recruitment, retention, education and publishing.

Our D&I Working Groups are supported by our Employee Resource Groups. These are employee-led network groups which promote an inclusive and supportive culture within Bloomsbury. These networks complement the activities of the D&I Working Groups by providing valuable feedback and helping to set priorities for future action. To date, nine Employee Resource Groups have been established across our offices, focused around BAME (UK), BIPOC (US), LGBTQ+, Parents, Guardians and Caregivers, Mental Health, Abilities, Social Mobility and Women in the Workforce. These Employee Resource Groups in collaboration with our events management team also organise and host events for the wider Bloomsbury workforce which are intended to promote education and engagement, focusing on topics which represent the particular interests of the individual Employee Resource Groups.

Other actions we have taken to promote diversity within Bloomsbury (as well as to support increased diversity within the wider publishing ecosystem) are as follows:

- Employees are provided with ongoing training in unconscious bias, equality and diversity to reinforce Bloomsbury's culture of equal treatment of all employees and to raise awareness of how unconscious bias may effect recruitment and talent management;
- 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 socioeconomic 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. Our partnership with LDN Apprenticeships is ongoing, and in 2021/2022 we will welcome a further 11 apprentices across a range of different departments within Bloomsbury. Bloomsbury sits on the programme's Advisory Board;
- 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; and
- During the year, Bloomsbury employees were offered a day off work to participate at their choice in a form of action directed at furthering the elimination of racism or another area of inequity.

We are dedicated to actively and continuously improving our practices in the areas of diversity and inclusion, both in terms of our workforce and our publishing. In response to the social justice movement which gained momentum following the killing of George Floyd in May 2020, and to demonstrate our commitment to driving change within our industry and throughout wider society, we have accelerated our work in these areas with the aim of ensuring that our workforce and the books we publish are better representative of the societies in which we operate.

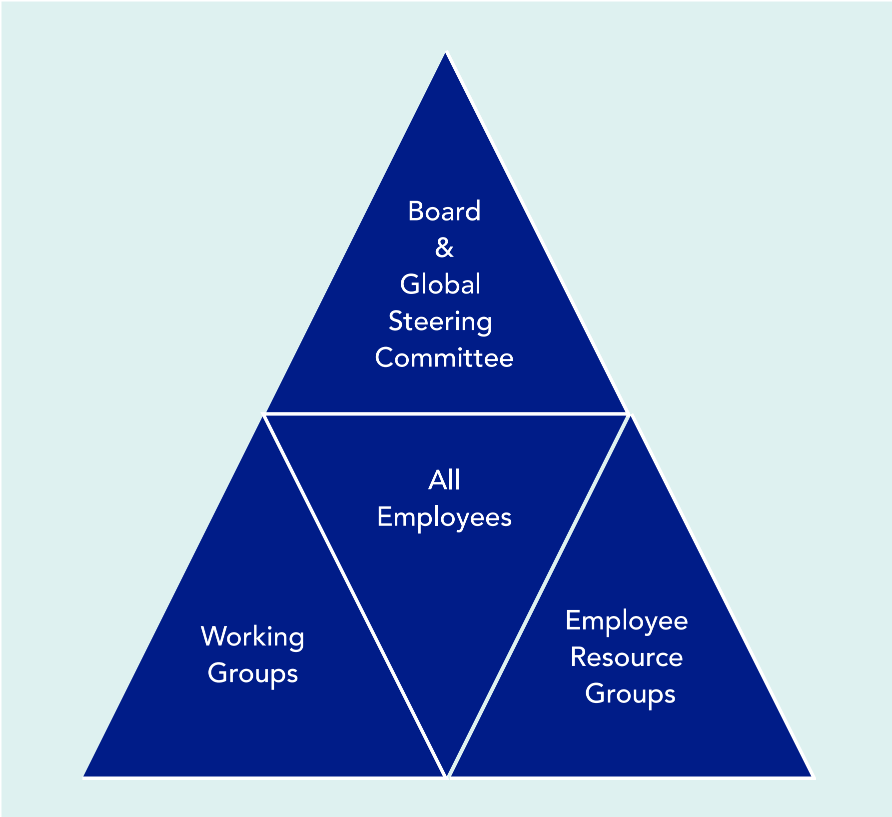
We have established an Accessibility Working Group to review and expand the accessibility of our products in line with industry standards and regulations, so that they are available to as wide an audience as possible.

In January 2021, Baroness Lola Young of Hornsey was appointed to the Board as a Non-Executive Director and as a member of the Nomination Committee which has oversight of Bloomsbury's diversity and inclusion strategy. Baroness Young is recognised for her work on equality and diversity in the arts and creative industries sector as well as her contribution to the creation of legislation to eliminate modern slavery. Baroness Young is the Board lead in respect of matters pertaining to diversity and inclusion. Bloomsbury will benefit greatly from her extensive experience and valuable guidance on the formulation and implementation of our diversity and inclusion strategy as we seek to widen access to the publishing industry for both staff and authors.

During the year, we strengthened our governance in respect of our diversity and inclusion activities, with the implementation of a Diversity, Inclusion and Wellbeing Steering Group. Membership is drawn from senior managers across the Company, and the Working Group sets the strategic direction for our work in these areas, in collaboration with the D&I Working Groups, and supported by our Employee Resource Groups. The Steering Group is led by Jenny Ridout, MD of our Non-Consumer Division, and reports regularly to the Executive Committee and the Nomination Committee on the implementation of diversity and inclusion measures across the Group.

During the course of the year, we sought feedback from our colleagues in respect of the formulation of our diversity and inclusion initiatives moving forward. The Company also 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.

This feedback and the results of the survey have been taken into account in developing our Diversity, Equity and Inclusion Action Plan, which sets ambitious targets in respect of improving the diversity of our workforce and our publishing output to better reflect our society. Details of the plan and these targets can be found on our website at www.bloomsbury.com/diversity-equity-inclusion.



Diversity, Equity and Inclusion governance structure

Corporate Responsibility

continued

The environment

Bloomsbury takes its environmental responsibility very seriously and this is an area of utmost importance to us. We believe that a responsible and sustainable business allows us to respond to stakeholder expectations and to manage a range of emerging risks, including in the important area of climate change. We aim to reduce the environmental impact of our business wherever possible.

During the year, we took significant steps to increase the scope of our sustainability efforts. The Board approved the appointment of a Head of Sustainability to advance our work in this area. A cross-functional Sustainability Steering Committee, which is chaired by the Head of Sustainability and comprises members of the Executive Committee and key stakeholders from relevant departments within the Company, including Production, Operations and Finance. The Sustainability Steering Committee has subsumed the work of the Sustainability Working Group which was established during 2019/2020 and works closely with the Executive Committee of Bloomsbury to formulate the Company's environmental policy and objectives. Kathleen Farrar, Managing Director of Group Sales and Marketing, is the Executive Sponsor in respect of the work carried out by the Sustainability Steering Committee. The Board receives regular reports on our activities in this area from the Head of Sustainability and Kathleen Farrar as Executive Sponsor, and has responsibility for approving substantive strategies for reducing the environmental impact of Bloomsbury's business and addressing climate risk.

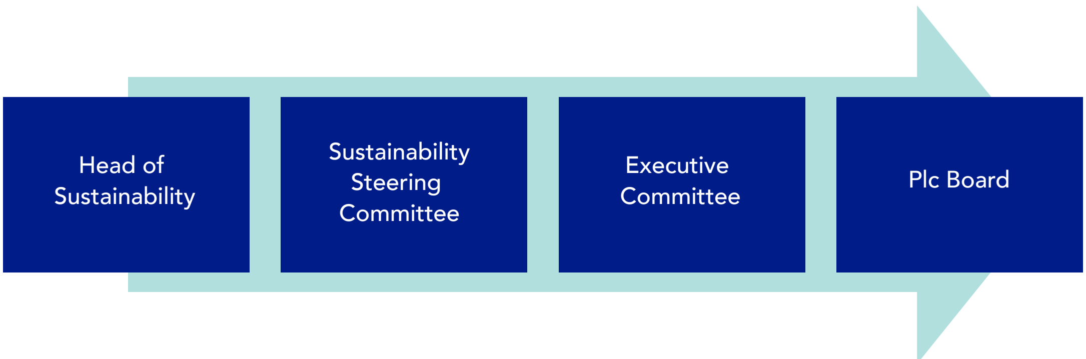
A significant achievement during 2020/2021 was mapping our Scope 3 emissions for the first time. Scope 3 emissions are indirect emissions that occur in Bloomsbury's value chain. We have worked with our independent advisors, Trucost, to measure our Scope 3 emissions in addition to measuring our Scope 1 and Scope 2 emissions. We have measured Scope 3 emissions for both 2019/2020 and 2020/2021, using 2019/2020 as our base year for developing science-based targets, in order to exclude the impact of the coronavirus pandemic on our emissions.

Through the process of measuring Bloomsbury's Scope 3 emissions, we have identified key suppliers in Bloomsbury's value chain with whom it will be important for us to collaborate in order to minimize future emissions. Going forward we will be working closely with our suppliers to gather more detailed data on how they are measuring and managing their greenhouse gas emissions. Incorporating environmental criteria in procurement specifications will be an essential part of supplier engagement.

During the year, the Board endorsed the decision to set science-based targets to reduce Bloomsbury's greenhouse gas emissions in line with the goals of the Paris Agreement, and approved the parameters recommended by the Head of Sustainability and supported by the Executive Committee. Bloomsbury has submitted a letter of commitment to the Science Based Targets initiative ("SBTi") and is now registered as "committed" by the SBTi as well as the CDP and We Mean Business websites. The reduction targets approved by the Board have been submitted to the SBTi for validation.

Bloomsbury is aware that working as an industry, publishers have the power to drive change. The Head of Sustainability represents Bloomsbury on the Publishers Association Sustainability Task Force as well as the Independent Publishers Guild Sustainability Action Group. Both groups promote industry-wide collaboration to tackle climate change. Bloomsbury has joined the Book Chain Project, a collaborative project run by Carnstone, which aims to provide accurate information about suppliers involved in the publishing value chain (for example, paper mills and printers.). This information enables publishers to make responsible decisions throughout the supply chain and drive change towards more sustainable goals and action to achieve them. The supplier information procured by the Book Chain Project allows publishers to assess supplier emissions data as well as gaining an understanding of their overall approach to sustainable working.

We are committed to meeting the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Our ongoing work to measure our emissions across our operations, as well as better understand the risks and opportunities arising from climate change, will prepare us for future disclosures. We have carried out climate-related scenario analysis to assess the physical risks arising from climate change as well as transition risks arising from the processes and measures being implemented to transition to a lower carbon world. Physical risks include direct damage to assets and indirect impacts from supply chains as a result of acute climate-related events and chronic climate change patterns. Transition risks include technological innovations and market shifts in supply and demand for certain products and services as climate-related issues are increasingly taken into account, changing stakeholder expectations, increased legislation and policy measures such as carbon pricing mechanisms which are directed at reducing greenhouse gas emissions. We will use the climate-related scenario analysis we have conducted as a strategic planning tool enabling us to identify potential business impacts of climate change (both risks and opportunities) and the appropriate response.



Key areas of activity to reduce Bloomsbury's environmental impact and make a positive contribution to the environment include:

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. Sustainability policies and planning, and a willingness to work together to achieve targets, are key factors in our decision to engage a supplier, and once we have entered into partnerships, we make regular trips to factories to monitor progress, observe working practices and recycling programmes, and to learn about other locally relevant environmental initiatives.

Print-on-demand
Changes in print technology are increasingly making it economic to manufacture books at the time of, and in the quantity needed for, sale – in some cases in the territory of sale. This reduces the CO_2 generated by pulping, recycling and transporting unsold books.

Online publishing and e-formats
Our editorial strategy and XML-based production workflow embrace 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.

Building and office facilities
In our UK offices we have started to switch to renewable energy suppliers. 13 Bedford Square has used renewable energy since we moved in during September 2019 and the Group's two largest consuming electricity accounts at 50/51 Bedford Square have been using 100% renewable electricity since February 2020. We will switch to renewable energy supply for all our UK sites as contracts allow.

We have signed up to the Lloyds Bank Green Building Tool. This is a digital insight tool that enables us to assess the opportunity for making energy-efficient improvements across our buildings. We are currently using this across all UK sites.

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.

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 where their target is to recycle 98% of all general waste that is sent to them.

We use 95% recyclable cardboard packaging for our shipments from our offices and are working hard to make this 100% in the coming year.

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

ESOS Compliance
ESOS is a mandatory energy assessment scheme for organisations in the UK that meet the qualification criteria. The Environment Agency is the UK scheme administrator. Organisations that qualify for ESOS must carry out ESOS assessments every 4 years. These assessments are audits of the energy used by their buildings, industrial processes and transport to identify cost-effective energy saving measures.

We are ESOS compliant and have taken advice from Inprova Energy Ltd T/A Energy & Carbon Management, who carried out phase two of our ESOS compliance. We continue to consider and apply their recommendations to reduce our carbon footprint.

Flexible Working Practices
Most of our London-based employees travel to work by public transport. Following on from the successful shift to home-working during the pandemic, and in response to employee feedback, we have developed a Flexible Working Policy which will be implemented when our offices re-open. This is likely to lead to a reduction from emissions arising from staff commuting. We provide bicycle storage for staff who ride to work.

Partnerships
As noted in the Corporate Responsibility Section on page 67, Bloomsbury has partnered with the Woodland Trust and during the year made a donation to sponsor a one acre grove at Langley Vale Wood in Epsom, Surrey, which contains around 750 newly planted trees. The donation encompasses ongoing care and management of the trees to ensure they grow into maturity, enabling them to provide shelter and food for wildlife.

Bloomsbury has also sponsored the preservation of over 8,900 trees in 2021 through a donation to Reforest'Action. All 725 members of staff across Bloomsbury's global offices have been given a code to plant ten trees via the Reforest'Action projects Bloomsbury is sponsoring in Guinea, Peru and Indonesia.

Key areas of priority over the next 12 months:
- Science Based Targets – obtain validation of science-based targets for emissions reduction.
- Supplier engagement – Work with suppliers to reduce emissions in line with our science-based targets and as part of our strategic response to climate risks.
- Continue to engage staff through the Sustainability Working Sub-Groups.

Corporate Responsibility

continued

Environmental performance: 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. As reported above, this year we also measured our Scope 3 emissions for 2019/2020 and 2020/2021. The results are set out below.

During the year, there was a significant reduction in Scope 1 and Scope 2 emissions, waste production and water consumption as a result of office closures during the pandemic as compared to the previous reporting period.

- Total GHG emissions for 2020/2021 were 146 tCO_2e. Scope 2 (location-based) emissions account for 87% of the total, and the remaining 13% is attributed to Scope 1.
- Overall Scope 1 and Scope 2 emissions intensity in 2020/2021 was 68% lower than in 2020 (normalised by revenue), due to a significant reduction in gas and electricity consumption. This was driven by Bloomsbury's strong financial performance in 2020/2021, in conjunction with the temporary closure of Bloomsbury offices for much of the duration of 2020/2021 due to the coronavirus pandemic, as well as the permanent closure of our Haywards Heath and 48 Bedford Avenue offices part-way through the year. We also relinquished our serviced office in Dublin during the year. This resulted in an overall reduction of 9% in our office footprint.
- Bloomsbury generated 15 tonnes of waste in 2020/2021, of which 71% is recycled and 29% is sent to landfill. This represents a reduction of 93% on the prior reporting period.
- Total water consumption for 2020/2021 is 828 cubic meters (m^3), which is 80% lower than in the preceding reporting period, with water consumption intensity decreasing 83% to 4.48 cubic metres (m^3) per £million revenue.

Greenhouse Gas Emissions: Scope 1 and 2:

GHGs	Definition	Data source and calculation methods	Quantity: Absolute tonnes CO_2e 2020/2021	Absolute tonnes CO_2e 2019/2020	Normalised tonnes CO_2e per £m revenue 2020/2021	Normalised tonnes CO_2e per £m revenue 2019/2020
Scope 1 direct impacts						
Stationary fuel use	Emissions from natural gas consumption.	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 and Haywards Heath. Natural gas was not used in USA, India and Australia offices.	**9**	42	**0.1**	0.3
Refrigerants	Emissions from refrigerant leakage.	No data was provided on the volume refrigerant recharge for 2020/2021	**0**	49	**0.0**	0.3
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.	**9**	22	**0.1**	0.1
Total Scope 1			**18**	113	**0.1**	0.7

The values in this table have been rounded up to one decimal place. The actual values for both Stationary Fuel Use and Company Cars are 0.05 tCO_2e, therefore the total emissions for Scope 1 is 0.1 tCO_2e.

GHGs	Definition	Data source and calculation methods	Quantity: Absolute tonnes CO_2e 2020/2021	Absolute tonnes CO_2e 2019/2020	Normalised tonnes CO_2e per £m revenue 2020/2021	Normalised tonnes CO_2e per £m revenue 2019/2020
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, Australia, and India offices. Data scaled up by the number of employees to estimate emissions for the operations in the rest of UK offices. Electricity consumption in the US was derived from FY2019/2020 results where a reduction factor was applied based on the average electricity consumption reduction in offices that were closed for the duration of the financial year (i.e. Australia and India). kWh data converted to emissions according to DEFRA, EPA and IEA guidelines.	**128**	289	**0.7**	1.8
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.	**170**	363	**0.9**	2.2
Total Scope 2			**128**	289	**0.7**	1.8

Corporate Responsibility

continued

Water	Definition	Data source and calculation methods	Quantity: Absolute cubic metres 2020/2021	Quantity: Absolute cubic metres 2019/2020	Quantity: Normalised cubic metres per £m turnover 2020/2021	Quantity: Normalised cubic metres per £m turnover 2019/2020
Other impacts						
Water consumption	Directly purchased water	Annual volume of water purchased provided for India and select London offices. Head office consumption was derived using the average expenditure for the last three financial years. A reduction factor was applied to the average expenditure to account for the period the office was closed. This factor was derived using the average water consumption for sites where information was available for 2020/2021 and 2019/2020. London water consumption was used to estimate water consumption for Oxford, Haywards Heath and Alton. Water consumption in the US and Australia was derived using 2019/2020 data with a reduction factor applied using a similar approach to that described above. The water reduction factor applied was adjusted to account for the number of days each office was open.	**828**	4,216	**4**	26

Waste	Definition	Data source and calculation methods	Quantity: Absolute tonnes 2020/2021	Quantity: Absolute tonnes 2019/2020	Quantity: Normalised tonnes per £m turnover 2020/2021	Quantity: Normalised tonnes per £m turnover 2019/2020
Other impacts						
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, Australia and the US are provided. UK disclosed data scaled up to estimate quantity for operations in the rest of the UK.	**4.2**	76.1	**0.02**	0.5
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.	**10.5**	97.6	**0.06**	0.6

Notes:

1. Electricity consumption

While our offices have been closed for most of 2020/2021, there have been several systems still in operation throughout the year. The server and the server cooling room have been running as usual to enable staff to work from home. The post room has been operating, albeit at a reduced rate. The lifts, lighting sensors, fire and intruder sensors, CCTV, Access Control, and the telephone system have all been in operation. Key members of the IT and helpdesk team have also been accessing the building to provide support throughout the year. This activity is reflected in the results above.

2. Water consumption

Water consumption has been estimated for some sites using a combination of previous annual consumption and reduction factors derived from water consumption reduction due to the pandemic at sites where accurate data was available for both 2019/2020 and 2020/2021. Water consumption fell by around 97% in India when compared with the previous year and so this formed the basis for the application of a reduction factor for the water consumption at the head office. The reduction factor was adjusted to account for the days that each of Bloomsbury's offices was open during the year.

This approach was necessary due to many UK utility bills being produced from estimated meter readings as well as an over payment via direct debit of £10,000 for three water meters in the head office building. Performing the analysis using expenditure would therefore have resulted in a misrepresentation of actual water consumption during the reporting period.

3. Restatement of 2019/2020 Scope 1 and 2 results

Bloomsbury's Scope 1 and 2 emissions have been restated for 2019/2020 to exclude emissions from serviced offices. These are now captured as Scope 3 Category 8 emissions. Due to the relatively small size of the relevant sites, this restatement has resulted in a reduction in the previously reported 2019/2020 Scope 1 and 2 emissions of less than 1%.

Greenhouse Gas Emissions: Scope 3

Bloomsbury's total Scope 3 emissions for 2020/2021 are 23,203 tCO_2e. The upstream emissions account for the majority (95%) of Scope 3 emissions. Category 1 (purchased goods and services) contributed to 90% of Bloomsbury's total Scope 3 emissions. Category 12 (End-of-life treatment of sold products) is the only downstream Scope 3 category. The table below shows the breakdown of Bloomsbury's Scope 3 emissions in respect of 2020/2021, as compared against 2019/2020. It will be clear from this comparison that the pandemic has had mimimal impact on our Scope 3 emissions.

Scope 3 emissions FY 2020/2021: 23,203 tCO_2e
Scope 3 emissions FY 2019/2020: 24,201 tCO_2e

		2020/2021		2019/2020		
	Value chain (Scope 3) category	GHG emissions (tCO_2e)	Scope 3 GHG share (%)	GHG emissions (tCO_2e)	Scope 3 GHG share (%)	Relevance
Upstream	1) Purchased goods and services	20,877	90.0%	20,165	83.3%	Relevant
Upstream	2) Capital goods	147	0.6%	90	0.4%	Relevant
Upstream	3) Fuel- and energy-related activities	33	0.1%	61	0.3%	Relevant
Upstream	4) Upstream transportation and distribution	934	4.0%	1,312	5.4%	Relevant
Upstream	5) Waste generated in operations	3	0.01%	19	0.1%	Relevant
Upstream	6) Business travel	0.07	0.0003%	528	2.2%	Relevant
Upstream	7) Employee commuting	23	0.1%	627	2.6%	Relevant
Upstream	8) Upstream leased assets	18	0.1%	18	0.1%	Relevant
Downstream	9) Downstream transportation and distribution	Relevant (Accounted for in Category 4 as the Company pays for outbound transportation of products)				
Downstream	10) Processing of sold products			–		
Downstream	11) Use of sold products			–		
Downstream	12) End-of-life treatment of sold products	1,169	5.0%	1,381	5.7%	Relevant
Downstream	13) Downstream leased assets			–		
Downstream	14) Franchises			–		
Downstream	15) Investment			–		

Notes:

The table above shows all 15 categories of Scope 3 emissions; those marked "Relevant" are the categories relevant to Bloomsbury's business.

The emissions in categories 1 and 2 were calculated by analysing expenditure on our top 100 suppliers. These suppliers were then mapped to Trucost's 464 sectors (mapped to NACE sections).

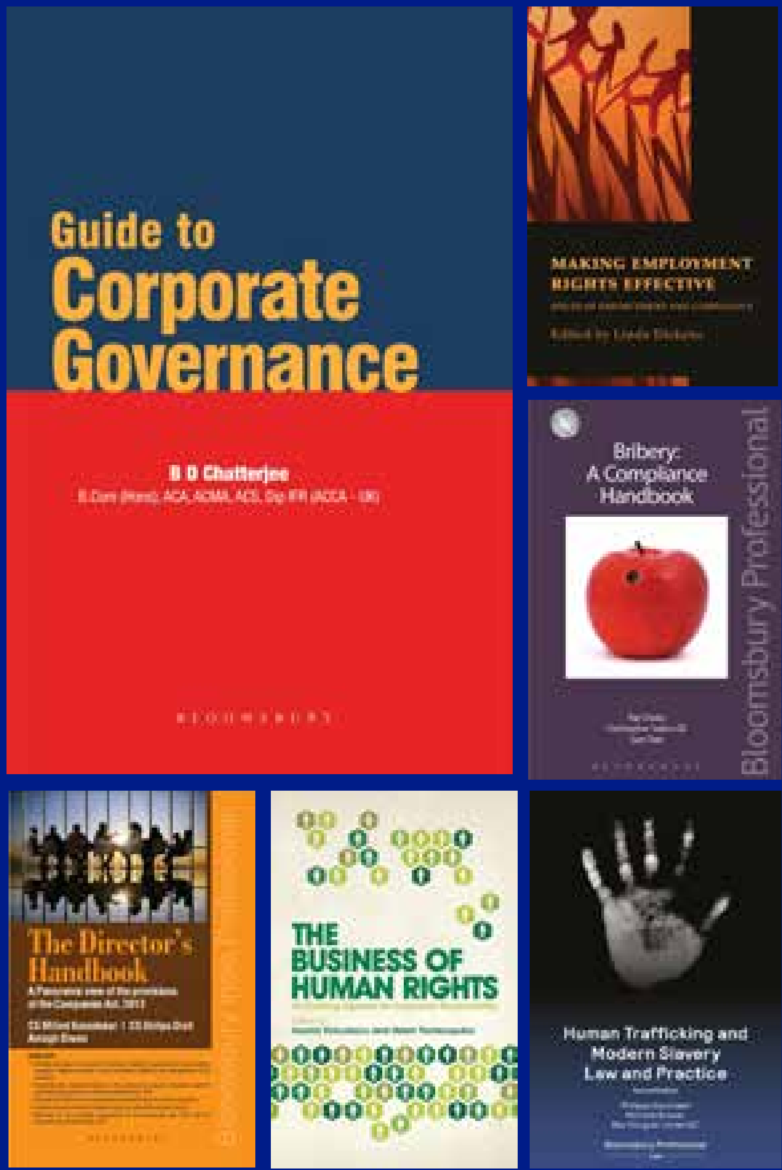
Emissions from each supplier were then quantified by multiplying the total expenditure from the supplier with sector average emission factor (tCO_2e/unit of expenditure in USD) from Trucost's EEI-O model.

The total Scope 1, 2 and 3 emissions for Bloomsbury in 2020/2021 is 23,349 tCO_2e.

Total Scope 1 = 18 tCO_2e

Total Scope 2 = 128 tCO_2e

Total Scope 3 = 23,203 tCO_2e


Guide to Corporate Governance
B D Chatterjee
MAKING EMPLOYMENT RIGHTS EFFECTIVE
Bribery: A Compliance Handbook
Bloomsbury Professional
The Director's Handbook
THE BUSINESS OF HUMAN RIGHTS
Human Trafficking and Modern Slavery Law and Practice

Governance

Chairman's Introduction to Corporate Governance

Sir Richard Lambert
Chairman of the Board

On behalf of the Board, I am pleased to introduce Bloomsbury's Corporate Governance Report for the financial year ending 28 February 2021.

The aim of this report is to explain Bloomsbury's corporate governance framework and how it was applied in the year under review.

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 continued to strengthen 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 28 February 2021, 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 119), and to the determination of senior manager remuneration by the Remuneration Committee (as explained in the Directors' Remuneration Report on page 127).

Covid pandemic

During the year, the Board's focus has been to ensure business continuity while protecting the health and wellbeing of our employees during the pandemic. The Board quickly embraced the move to virtual meetings and adapted its focus to address the rapidly evolving developments in the market. I would like to take this opportunity to thank my Board colleagues for making themselves available whenever required, frequently at short notice, in order to navigate the Group through this uncertain period.

In spite of the pandemic, the Company has shown great resilience, determination and strength in the face of some unprecedented challenges. The Board is satisfied that the steps taken to ensure business continuity were effective and appropriate and as the situation continues to evolve, the Board will continue to adapt its approach and guidance for the Group.

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, particularly in light of coronavirus, can be found in the Strategic Report on pages 56 to 64.

Purpose, values and culture

The Board is closely involved in setting the tone for Bloomsbury's culture and embedding it throughout 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 70 to 71.

Chairman's Introduction to Corporate Governance

continued

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 102 to 103.

External Board evaluation

For the first time, I led an external 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 in this section of the Corporate Governance Report on pages 98 to 100.

Board changes

Bloomsbury announced in January 2021 that John Warren, a Non-Executive Director since 2015, will be stepping down from the Board at the forthcoming Annual General Meeting in July 2021. We thank John for his tremendous contribution to Bloomsbury during his tenure and he will be much missed. I am delighted to welcome Baroness Lola Young of Hornsey to the Board. Baroness Young joined the Board in January 2021 and brings an invaluable wealth of experience in both social and literary areas.

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 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

Appointed: 18 July 2017

N R

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. 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, as the senior independent member of the Foreign and Commonwealth Office's Supervisory Board from 2012 to 2017, and Trustee of the Kimmeridge Trust from 2014 to 2020.

Nigel Newton CBE

Founder and Chief Executive

Appointed: 11 May 1986

N

Nigel Newton was born and raised in San Francisco. He read English at Selwyn College, Cambridge and after working at Macmillan Publishers, he joined Sidgwick & Jackson. He left Sidgwick in 1986 to start Bloomsbury Publishing. Bloomsbury floated on The London Stock Exchange in 1994 and has grown organically and through acquisitions. Nigel Newton was appointed Commander of the Order of the British Empire (CBE) in the 2021 New Year Honours for services to the publishing industry. He was also appointed as the Vice President of the Publishers Association in April 2021 and will become President in April 2022. He 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. In 2020, he was awarded The LBF Lifetime Achievement Award 2020 and became an Honorary Fellow of Selwyn College, Cambridge. He has previously 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, and head of the Selwyn Association.

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 Condé 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

Appointed: 23 July 2015

A N R

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

Appointed: 1 March 2017

A N R

Steven Hall joined the Bloomsbury Board in March 2017. He has worked in academic publishing for more than 40 years, most recently in a full-time role as managing director of IOP Publishing, a leading publisher of scientific journals, books and magazines, from which he retired in March 2021. He has extensive experience of digital publishing and has led the development of pioneering online databases in the humanities and social sciences. He has served on a number of industry bodies, including the Academic Publishers Council of the UK Publishers Association and for six years on the Board of the International Association of STM Publishers, in his final year as chair. In these roles, he has represented the publishing industry to governments and policy-makers in the UK and overseas.

Leslie-Ann Reed
Independent
Non-Executive Director

Appointed: 17 July 2019

A N R

Leslie-Ann Reed joined the Bloomsbury Board in July 2019. She is a Chartered Accountant with a wealth of Non-Executive and Audit Committee Chair experience. 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. She was Chief Financial Officer of the B2B media group Metal Bulletin plc and the online auctioneer Go Industry plc. She has also held senior finance roles in various media and professional services companies, namely Universal Pictures, Polygram Music, EMI Music and Warner Communications Inc.

Baroness Lola Young
Independent
Non-Executive Director

Appointed: 1 January 2021

N

Baroness Lola Young of Hornsey is a former actor, professor of Cultural Studies, and Head of Culture at the Greater London Authority. She has written and broadcast extensively on a wide range of cultural issues, mainly on the subject of diversity and culture in the arts and creative industries sector. She has served on the Boards of several national cultural organisations, including the National Theatre and the Southbank Centre, as well as serving as a Commissioner for Historic England. Baroness Young has chaired the Caine Prize for African writing, the Orange Prize for Women's Fiction, and the Man Booker Prize, and has recently been appointed Chair of the judging panel of the Ondaatje Prize for writing. Recognised for her work on equalities and diversity in the heritage sector with the award of an OBE in 2001, Baroness Young was appointed an independent Crossbench member of the House of Lords in 2004. She is widely known for her contribution to creating legislation to eliminate modern slavery, and co-chairs All Party Parliamentary Groups on Ethics and Sustainability in Fashion, and Sport, Modern Slavery and Human Rights. Recently elected an Honorary Fellow of the Royal Society for Literature, Baroness Young is Co-Chair of the Foundation for Future London, and Chancellor of the University of Nottingham.

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 as General Counsel. 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 28 February 2021.

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 24, 28 to 29 and 55 to 81 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	15 to 16, and 21
Principal risks and risk management	Strategic Report	48 to 54
Use of financial instruments, financial risk management objectives and policies	Financial Statements	178 to 181
Sustainability	Strategic Report	76 to 77
Greenhouse gas emissions	Strategic Report	78 to 81
Viability statement	Strategic Report	54
Governance arrangements	Corporate Governance Report	94 to 100
Directors	Corporate Governance Report	86 to 87
Employment policies and employee engagement	Strategic Report	70 to 73
Diversity	Strategic Report	74 to 75
Stakeholder engagement	Strategic Report	55 to 64
S172 statement	Corporate Governance Report	129 to 130

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 44 to 47 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 £13.7 million (2020: £10.5 million).

Material post-balance sheet events
On 23 April 2021, the Group announced the acquisition of certain assets of Red Globe Press ("RGP"), the academic imprint, from Macmillan Education Limited, a part of Springer Nature Group. The transaction completed on 1 June 2021. The consideration was £3.7 million, of which £1.8 million was be satisfied in cash at completion and up to £1.9 million will be paid post-completion, subject to assignment of certain contracts.

RGP specialises in high-quality publishing for Higher Education students globally in Humanities and Social Sciences, Business and Management, and Study Skills. RGP has a backlist of more than 7,000 titles and publishes more than 100 new titles per year, with content including digital platforms, textbooks, research-driven materials and general academic publishing. The acquired RGP titles are a good strategic fit, strengthen Bloomsbury's existing academic publishing, and establish new areas of academic publishing in Business and Management, Study Skills and Psychology. RGP's three digital products will be migrated to Bloomsbury Digital Resources' own platform and its content added to Bloomsbury Collections. The business will operate within Bloomsbury's Academic & Professional division. There are opportunities for profit enhancements following the integration of the business into Bloomsbury.

Dividend
The Directors recommend a final dividend of 7.58 pence per share. The Directors also intend to pay a special dividend of 9.78 pence per share. The dividends will be payable on 27 August 2021 to Shareholders on the register on the record date of 30 July 2021.

The dividends paid and proposed by the Company for the year ended 28 February 2021 and year ended 29 February 2020 are as follows:

Dividend	Dividend per share	Total dividend	Record date	Paid/payable date
2021 Special (proposed)	9.78p	£8.0m	30 Jul 2021	27 Aug 2021
Total	**9.78p**	**£8.0m**		
2021 Final (proposed)	7.58p	£6.2m	30 Jul 2021	27 Aug 2021
2021 Interim	1.28p	£1.0m	6 Nov 2020	4 Dec 2020
Total	**8.86p**	**£7.2m**		
2020 Final[1]	–	–	–	–
2020 Interim	1.28p	£1.0m	8 Nov 2019	6 Dec 2019
Total	**1.28p**	**£1.0m**		

1 Bloomsbury 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. Bloomsbury decided, in light of the coronavirus crisis, to conserve cash and did not pay a cash dividend. Instead, as approved by Shareholders at the 2020 AGM, the dividend was settled through the issuance of new Ordinary shares by way of a bonus issue to Shareholders, with a value equivalent to the proposed final dividend. The bonus issue was made on 28 August 2020 to Shareholders on the register on the record date of 31 July 2020.

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 86 to 87. 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		
John Warren	–	–
Steven Hall	–	–
Leslie-Ann Reed	–	–
Baroness Lola Young of Hornsey	1 January 2021	–
Executive Directors		
Nigel Newton	–	–
Penny Scott-Bayfield	–	–
Jonathan Glasspool	–	21 July 2020

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 116 to 117. 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 2021 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 2021 AGM, John Warren, a Non-Executive Director, will not stand for re-election.

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 65 to 68.

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 did not cancel any shares. 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.

Bloomsbury 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. Bloomsbury decided, in light of the coronavirus crisis, to conserve cash and did not pay a cash dividend. Instead, as approved by Shareholders at the 2020 AGM, the dividend was settled through the issuance of new Ordinary shares by way of a bonus issue to Shareholders, with a value equivalent to the proposed final dividend to Shareholders on the register on the record date of 31 July 2020 (the "Bonus Issue"). A total of 2,513,674 Ordinary shares were admitted to the Official List of the FCA and to trading on the main market for listed securities of the LSE on 28 August 2020.

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

Pursuant to the Placing and the Bonus Issue, there were 81,608,672 fully paid up issued shares.

Share movements during the year are therefore as follows:

	Fully paid Ordinary shares in issue
As at 1 March 2020	75,328,570
Equity Placing	3,766,428
Bonus Issue in lieu of final dividend	2,513,674
As at 28 February 2021	**81,608,672**

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 2020. 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 2021 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 2020	481,093
Shares purchased	294,492
Bonus Issue shares	347
Shares released to satisfy vesting of awards	(718,452)
As at 28 February 2021	**57,480**

Up to the signing of this Report, the EBT held 47,549 Ordinary shares of 1.25 pence in the Company, being less than 0.06% 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 2020 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 20 May 2020 (excluding treasury shares).

Substantial shareholdings

As at 28 February 2021, 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		
BlackRock Inc	8.8	10.79%[1]
Canaccord Genuity Group Inc	9.1	11.48%[2]
Chelverton UK	3.8	4.86%[2]

[1] Based on 81,608,672 issued shares.
[2] Based on 79,094,998 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 28 February 2021 and 14 June 2021 (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:

- BlackRock Inc disclosed a holding of 10.97%; and
- Canaccord Genuity Group Inc disclosed a holding of 13.02%.

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.

Directors' Report

continued

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.

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. These Group financial statements were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and these Group financial statements were also in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. These parent Company financial statements were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under Company Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 54 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 202 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 86 to 87, 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 2 June 2021.

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 in the Strategic Report on page 4 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 70.

The Board also receives updates from the Chair of the Company's Diversity, Inclusion and Well-being Working Group on the Company's activities in this area, with a view to ensuring that the strategies in place are effective in promoting a culture that upholds the Company's principles of inclusion, diversity and equality. 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

The Board recognises its duties towards the Company's stakeholders as set out in section 172 of the Companies Act 2006. Details of the Company's engagement with key stakeholders, including how their interests and the matters set out in section 172 have been considered in Board discussions and decision-making, are set out in the Strategic Report on pages 55 to 64. The Board allocates time at each Board meeting to discuss a stakeholder group in depth. At times, members of senior management or key people within the business are invited to Board meetings to provide the Board with further insight into the interests of a stakeholder group, where required. 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.

The Directors consider that 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 stakeholders and matters set out in section 172 (1) (a-f) of the Companies Act 2006 in the decisions taken during the year ended 28 February 2021.

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 is reviewed annually and updated where appropriate 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.

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 individual Committees and the Board and can be found on the Company's website, www.bloomsbury-ir.co.uk. Each Committee's terms of reference are reviewed annually 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 on page 85 of this section.

The Board may also appoint a subcommittee 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, two Executive Directors: the Chief Executive and the Group Finance Director, and four independent Non-Executive Directors, one of whom is appointed as the Senior Independent Director. The biographies of the current Directors appear on pages 86 to 87 of this section.

Aligning to the 2018 UK Corporate Governance Code

The following pages within this Corporate Governance report and the Strategic Report set out how the Company has applied the five principles of the Code during the year:

Principle of the Code	Page
Board leadership and Company purpose	4, 94 to 95, 97
Division of responsibilities	94 to 95, 96
Composition, succession and evaluation	98 to 100, 101 to 103
Audit, risk and internal control	48 to 54, 104 to 107
Remuneration	108 to 128

Corporate Governance Report

continued

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 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 as Chair of the Executive Committee to achieve strategic objectives; • Promoting the Company's culture to the 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.

Activities of the Board during the year

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 Director of Human Resources 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;
- In-depth focus on a key stakeholder;
- ESG update;
- Consideration of how stakeholder interests and section 172 considerations have been taken into account in Board discussions and decision-making at that meeting; and
- Corporate Governance update.

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

- Impact of coronavirus on strategy, performance and staff;
- Approval of the Company's non-pre-emptive equity placing;
- Review of Health and Safety and general staff wellbeing, particularly in light of coronavirus;
- 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;
- Investor feedback from Executive Director meetings with Shareholders;
- Approval of the interim dividend and the bonus issue in lieu of a final dividend;
- Regular reports by Executive Directors on operational matters;
- Approval of the acquisition of certain assets from Zed Books Limited;
- Approval of the acquisition of certain assets from Macmillan Education Limited;
- The management and review of the risks of the Company;
- Review of the Group Treasury policy;
- Review of the Group's tax strategy;
- Review of the Gender Pay Gap report;
- Review and approval of terms of reference for all the Committees;
- Review and approval of science-based targets to reduce the Company's greenhouse gas emissions;
- Review and approval of a schedule of matters reserved for the Board;
- Review and approval of the roles and responsibilities of the Chairman of the Board, the Chief Executive and the Senior Independent Director;
- Review of conflicts of interest;
- Review and approval of the fees of the Non-Executive Directors;
- Monitoring and understanding of organisational culture and values;
- Consideration of the Company's key stakeholders and their interests, and review of stakeholder engagement;
- Review of other routine corporate governance matters;
- 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. This year, the Board Strategy Day was split into two virtual meetings.

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. None have been reported during the year.

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 possibly 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 served 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.

Corporate Governance Report

continued

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. The interested Director is not permitted to vote, or be counted in the quorum, for any decision relating to their commitment.

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 28 February 2021. During the year, there were ten scheduled Board meetings which, due to the coronavirus pandemic, were conducted virtually. Two of these meetings were arranged exclusively to consider the non-pre-emptive placing of 3,766,428 Ordinary shares in the capital of the Company, and the Board Strategy Day was split into two separate 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	N R	10/10	6/6	–	3/3
Executive Directors					
Nigel Newton	N	10/10	–	–	3/3
Penny Scott-Bayfield		10/10	–	–	–
Jonathan Glasspool[1]		7/7	–	–	–
Non-Executive Directors					
John Warren[2]	A N R	10/10	6/6	3/3	3/3
Steven Hall	A N R	10/10	6/6	3/3	3/3
Leslie-Ann Reed	A N R	10/10	6/6	3/3	3/3
Baroness Lola Young of Hornsey[3]	N	1/1	–	–	0/0

1 Jonathan Glasspool stepped down from the Board as a Director of the Company on 21 July 2020 and retired from the Company on 31 July 2020.
2 John Warren will step down from the Board at the conclusion of the 2021 AGM, and will be succeeded by Leslie-Ann Reed as Senior Independent Director and Chair of the Audit Committee.
3 Baroness Young was appointed as a Director of the Company on 1 January 2021. A formal resolution in relation to her appointment will be put to Shareholders for approval at the 2021 AGM.

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

Board and Committee evaluation for 2020/2021

The Board

The Board conducts an annual formal evaluation of its performance. The 2018 Code provides that the Chairman of the Board should consider having a regular externally-facilitated Board evaluation. For 2020/2021 therefore, the Board undertook its first externally-facilitated evaluation. The evaluation was conducted towards the end of the financial year by Value Alpha Limited ("Value Alpha"), an independent advisory firm. Value Alpha has no other connection with the Company or individual Directors and has not previously facilitated Board reviews for the Company or the Chairman.

2020/2021 External Evaluation Process

- Value Alpha was selected from various providers to conduct the evaluation through a process led by the Chairman and Chief Executive, with oversight from the Nomination Committee.
- The Company Secretary provided Value Alpha with the necessary resources, including recent Board and Committee papers, minutes from previous Board and Committee meetings and other relevant information, to enable Value Alpha to undertake a thorough review of the Board.
- Value Alpha conducted confidential one-to-one virtual interviews with each of the Directors and the Company Secretary, which covered topics such as Board effectiveness, the Board's relationship with management, the wider legal and regulatory context in which the Company operates, the Board's consideration of stakeholder groups, the Board's oversight of Company culture, Board behaviours, and the systems and processes the Company has in place to ensure good governance.
- In order to gather insight into the Board's dynamics, culture, leadership and individual Director contribution, Value Alpha observed two Board meetings and three Committee meetings.
- Value Alpha delivered a virtual presentation of its findings from the evaluation to the Board in April 2021, where the Board was also given the opportunity to discuss the points raised by the evaluation and recommendations on follow-up actions. This session took place outside of a scheduled Board meeting. Value Alpha also provided a copy of the presentation to the Board.

A broad range of areas were considered during the one-to-one discussions with the Directors, including:

- The effectiveness of the Board, including the assessment of the mix of skills, experience, knowledge, independence, diversity and behaviours to address challenges facing the Company;
- The effectiveness of the Board's decision-making processes and whether these generate well-informed and high-quality decisions;
- The relationships between Board and senior management, and between Board members themselves;
- The Board's role in the oversight and development of strategy, providing direction to senior management and ensuring sufficient resources (in particular, the right people) are in place to deliver the Company's strategy;
- The plans in place for succession for the Executive Directors and senior management;
- The assessment and management of the risk and internal controls framework; and
- General meeting organisation, agendas and the quality of the information provided to Directors on the whole.

Results of the Board evaluation

Overall, Value Alpha reported that the results of the evaluation were overwhelmingly positive. Key findings were as follows:

- The Board continued to work well together and with the senior management team, with strong commitment from the Executive and Non-Executive Directors.
- 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. Board dynamics and behaviours were also very positive.

Key areas of focus for 2021/2022

The main areas identified by the external evaluation for continued focus were:

- The repurposing of the agendas for each Board meeting to facilitate prioritising of business issues and value creation;
- The provision of additional training to Directors on key topics such as ESG and cyber security; and
- The need for continued exposure to key members of senior management.

Progress against the 2019/2020 evaluation

A summary of the Board's progress against the actions arising from the 2019/2020 internal evaluation are set out below:

Action	Progress
The further development and articulation of long-term strategy	Presentations have been delivered by members of senior management at Board meetings during the course of the year, including from the managing directors of the Consumer and Non-Consumer Divisions. A routine "Strategy" item is included on each Board agenda and remains an area of focus.
The further improvement in the effectiveness of the Company's internal operational systems and processes, including IT systems	A presentation from the Head of IT was delivered to the Board during the year. Cyber and information security arrangements were also reviewed during the year by the Head of Internal Audit as part of the Internal Audit plan, and the results were fed back to the Audit Committee.

Corporate Governance Report

continued

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. For 2020/2021, the Committee evaluation process formed part of the wider Board evaluation led by Value Alpha.

The Chairman

The present Chairman, Sir Richard Lambert, joined the Board in July 2017 and was considered independent upon his appointment. It was unanimously agreed by the Directors as part of the external Board evaluation that the Chairman continued to lead the Board in an effective and positive manner.

Directors

Following the results of the external Board evaluation, the Board considers that each of the Directors proposed for re-election at the 2021 AGM continues to contribute effectively, and to demonstrate commitment, to their roles.

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 January 2021, Baroness Young joined the Board and while at the time of her appointment physical visits and meetings were not permitted due to UK Government guidelines, she was supported by an induction programme of virtual introductory meetings with Executive and Non-Executive Directors, senior management and advisers.

The Board and Committees receive regular updates on key legal, 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 Deloitte LLP provided an update on remuneration market trends. Key members of senior management attended Board meetings and delivered presentations about the Company's operations and strategy.

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 Chief Executive and Group Finance Director have day-to-day responsibility for all investor relations matters and for contact with Shareholders, as well as with City analysts. 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.

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. During the year, all meetings with institutional Shareholders and City analysts were held virtually.

AGM

As a matter of course, 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. Due to the coronavirus pandemic, in line with the UK Government's "Stay Alert" measures, the 2020 AGM was run as a closed meeting. Nonetheless, Shareholders were encouraged to vote in advance by proxy and to submit to the Board any questions they would otherwise have asked at the AGM ahead of the meeting by email. Subject to the UK Government lifting all restrictions relating to coronavirus, all Shareholders will be able to attend and participate in the 2021 AGM. Details on the arrangements for the 2021 AGM can be found in the Notice of the Annual General Meeting on pages 203 to 213.

At the 2020 AGM, the Company proposed (and received Shareholder approval for) new Articles of Association that will 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 pandemic. The new Articles of Association will allow AGMs to be convened in "hybrid" formats that allow both physical and remote participation of Directors and Shareholders. The Company emphasises that it would only use this power to hold virtual meetings in extreme circumstances such that the holding of a physical meeting may cause harm to life or is restricted/prohibited by measures implemented by the UK Government.

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

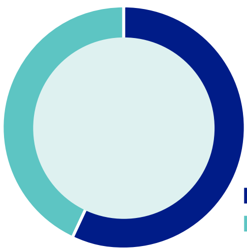
The Committee is comprised of myself as Chairman of the Board and Chair of the Committee, four Independent Non-Executive Directors and the Chief Executive. I was considered independent on appointment. The members of the Committee during the year were as follows:

Director	Appointed in the year (if applicable)	Resigned in the year (if applicable)
Sir Richard Lambert (Chair of the Committee)	–	–
Nigel Newton	–	–
John Warren	–	–
Steven Hall	–	–
Leslie-Ann Reed	–	–
Baroness Young	1 January 2021	–

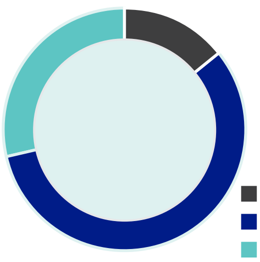
The Committee met three times during 2020/2021. The Committee members' attendance can be seen on page 98 of this section of the Annual Report.

Board diversity

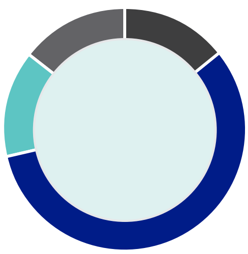
Gender



Balance of the Board



Tenure



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;
- Ensuring plans are in place for the orderly succession to Board and senior management positions, and overseeing the development of a diverse pipeline for succession, 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 diversity objectives and strategies, and monitoring the impact of diversity initiatives.

Nomination Committee Report

continued

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;
- 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. In exceptional circumstances, the appointment of an external consultant may not be considered necessary, if a suitable candidate has been otherwise identified;
- 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 2020/2021, the Nomination Committee was required to consider the recruitment of a Non-Executive Director to replace John Warren, who will be retiring at the 2021 AGM. Nigel Newton, Bloomsbury's Chief Executive, had become acquainted with Baroness Young when she was the Chair of the judges of The Man Booker Prize in 2017 and became aware of her extensive work on social issues in the House of Lords, as an academic, and in literary matters through her roles as Chair of both The Orange Prize and The Booker Prize. With the increased focus on social issues, and Baroness Young's wealth of experience in both social and literary areas, the Committee and the Board unanimously agreed that Baroness Young's appointment to the Board would be a positive step towards achieving Bloomsbury's goals, particularly around social matters and increasing diversity across the Company. Baroness Young was appointed to the Board on 1 January 2021 and will be formally standing for election at the 2021 AGM.

Other matters considered by the Committee during the year included:

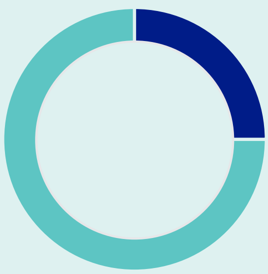
- The gender balance for direct reports to senior management;
- Succession planning for the Board and senior management;
- Conflicts of interest, time commitments, independence of directors, training and evaluation of the Board;
- Diversity and inclusion in general, including the approval of a diversity and inclusion policy and the consideration of the Company's Diversity, Equity & Inclusion plan;
- The skills, experience and knowledge of Board members;
- The format of the Board evaluation and, once completed, the consideration of the results and feedback;
- The extension of tenure for Steven Hall and Sir Richard Lambert; 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 considers that diversity within the Company's workforce and at senior levels of management may further serve this purpose and supports the delivery of Bloomsbury's strategic objectives. Beyond this, the Board recognises the importance of the Company's workforce and publishing being reflective of the society in which the Company operates.

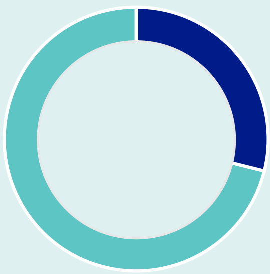
The Committee supports the Board in overseeing the Company's diversity and inclusion policy and related HR strategies for the purposes of developing a strong and diverse talent pipeline for the future through recruitment, retention and development strategies designed to promote all aspects of diversity. The Committee receives updates from the Director of Human Resources and Jenny Ridout, MD of the Non-Consumer

Composition of the Executive Committee



- Male 2
- Female 6

Executive Committee direct reports



- Male 18
- Female 44

Board experience and 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	◆◆◆◆◆

Division and the Chair of the Diversity, Inclusion and Wellbeing Steering Group on the implementation of diversity and inclusion measures across the Group at each Committee meeting. Further information in respect of diversity and inclusion can be found in the Corporate Responsibility section on pages 74 to 75. 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. Although the Company is not a member of the FTSE 350, the Board aims for at least one-third, or the nearest number to a third, of Directors on the Board to be women in line with the Hampton-Alexander Review targets in respect of gender diversity. The Board is pleased to confirm continued adherence to these recommendations and at present it has three women among its seven Directors. When John Warren steps down from the Board in July 2021, one-half of the Directors will be women, which will exceed these recommendations. The Board is also delighted to confirm adherence to the Parker Review's recommendation which recommends that each Board should at least have one Director from an ethnic minority background.

New appointments to the Board are usually selected by the Nomination Committee using independent search consultants based on merit as the best candidate for the role, unless there are exceptional circumstances where a suitable candidate has been found outside of this process, as was the case with Baroness Young. 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 will continue to 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, details of which can be found at the bottom of page 102. 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).

Board balance by experience and skills

Bloomsbury Board members bring a wide range of experience and skills which support the Company's strategy. 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 skills gaps are taken into consideration as part of ongoing succession planning. Details of the Board's skills are set out at the bottom of page 102.

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 was even more significant during the year 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 Committee discussed plans for the Company 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. The Company runs a Management Development programme targeted at 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.

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 116 to 117.

Sir Richard Lambert
Chair of the Nomination Committee

2 June 2021

Audit Committee Report

John Warren
Chair of the Audit Committee

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 28 February 2021.

Composition of the Committee

The Committee is comprised of three Independent Non-Executive Directors. I am the Chair of the Committee, a Fellow of the Institute of Chartered Accountants in England and Wales. The Board is satisfied that my experience and qualifications are sufficient for me 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. I will step down from the Board at the conclusion of the 2021 AGM, and will be succeeded as Chair by Leslie-Ann Reed. Leslie-Ann 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 as follows:

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

The Committee met three times during 2020/2021. The Committee members' attendance can be seen on page 98 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 statements of the Company and any formal announcements relating to the Company's financial performance; reviewing significant financial reporting judgements contained therein;
- Reviewing 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;
- Reviewing 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:

- Additional matters arising as a result of the coronavirus pandemic, including liquidity under different scenarios, financial flexibility, raising of additional equity funding in April 2020 and extension of banking facilities;
- 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 reappointment and remuneration of the External Auditor;
- The External Auditor's audit strategy for the year, agreeing the risks identified therein;
- The Internal Audit Plan and review of the Internal Audit projects;
- The effectiveness of the Internal Audit function;
- 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 48 to 54, which also explains how each risk is managed and mitigated; and
- Review of revised terms of reference for the Committee.

Significant financial reporting matters

In respect of the Annual Report and Accounts, the Committee considered:

- The adequacy of provisions made in relation to key balance sheet estimates, specifically including the sales return provision and provision against unearned author advances. Having reviewed the assumptions made by the Executive team and their consistency year-on-year, the Committee was satisfied as to the adequacy of the provisions;
- The adequacy of sensitivity disclosures in relation to Academic & Professional goodwill, particularly in the context of the coronavirus pandemic (note 11). Academic & Professional goodwill is the largest balance within goodwill and the most sensitive to the level of profit generated. After careful consideration, the Committee was satisfied that the assumptions used in the evaluation were appropriate and that no impairment of the goodwill had occurred;
- The impact of the coronavirus pandemic on the going concern and viability assessments. The Executive team had prepared a detailed forecast of future cashflows which had been flexed to reflect the possible future impact of key risks to the business, including, in particular, the possible effects of the pandemic. The Committee reviewed carefully these assumptions and was pleased to note that substantial going concern headroom was retained in all likely scenarios. The Committee was therefore able to recommend these assessments to the Board for adoption in the accounts;

These matters are discussed in more detail in the Independent Auditor's Report on pages 132 to 141.

In addition, the Committee assessed 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. It also 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 had been KPMG's audit partner for the Company since the 2018/2019 audit and attended all meetings of the Committee during 2020/2021. Since the year end, Anna Barrell has taken over the role as KPMG's audit partner for the Company from Sarah. The Committee is satisfied that there has been a smooth handover of responsibilities between Sarah and Anna.

During the year, the Committee assessed the effectiveness of the external audit process and was 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 2021 AGM. The External Auditor's terms of engagement and remuneration were approved. Details of the amounts paid to KPMG are provided in note 4.

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 2020/2021, KPMG did not supply any non-audit services to the Group.

Audit Committee Report

continued

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.

The Group takes a risk-based approach to internal controls 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.

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.

In 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. Grant Thornton attended all Audit Committee meetings that took place in 2020/2021.

During the year, key controls covering the Group's risk areas were 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. The focus for internal audit in the year was on key financial controls and cyber security. Grant Thornton conducted internal audits on these areas and the findings of the audits were reported to the Committee. The Committee considered the issues and risk arising from the audits, with the agreed actions and timetable for implementation.

The Committee assessed the effectiveness of the internal audit function for the financial year and concluded the quality, experience and expertise of the function was appropriate for the Company and the function had been effective in discharging its duties.

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 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 Principal Risks and Risk Management section on pages 48 to 54 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 reviews of key risks and controls for each division 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 threshold, 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 Chief Operating Office 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. Subject to the travel restrictions imposed by coronavirus in 2020/21, 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 2020/2021, 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 2020/2021 Board evaluation, confirmed that the Committee was continuing to function effectively.

John Warren
Chair of the Audit Committee

2 June 2021

Directors' Remuneration Report

Steven Hall
Chair of the Remuneration Committee

Dear Shareholder,

I am pleased to present the Directors' Remuneration Report (the "Report") for the year ended 28 February 2021.

The Report has been prepared on behalf of the Bloomsbury Board by the Remuneration Committee and has been approved by the Board.

Measures taken in response to coronavirus

In March 2020, the coronavirus crisis created significant uncertainty and it was essential that the Company continued to operate effectively and avoided damage to the underlying business. Management responded by taking proactive measures at the outset to conserve cash and reduce costs, including a reduction in base salary across the Group from 1 April 2020 for a period of three months. At Board and senior management level, this resulted in a voluntary reduction of 30% of base salary or fees. Below this level, the Company requested staff to volunteer to reduce their base salaries in order to protect Bloomsbury and to protect jobs as the Company tried to avoid redundancies. Salary reductions were implemented across the majority of staff with an annual salary of £30,000 or above, scaled into bands and weighted to more senior staff. At all levels, pay reductions were effected on a voluntary basis. Furthermore, the Company received a one-off US Government grant under the Paycheck Protection Program (£1.3 million). The Company also furloughed 16 members of staff under the UK Government's furlough scheme.

The Company reviewed the position in June 2020 and decided that a further extension of this arrangement was not required and salaries reverted to their original positions in July 2020. In October 2020, in light of the Company's excellent trading in the first six months of 2020/2021 during which revenue grew by 10% to £78.3 million and profit before taxation and highlighted items grew by 60% to £4.0 million, Management considered it appropriate to repay staff the salary that was reduced between 1 April 2020 and 30 June 2020. Consistent with wider employees, the Executive Directors' salaries and the Non-Executive Directors' fees were also reinstated. Furthermore, the Company chose to reimburse the UK Government all the furlough funding (£63,000) once it became clear that the Company's annual profit would be well ahead of market expectations.

In order to further mitigate the impact of the coronavirus crisis, the Company undertook an equity placing in April 2020 to raise approximately £8.4 million of additional headroom. In line with the commitments made to Shareholders at the time, these funds would be used to invest in future growth opportunities, in the event that a downside scenario did not materialise.

The Company had intended to declare a final dividend for the year ended 29 February 2020 of 6.89 pence per share. As part of its priority to conserve cash, the Company settled the final dividend for 2019/2020 through a bonus issue to Shareholders. Taking into account the strong financial position following the Company's trading in the first half of the year and the importance of Bloomsbury's dividend policy, the Company resumed an interim cash dividend of 1.28 pence per share during the year.

The Committee is grateful to the Executive Directors and senior management for navigating the Company through the considerable challenges and uncertainty, particularly at the beginning of the pandemic, and to staff for their determination, resilience and adaptability during a tough year. The Committee is also thankful to the Company's Shareholders for their continued support.

Performance and reward for 2020/2021

In what was predicted to be a particularly challenging year, the Group delivered an exceptional set of results for the year to 28 February 2021. Group profits before taxation and highlighted items grew by 22% to £19.2 million. Profits before taxation grew by 31% to £17.3 million.

The Company intends to declare a final dividend for the year of 7.58 pence per share, subject to approval by Shareholders. This would result in a total dividend for the year of 8.86 pence per share. In addition, the Company proposes a special dividend of 9.78 pence per share.

Annual bonus

Prior to the commencement of the financial year, the Committee had commenced discussions about the appropriate target for profits for the bonus based on the pre-coronavirus budget. In light of the uncertainties of the pandemic, the Committee determined that it would be appropriate to adjust the manner in which the bonus would be operated for 2020/2021. Given the focus on financial stability, it was agreed that the bonus would be conditional on delivery of overall profit before tax and highlighted items ("Adjusted profit") of £14.0 million, taking into account the revised budget and city forecasts, to remove the strategic element altogether, and limit the overall bonus opportunity available to Executive Directors to 30% of salary to reflect the more modest nature of the profit hurdle. Furthermore, it was agreed that the bonus would only be payable if the Company was able to repay the salary of staff who took a voluntary pay cut between 1 April and 30 June 2020 and that all employees Group-wide would be eligible for a bonus payment if the Company achieved its Adjusted profit target.

As noted above, the Company was able to repay the discounted element of employees' salary in full. Although Bloomsbury delivered excellent performance for 2020/2021, achieving Adjusted profit of £19.2 million, the Committee elected to retain the cap on bonuses for Executive Directors at 30% of salary in line with the approach agreed at the start of the year.

Long Term Incentive Plan ("LTIP") vesting

The LTIP awards granted on 30 July 2018 ("2018 PSP Award") are due to vest in July 2021 and 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 annual EPS growth of 9.2% in excess of RPI over the three-year performance period, and ROCE of 15.2%, exceeding the stretch hurdles originally set. Accordingly, the 2018 PSP Award will vest on 30 July 2021 at 100% 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 2018 PSP Award is also shown in tabular form in Part B of the Remuneration Report on pages 119 to 120.

Executive Director changes

As announced in the 2019/2020 Remuneration Report, Jonathan Glasspool stepped down from the Board on 21 July 2020, being the date of the 2020 Annual General Meeting ("2020 AGM"), and retired from Bloomsbury on 31 July 2020. Details of his remuneration are disclosed in the single figure table on page 118 and are also covered under the Payments for Loss of Office section on page 120.

As noted on appointment and disclosed in prior years, Penny-Scott Bayfield was recruited to the role of Group Finance Director on a salary below that of her predecessor, and below the market level. This deliberately prudent approach was adopted 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 July 2020 the Committee reviewed both her progress and performance in the two years following her appointment to the Board. The Committee noted that she had successfully transitioned to her Board role, and was now operating as a highly successful and marketable FTSE Finance Director. The Company has continued to make strong progress on its long-term growth strategy, as demonstrated by the Company's financial performance during her tenure. In addition, She has been instrumental in building the Company's financial and operational resilience, including strengthening the Company's financing during 2020/2021 with the equity placing and RCF extension, cost reduction and cash conservation measures.

Penny had fully taken on the role as Group Finance Director and performed it with excellence, and therefore the Committee agreed to increase her base salary to £290,000, effective from 1 August 2020. While recognising this increase is significant, this salary broadly brings her base salary in line with that of her predecessor, as adjusted for all employee salary increases in 2019 and 2020. The Committee does not expect to make exceptional salary increases on a regular basis, and the expectation would be for increases in future years would be capped at the levels agreed for the wider workforce.

Review of the Remuneration Policy and remuneration arrangements for 2021/2022

The Remuneration Policy received very strong approval (95.5%) from Shareholders at the 2020 AGM. Notwithstanding this support, the Committee and Executive Directors were mindful of the rapid changes in market practice during the 2020 AGM season relating to executive pension benefits. Although the Shareholder-approved Remuneration Policy enabled a maximum pension of up to 15% of salary, the Executive Directors voluntarily agreed to reduce their longstanding contractual pension benefits to 12% of salary, with effect from 1 September 2020, to be closer to the all-employee rate. Given the longstanding nature of these contractual benefits, the Committee is of the view that this reduction is a pragmatic concession by the Executive Directors. Under the Remuneration Policy, any new Executive Directors will have pension benefits aligned with the rate applicable to the wider workforce (currently up to 7% of salary).

Directors' Remuneration Report

continued

No major changes in approach are proposed for the coming year. For the year ending 28 February 2022, the Committee has decided to implement the Remuneration Policy as follows:

- Salary increases for Executive Directors and fee increases for Non-Executive Directors will be at the rate offered to the wider workforce.
- The structure of the annual bonus for 2021/2022 will differ from previous years in that 25% of the maximum bonus potential will be paid on achievement of the profit before tax target hurdle. Any outperformance of this target will be used to fund the remaining 75% of the bonus pool. As in previous years, 70% of the maximum bonus will be based on profit before taxation and highlighted items and 30% on strategic objectives. The maximum bonus potential will be at 100% of salary. The Committee will have the discretion to reduce any payment under the bonus if they feel payment is not merited based on the overall performance of the Group or if the bonus is not considered affordable by the Board.
- The performance measures attached to the 2020 PSP Award will be replicated for 2021 PSP Award, based on EPS (60%), Non-Consumer operating profit (15%), Consumer operating profit (15%) and BDR revenue (10%). 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. Further detail on the targets are set out on page 123.

We hope that you will find this 2020/2021 Remuneration Report clear and helpful, and of course we welcome Shareholder feedback.

Steven Hall
Chair of the Remuneration Committee

2 June 2021

Part A – Remuneration Policy Report

Introduction

The Directors' Remuneration Policy is set out in this section. In determining the Remuneration Policy, the Committee applied 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.

This Policy was approved by Shareholders at the Annual General Meeting on 21 July 2020, with strong support from 95.52% of Shareholders, and came into effect from this date.

To aid interpretation, updates to the text have been made to reflect the implementation of the Remuneration Policy. The full Policy approved by Shareholders is set out in the 2020 Annual Report and Accounts on pages 90 to 96.

The 2018 UK Corporate Governance Code (the "Code") sets out principles against which the Committee should determine the Policy for Executive Directors. A summary of these principles and how the current Policy reflects these is set out below:

Principle	How the Committee has addressed these
Clarity – remuneration arrangements should be transparent and promote effective engagement with Shareholders and the workforce.	The Committee is satisfied that the remuneration arrangements in the Policy comprising simple incentive structures are transparent, and the rationale behind decisions relating in particular to targets, metrics and outcomes is discussed in detail in this Remuneration report. Furthermore, performance is aligned with the Company's strategy and the interests of all stakeholders.
Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	The Company's remuneration arrangements are commonplace in the market. A priority in revising the Policy in 2019/2020 was ensuring share incentive and bonus schemes were designed with simplicity and that the metrics and targets were understood by the Executive Directors and senior management.
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	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. Furthermore, all variable pay awards are subject to malus and clawback provisions.
Predictability – the range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.	There are defined threshold and maximum pay scenarios for fixed elements of remuneration (base salary, pension and benefits) and performance-based variable elements (cash bonus and LTIP) pertaining to each Executive Director. These reward scenarios are set out on page 115.
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	There is a clear and direct link between Group performance and individual rewards under the annual bonus and LTIP. Targets will be appropriately stretching and no variable remuneration would be payable if the performance thresholds are not achieved. We believe total remuneration should fairly reflect performance of the Executive Directors and the Group as a whole, taking into account underlying performance and Shareholder experience.
Alignment to culture – incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	The Committee formulated a Policy that aligned with the Company's purpose, values and strategy. The annual bonus is made up of a combination of financial and strategic objectives, thereby incentivising the annual delivery of financial and strategic goals. The LTIP metrics are aligned to the main strategic objectives of delivering sustainable profit growth and Shareholder return.

Consideration of Shareholder views

As part of the 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. During the year, the Committee has amended pension arrangements as discussed on page 119 in light of market developments.

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

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 2021, 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 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 2021/2022 is set out in the Annual Report on Remuneration. As noted on page 108, a temporary reduction was made to salaries and fees for Board Directors for a period of three months between 1 April 2020 and 30 June 2020. The Company reviewed the position in June 2020 and decided that a further extension of the arrangement was not required and salaries reverted to their original positions in July 2020. In October 2020, In light of the Company's excellent trading in the first six months in 2020/2021, management considered it appropriate to repay staff the salary that was reduced between 1 April 2020 and 30 June 2020. Consistent with wider employees, the Executive Directors' salaries and the Non-Executive Directors' fees were also reinstated.

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 – 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 are proposed to be included for the 2021 PSP Award 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 Policy if the terms of the payment were agreed:

1. Before the Policy came into effect, if the payment is made in line with the policy in force at the time or is 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.

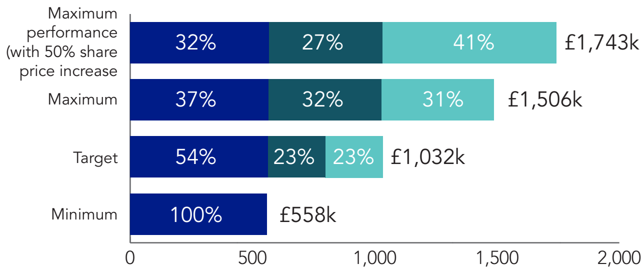
Awards granted under the Company's share plans will be operated in accordance with the relevant plan rules and applicable regulations. Under the plan rules, the Committee retains a number of discretions concerning the operation of the Company's share plans. This includes:

- 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.

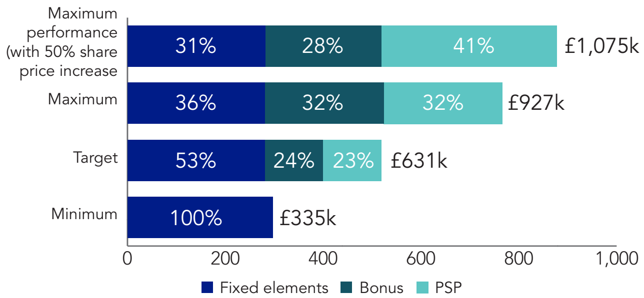
Reward scenarios

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 2021/2022, 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 2021/2022.
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 and pension used are effective as at 1 March 2021. Car allowance used is as disclosed in the single figure table on page 118 for the year ending 28 February 2021.
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

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 Company publishes a paper on its intranet explaining the remuneration policies at different levels of the Company, but the Committee does not currently formally consult with employees on the Executive Remuneration Policy and how it aligns with the wider Company policy. However, this will be part of the Committee's forthcoming agenda.

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–1 (AUDITED INFORMATION) Single total figure table of remuneration for 2020/2021

Directors' remuneration for 2020/2021

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[4] £'000	Long-term incentives[5, 6] £'000	Pension benefits £'000	Total £'000	Total fixed remuneration £'000	Total variable remuneration £'000
Executive Directors									
Nigel Newton	**2021**	**464**	**27**	**139**	**643**	**63**	**1,336**	**554**	**782**
	2020	455	25	–	554	68	1,102	548	554
Penny Scott-Bayfield	**2021**	**269**	**3**	**81**	**205**	**36**	**594**	**308**	**286**
	2020	236	7	–	–	35	278	278	–
Jonathan Glasspool[1]	**2021**	**97**	**7**	**31**	**228**	**15**	**378**	**119**	**259**
	2020	242	17	–	294	36	589	295	294
Non-Executive Directors									
Sir Richard Lambert	**2021**	**113**	**–**	**–**	**–**	**–**	**113**	**113**	**–**
	2020	111	–	–	–	–	111	111	–
John Warren	**2021**	**43**	**–**	**–**	**–**	**–**	**43**	**43**	**–**
	2020	42	–	–	–	–	42	42	–
Steven Hall	**2021**	**43**	**–**	**–**	**–**	**–**	**43**	**43**	**–**
	2020	41	–	–	–	–	41	41	–
Leslie-Ann Reed[2]	**2021**	**40**	**–**	**–**	**–**	**–**	**40**	**40**	**–**
	2020	25	–	–	–	–	25	25	–
Baroness Lola Young of Hornsey[3]	**2021**	**7**	**–**	**–**	**–**	**–**	**7**	**7**	
	2020	–	–	–	–	–	–	–	–
Total	**2021**	**1,076**	**37**	**251**	**1,076**	**114**	**2,554**	**1,227**	**1,327**
	2020	1,152	49	–	848	139	2,188	1,340	848

1 Jonathan Glasspool stepped down from the Board as a Director of the Company on 21 July 2020 and retired from the Company on 31 July 2020. His 2021 remuneration is up until 21 July 2020. Further details of his remuneration are covered under the Payments for Loss of Office section on page 120.
2 Leslie-Ann Reed was appointed as a Director of the Company on 17 July 2019. Her 2020 fees were pro-rated from the date of her appointment.
3 Baroness Young was appointed as a Director of the Company on 1 January 2021. Her 2021 fees are from the date of her appointment.
4 Figures shown for bonus payments relate to performance during the relevant financial year.
5 Figures shown for 2021 relate to PSP Awards granted in 2018 (at a share price of £2.20), which will vest following completion of the three-year performance on 30 July 2021. 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 28 February 2021 of £2.8376 and are inclusive of dividend equivalents. Of these values, £128,700, £45,645 and £41,081 relate to share price growth over the performance period for Nigel Newton, Jonathan Glasspool and Penny Scott-Bayfield, respectively.
6 Figures shown for 2020 relate to the PSP Awards granted in 2017 (at a share price of £1.80), inclusive of dividend equivalents, which vested following completion of the three-year performance on 27 July 2020. The value of the award has been restated to reflect the share price on the date of vesting of £2.1750. Of these values, £86,648 and £46,012 relate to share price growth over the performance period for Nigel Newton and Jonathan Glasspool 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 2020/2021 bonus, are set out under the relevant headings below.

As noted in the Chair's Annual Statement on page 108, in March 2020, the coronavirus crisis created significant uncertainty and it was essential that the Company continued to operate effectively and avoided damage to the underlying business. Management responded by taking proactive measures at the outset to conserve cash and reduce costs, including a reduction in base salary across the Group from 1 April 2020 for a period of three months. At Board and senior management level, this resulted in a voluntary reduction of 30% of base salary or fees. Below this level, the Company requested staff to volunteer to reduce their base salaries in order to protect Bloomsbury and to protect jobs as the Company tried to avoid redundancies. Salary reductions were implemented across the majority of staff with an annual salary of £30,000 or above, scaled into bands and weighted to more senior staff. At all levels, pay reductions were effected on a voluntary basis. The Company reviewed the position in June 2020 and decided that a further extension of this arrangement was not required and salaries reverted to their original levels in July 2020. In October 2020, in light of the Company's excellent trading in the first six months of 2020/2021, Management considered it appropriate to repay staff the salary that was reduced between 1 April 2020 and 30 June 2020. Consistent with wider employees, the Executive Directors' salaries and the Non-Executive Directors' fees were also reinstated.

Basic salary

The Executive Directors all received an increase in basic salary of 2% with effect from 1 March 2020 in accordance with normal policy. Such increase was in line with the average salary increases for all employees across the Group.

The basic salaries from 1 March 2020 were £464,000, £247,000 and £240,000 for Nigel Newton, Jonathan Glasspool and Penny Scott-Bayfield respectively.

On 16 July 2018, Penny Scott-Bayfield was recruited to the role as Group Finance Director at 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. As noted in the Chair's Annual Statement, in July 2020 the Committee reviewed both her progress and performance since appointment, and on the basis that Penny had fully taken on the role and performed it with excellence, the Committee agreed to adjust her base salary to £290,000, effective from 1 August 2020. Following this one-off reset, the Remuneration Committee expects salary increases in future years to be capped at rates offered to the wider workforce.

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), home working allowance, and Company schemes offered to staff generally, such as buying books for private use at the staff discount rate.

Pensions

In accordance with the Remuneration Policy approved by Shareholders at the 2020 Annual General Meeting, pension contributions in 2020/2021 were initially 15% of basic salary for Nigel Newton, Jonathan Glasspool (until his retirement on 31 July 2020) and Penny Scott-Bayfield. However, the Company and the Executive Directors noted that market practice in relation to retirement benefits continued to evolve. In order to reduce the gap between Executive and all-employee pension benefits (currently up to 7% of salary), the Executive Directors voluntarily agreed to a reduction in their long-standing contractual pension entitlements. With effect from 1 September 2020, the retirement benefit was reduced to 12% of salary. Directors may elect to receive a cash alternative in lieu of payments by the Company into their private pension arrangements.

Bonus for 2020/2021

In light of the potential adverse impacts of the coronavirus pandemic, the Committee reviewed the structure and targets of the 2020/21 bonus to incentivise financial stability during the pandemic. In light of the uncertainties of the pandemic, the Committee determined that it would be appropriate to adjust the structure of the bonus in operation for the year in order to retain suitable focus on financial stability. The Committee agreed to set the overall Adjusted profit target at £14.0 million, taking into account the revised budget and city forecasts, to remove the strategic element of the bonus altogether, and to limit the overall bonus opportunity available to Executive Directors to 30% of salary rather than full maximum of 100% of salary to reflect the more modest nature of the profit hurdle. Furthermore, it was agreed that the bonus would only be payable if the Company was able to repay salary of staff who took a voluntary pay cut between 1 April and 30 June 2020. As part of this proposal, the Committee also agreed for the bonus to be applied Group-wide to all employees, the purpose being to sufficiently motivate all employees in the annual delivery of financial and strategic goals in an uncertain environment.

In light of the Company's exceptional performance during the first six months of trading in 2020/2021, the Company was able to repay the discounted element of employees' salary in full. Although Bloomsbury delivered excellent performance for 2020/2021, achieving Adjusted profit of £19.2 million, the Committee elected to retain the cap on bonuses for Executive Directors at 30% of salary, in line with the approach agreed at the start of the year.

Vesting of PSP Awards

The PSP Awards granted on 30 July 2018 ("2018 PSP Award") are set to vest on 30 July 2021 based on performance over a three-year period ending 28 February 2021. The performance conditions for this award are as disclosed in previous Annual Reports. The level of vesting for the 2018 PSP awards is as follows and the Committee considers that this result appropriately reflects the progress Bloomsbury has made over the last three years:

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%	9.2%	50% (out of a maximum of 50%)
ROCE[1] (50% of awards)	ROCE measured in the last financial year of the three-year performance period	13.1%	15.1%	15.2%	50% (out of a maximum of 50%)
Total estimated vesting of 2018 PSP Awards					100%

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. There is no vesting for achievement below threshold, and 100% vesting for achievement above the stretch target.

Directors' Remuneration Report

continued

Based on the above, values for the 2018 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	201,851	0	201,851	24,733	226,584	643
Jonathan Glasspool[3]		107,188	35,599	71,589	8,772	80,361	228
Penny Scott-Bayfield		64,430	0	64,430	7,895	72,325	205

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 28 February 2021 of £2.8376. The actual value of shares received will vary depending on the share price at the end of the holding period.
3 Jonathan Glasspool stepped down from the Board as a Director of the Company on 21 July 2020 and retired from the Company on 31 July 2020. The Committee confirmed his status as "good leaver" for the purposes of outstanding incentive awards. His award granted under the 2018 PSP Award has been pro-rated to reflect Jonathan's departure prior to the normal vesting date.

PSP Awards granted during 2020/2021

Details of PSP Awards granted in 2020/2021 ("2020 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)	28 Aug 2020	28 Aug 2023	100%	464	25%	100%	3 years to 28 February 2023
Penny Scott-Bayfield		28 Aug 2020	28 Aug 2023	100%	290	25%	100%	

1 Face value was determined using a share price of 209p (closing mid-market price of a share on the dealing day before the grant was made).
Jonathan Glasspool stepped down from the Board as a Director of the Company on 21 July 2020 and retired from the Company on 31 July 2020. He was not granted an award under the 2020 PSP Award.

Performance conditions in respect of the 2020 PSP Award:

Metric	Weighting	0% vesting	25% vesting	100% vesting
EPS (before highlighted items)	60%	17.8p	19.5p	24.6p
Non-Consumer Operating Profit	15%	£7.5 million	£8.8 million	£12.8 million
Consumer Operating Profit	15%	£10.4 million	£10.7 million	£11.6 million
Bloomsbury Digital Resources (BDR) Revenue	10%	£14.9 million	£15.5 million	£17.3 million

The awards for Executive Directors are 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 Committee has discretion to adjust formulaic outcomes where it believes the outcome does not reflect the Committee's assessment of the underlying performance of the Company / individual.

Payments to past Directors

There were no payments to past Directors during the year.

Payments for loss of office

Jonathan Glasspool stepped down from the Board as Director on 21 July 2020, being the date of the 2020 AGM, and retired from the Company on 31 July 2020. He did not receive any payment in lieu of notice or any ex-gratia payment, and he was not granted an award under the 2020 PSP Award. The Committee determined that Jonathan would be eligible for the bonus awarded in respect of 2020/2021 on a time pro-rated basis. The Committee further confirmed Jonathan's status as a "good leaver" for the purposes of outstanding incentive awards. All awards are subject to time pro-rating and performance (as assessed at the end of the relevant performance period). Jonathan received £5,184 in lieu of holiday entitlement that was not taken up until his date of retirement.

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 2020	Awarded during the year	Exercised during the year	Lapsed during the year	Share price on date of exercise (pence)	At 28 February 2021
Nigel Newton	27 July 2017	27 July 2020	180.00p	240,689	–	231,061	(9,628)	217.5	–
	30 July 2018	30 July 2021	220.00p	201,851	–	–	–	–	**201,851**
	21 August 2019	21 August 2022	230.00p	197,901	–	–	–	–	**197,901**
	28 August 2020	28 August 2023	209.00p	–	222,142	–	–	–	**222,142**
Penny Scott-Bayfield	30 July 2018	30 July 2021	220.00p	64,430	–	–	–	–	**64,430**
	21 August 2019	21 August 2022	230.00p	102,500	–	–	–	–	**102,500**
	28 August 2020	28 August 2023	209.00p	–	138,755	–	–	–	**138,755**
Jonathan Glasspool[1]	27 July 2017	27 July 2020	180.00p	127,812	–	122,700	(5,112)	217.5	–
	30 July 2018	30 July 2021	220.00p	107,188	–	–	(35,599)	–	**71,589**
	21 August 2019	21 August 2022	230.00p	105,090	–	–	(72,010)	–	**33,080**

1 Jonathan Glasspool stepped down from the Board as a Director of the Company on 21 July 2020 and retired from the Company on 31 July 2020. The Committee confirmed his status as "good leaver" for the purposes of outstanding incentive awards. All outstanding awards are subject to time pro-rating and performance (as assessed at the end of the relevant performance period).

2018 and 2019 PSP Awards

EPS

For 50% of the awards made in 2018 and 2019: 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%.

ROCE

For 50% of the awards made in 2018 and 2019: 25% of this part of the award will vest for absolute Return On Capital Employed ("ROCE") of 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 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.

2020 PSP Award

Performance measures and targets for the 2020 PSP Award are detailed on page 120.

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 2020	Granted during the year	Exercised during the year	Lapsed during the year	At 28 February 2021	Exercise price (pence)	Date of grant	Date from which exercisable	Expiry date
Jonathan Glasspool[1]	6,550	–	6,550	–	–	137.4p	12 June 2017	July 2020	Jan 2021
	4,870	–	2,299	2,571	–	184.8p	12 July 2019	July 2020	Jan 2021
Penny Scott-Bayfield	9,740	–	–	–	**9,740**	184.8p	12 July 2019	Sept 2022	Mar 2023

1 Jonathan Glasspool stepped down from the Board as a Director of the Company on 21 July 2020 and retired from the Company on 31 July 2020. His outstanding Sharesave awards were eligible to be exercised within 6 months of his leaving date (January 2021) and were subject to time pro-rating.

Directors' Remuneration Report

continued

Directors' interests in shares

Under the current Remuneration Policy, Executive Directors are required to build up a shareholding in the Company equal to 200% of their salary ("Shareholding Guideline") to align their interests with that of Shareholders. Executive Directors are expected to retain any vested shares (net of tax) until the Shareholding Guideline has been achieved.

Executive Directors are also 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 applies to shares vesting after the 2020 AGM and may be disapplied in certain cases (e.g. due to compassionate circumstances).

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. There have been no changes to those interests between 28 February 2021 and the date of this report.

	Owned[2]		PSP Awards					
	28 February 2021[6]	29 February 2020	Unvested	Vested	CSOP options unvested	Sharesave options unvested	**Total 28 February 2021**	Shareholding Guideline achieved[1] %
Nigel Newton[3]	1,190,405	1,017,263	621,894	–	–	–	**1,812,299**	100%
Penny Scott-Bayfield	–	–	305,685	–	–	9,740	**315,425**	0%
Jonathan Glasspool[4]	30,975	30,975	104,669	–	–	–	**135,644**	N/A
Sir Richard Lambert	10,317	10,000	–	–	–	–	**10,317**	N/A
John Warren	10,317	10,000	–	–	–	–	**10,317**	N/A
Steven Hall	3,271	3,171	–	–	–	–	**3,271**	N/A
Leslie-Ann Reed	–	–	–	–	–	–	**–**	N/A
Baroness Young[5]	–	–	–	–	–	–	**–**	N/A
Total	1,245,285	1,071,409	1,032,248	–	–	9,740	**2,287,273**	

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 341 pence (determined by the 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 In respect of the vesting of the 2017 PSP Award, Nigel Newton acquired 254,805 shares (comprising 231,061 vested PSP shares and 23,744 dividend equivalent shares), out of which 120,368 shares were sold to fund the tax liability, National Insurance liability and administrative fees arising on vesting. He retained the balance of 134,437 shares.

4 Jonathan Glasspool stepped down from the Board as a Director of the Company on 21 July 2020 and retired from the Company on 31 July 2020. The table above is reflective of his interests in shares on the date he stepped down from the Board. In respect of the vesting of the 2017 PSP Award, Jonathan Glasspool acquired 135,309 shares (comprising 122,700 vested PSP shares and 12,609 dividend equivalent shares) out of which 63,919 shares were sold to fund the tax liability, National Insurance liability and administrative fees arising on vesting. He retained a balance of 71,390 shares.

5 Baroness Young was appointed as a Director of the Company on 1 January 2021.

6 The Company had intended to declare a final dividend for the year ended 29 February 2020 of 6.89 pence per share. In light of the coronavirus crisis, the Company decided to conserve cash and not pay a cash dividend. At the Annual General Meeting held on 21 July 2020, Shareholders approved the Company's proposal to settle the final dividend for 2019/2020 through the issuance of new Ordinary shares of 1.25 pence each (the "Bonus Shares") by way of bonus issue to Shareholders, with a value equivalent to the proposed dividend (the "Bonus Issue"). Directors holding shares in Bloomsbury at 11.59pm on 31 July 2020 were therefore issued with Bonus Shares, increasing their overall shareholdings.

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 2020/2021 and that the pay outcomes are aligned with the experience of Shareholders and other stakeholders over the relevant performance period.

Implementation of Remuneration Policy in 2021/2022

From 1 March 2021, 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 2021 £'000
Nigel Newton	474
Penny Scott-Bayfield	296

Pension and benefits

In 2021/2022, pension contributions (as a percentage of base salary) for Executive Directors will be at 12%. Pension contributions for any new Executive Director appointments will be set in line with the applicable wider workforce rate. The Committee recognises 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 2021/2022 will be consistent with the Remuneration Policy. The maximum bonus potential will continue to be set at 100% of salary. The structure of the bonus scheme will differ from previous years in that bonuses will be awarded at 25% upon achievement of the Adjusted profit target. Any outperformance of this target will be used to fund the remaining 75% of the bonus pool.

Where the full bonus pool is not funded, bonuses would be pro-rated accordingly. The maximum bonus will be measured against a Group profit target (70%) and strategic objectives (30%). 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 2021/2022 ("2021 PSP Award") at 100% of salary in line with awards in prior years. 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 2021 PSP Award will be subject to the following performance measures:

Metric	Weighting	0% vesting	25% vesting	100% vesting
EPS (before highlighted items)	60%	17.9p	19.8p	25.2p
Non-Consumer Operating Profit	15%	£7.8 million	£9.2 million	£13.6 million
Consumer Operating Profit	15%	£10.9 million	£11.9 million	£14.9 million
Bloomsbury Digital Resources (BDR) Revenue	10%	£15.0 million	£16.0 million	£19.0 million

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. The Committee has discretion to adjust formulaic outcomes where it believes the outcome does not reflect the Committee's assessment of the underlying performance of the Company / individual.

Non-Executive Directors

From 1 March 2021, 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 2021 £'000	From 1 March 2020 £'000
Sir Richard Lambert	Chairman of the Board, Chair of the Nomination Committee	115	113
John Warren	Chair of the Audit Committee and Senior Independent Director	44	43
Steven Hall	Chair of the Remuneration Committee and Independent Non-Executive Director	44	43
Leslie-Ann Reed	Independent Non-Executive Director	41	40
Baroness Young[1]	Independent Non-Executive Director	40	7

1 Baroness Young was appointed as a Director of the Company on 1 January 2021. Her 2020/2021 fees are from the date of her appointment.

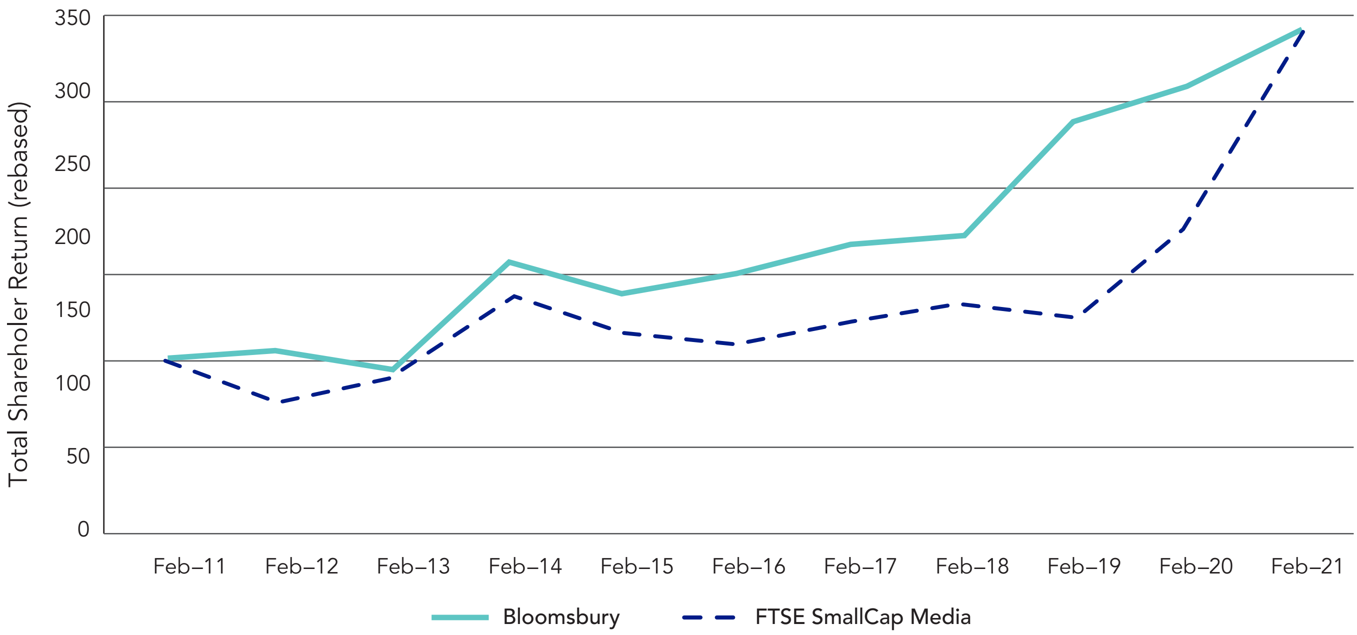
Directors' Remuneration Report

continued

PART B–2 (UNAUDITED INFORMATION)

Performance graph and table

The chart below shows the Company's Total Shareholder Return for the period from 28 February 2011 to 28 February 2021 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 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:	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	**28 Feb 2021**
Total remuneration (£'000)	785	617	749	799	547	689	909	951	1,102	**1,336**
Annual bonus (%)	54%	0%	17%	16%	0%	42%	88%	92.5%	0%	**30%**
PSP vesting (%)	50%	50%	50%	56%	17%	0%	0%	0%	96%	**100%**

Percentage change in remuneration of Directors and employees

The table below shows the percentage change in the base salary/fees, benefits and annual bonus between the financial years ended 29 February 2020 and 28 February 2021 in respect of all Directors of the Company compared to that of the average percentage change for all employees of the Company for each of these elements of pay. The average employee change has been calculated by reference to the mean of employee pay. Baroness Young was appointed to the Board during the year ended 28 February 2021 and, accordingly, she has been excluded from the table below. This table will be built up over time to display a five-year history:

	Salary/ Fees	Benefits	Bonus[2]
Average employee[1]	(2%)	(4%)	1,152%
Executive Directors			
Nigel Newton	2%	8%	–
Penny Scott-Bayfield	14%[3]	36%	–
Non-Executive Directors			
Sir Richard Lambert	2%	n/a	n/a
John Warren	2%	n/a	n/a
Steven Hall	4%	n/a	n/a
Leslie-Ann Reed[4]	0%	n/a	n/a

1 The average employee salary and benefits figures have reduced due to the salary mix impact of leavers and joiners during the financial year. In practice, salaries were generally increased by 2% across the business in the year, with benefits arrangements remaining largely unchanged.
2 In 2019/2020, there was a nil payout of bonuses to Executive Directors. In 2020/2021, the Company introduced a Group-wide bonus scheme.
3 Details in regards to Penny Scott-Bayfield's salary increase is detailed in the Chair's Annual Statement on page 109.
4 In order to provide a meaningful comparison with remuneration for 2020/2021, Leslie-Ann Reed's salary for 2019/2020 has been annualised as she joined the Board on 17 July 2019.

Chief Executive's pay ratio

The table below discloses the ratio of the Chief Executive's pay, using the single total figure remuneration as disclosed on page 118 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[5]	A	39.5 : 1	30.8 : 1	21.6 : 1
2021	**A**	**45.8 : 1**	**36.3 : 1**	**25.8 : 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 28 February 2021 using the single total figure valuation methodology. The elements used to calculate total remuneration comprised 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 £26,346 salary and £29,180 total pay and benefits.
3 The relevant median values are £34,031 salary and £36,838 total pay and benefits.
4 The relevant 75th percentile values are £43,830 salary and £51,743 total pay and benefits.
5 The 2020 ratios have been restated to reflect the adjusted single total figure remuneration valuation for Nigel Newton, taking into account the updated valuation for his 2017 PSP Award. The ratios previously disclosed in the 2020 Directors' Remuneration Report were 44.8:1 (25th percentile), 34.9:1 (median) and 24.5:1 (75th percentile).

The Company believes the median pay ratio for the year ended 28 February 2021 is consistent with the pay, reward and progression policies for the Company's UK employees taken as a whole.

The Committee noted that the CEO pay ratios had increased in 2020/2021 compared to 2019/2020. This change reflected the fact that in respect of 2020/2021, there was a payout for the bonus scheme at 30% of salary and the 2018 PSP Award vested at 100%, whereas in 2019/2020, there was nil payout for the bonus scheme and the 2017 PSP Award 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.

Directors' Remuneration Report

continued

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 28 February 2021	Year ended 29 February 2020
Staff costs (£m)	**39.9**	34.9
Dividends declared (£m)	**15.2**	1.0
Retained profits (£m)[1]	**11.6**	4.4

[1] Retained profits for 2019/2020 reflect the impact of adopting IFRS 16.

Voting at the Annual General Meeting

At the Annual General Meeting of 21 July 2020, the Annual Statement by the Chair of the Remuneration Committee and the Annual Report on Directors' Remuneration for the financial year ended 29 February 2020 was put to an advisory vote. The voting outcomes were as follows:

	Number of shares	Percentage of the vote
Votes cast in favour	47,974,060	97.48%
Votes cast against	1,242,678	2.52%
Total votes cast	49,216,738	100%
Abstentions on voting cards	23,302	

The Remuneration Policy was also put to Shareholders at the Annual General Meeting held on 21 July 2020 as an ordinary resolution. The voting outcomes were as follows:

	Number of shares	Percentage of the vote
Votes cast in favour	47,009,932	95.52%
Votes cast against	2,204,768	4.48%
Total votes cast	49,214,700	100%
Abstentions on voting cards	25,340	

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)
Steven Hall (Chair of the Committee)	–	–
Sir Richard Lambert	–	–
John Warren	–	–
Leslie-Ann Reed	–	–

The Committee met six times during 2020/2021. The Committee members' attendance can be seen on page 98 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, amongst other matters, the Committee considered the following:

- Review and recommendation for approval of the Directors' Remuneration Policy;
- Review and recommendation for approval of the Directors' Remuneration Report for the Annual Report and Accounts for the financial year ended 29 February 2020;
- 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 2019/2020;
- Review and approval of the bonus plan proposal and objectives for 2020/2021;
- Review of the proposed structure of an all-staff bonus plan;
- Review of workforce engagement around Executive remuneration policies;
- Review of workforce remuneration policies;
- Review and approval of performance targets for the 2020 PSP Award;
- Review and approval of amendments to the 2014 Performance Share Plan rules;
- Review of the Committee evaluation;
- Approval of Penny Scott-Bayfield's base salary increase;
- Approval of the repayment of salary to the Executive Directors following the temporary salary reductions;
- Review of the performance outcome of the 2017 PSP Award vest and payouts to the Executive Directors;
- Review and approval of "good leaver" status for two leavers; 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.

In 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.

Directors' Remuneration Report

continued

Advisers to the Committee

In carrying out its responsibilities, the Committee was independently advised by external advisers. In 2019, 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 £36,600 (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
2 June 2021

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 28 February 2021, as described in this annual report. In particular, you are encouraged to read the following sections of this report which illustrate how the Directors, with the support of the wider business, consider these matters in the course of their duties. This is not an exhaustive list as such matters are integrated throughout this report:

- Business model - this identifies and explains the key resources and relationships which our business depends upon (on page 24);
- Our culture - this describes our mission, purpose and values which drive our culture;
- Strategy - this summarises our long-term strategy, our strategic priorities, and the progress we have made in implementing that strategy (pages 25 to 27);
- Chief Executive's Review - this reviews our performance and explains how our key decisions during the year have supported our long-term strategy (pages 14 to 21);
- Stakeholder engagement - this identifies our key stakeholder groups and summarises how we engage with them, their key concerns and how their interests are taken into account in the Board's decision-making (pages 55 to 62);
- Considering our stakeholders through the Covid pandemic – this summarises how we have had regard to the interests of our key stakeholder groups in responding to the pandemic (pages 63 to 64);
- Corporate Social Responsibility Report - this summarises:
  – how the Directors have engaged with employees and had regards to employee interests; and
  – the ways in which we engage in respect of, and have regard for, social and environmental issues; (pages 65 to 81);
- The Corporate Governance Report – this sets out the Company's governance framework, including how the Directors monitor culture and support the promotion of the desired culture necessary for the achievement of Bloomsbury's long-term goals (pages 83 to 128).

The key decisions made in 2020/2021 related to the management of the pandemic and the following priorities were rapidly set:

1. The safety and well-being of the Company's employees;
2. Preserving the Company's cash and managing liquidity;
3. Ensuring certainty for our authors;
4. Keeping our customers supplied with our products through the appropriate channels and in the required formats;
5. Supporting our suppliers through the volatility and uncertainty of the pandemic.

The Board believes that the Company can only be successful when the interests of its key stakeholders are considered and appropriately reflected in how the Company's business and strategy develops. The Board has always had regard for the potential impact of the Group's activities on its various stakeholders, and in 2020/2021 this became even more important as we consulted with our various stakeholder groups regarding the matters important to them in the face of the particular challenges arising out of the pandemic. Read more about this on pages 63 and 64 of the Strategic Report.

Section 172 Directors' Duties Statement

continued

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 page 85. 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 pages 83 to 84 of the Corporate Governance Report and further on page 94 of the Corporate Governance Report, the Board continues to focus on fostering 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. 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.

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. By way of example, the Board believes that engagement with the Company's customers and suppliers is most effectively carried out by the operational teams that specialise in and are responsible for these areas. The Board gains an understanding of market trends through briefings by the Executive Directors and senior managers and from financial reporting by the Group Finance Director.

The Directors enjoy engaging with colleagues directly, both through attendance by Senior Managers at Board meetings to report on key developments and strategic focus in their areas of responsibility, and by way of attending Employee Voice Meetings, where Directors hear directly from Bloomsbury's employees on matters of concern and interest to them.

During the year, the Board's direct engagement with the senior management team increased as part of supporting the Company's response to the pandemic. The Board has had particular regard for the wellbeing of employees and how measures taken by the Company in response to the pandemic might impact upon them. Throughout the year, the Board received additional reports on HR matters in respect of the implementation of wellbeing and support measures for employees, and feedback from Employee Voice Meetings, in order to supplement the Board's understanding of colleague trends and the response to management actions through the pandemic.

Direct engagement with Shareholders also increased as a result of the pandemic as the Board sought to keep investors updated on fast-moving developments and gain support for measures that secured the Company's financial stability. This included the decision to pursue a non-pre-emptive placing of shares to raise capital to strengthen the Company's balance sheet given the unprecedented disruption and uncertainty created by the pandemic, and the decision to cancel the 2019/2020 final cash dividend and instead settle the dividend by way of a bonus issue of shares following approval from Shareholders at the 2020 AGM. In reaching these decisions, the Board took advice from external advisors on Shareholder sentiment towards a capital raise and bonus issues. The Board also sought direct feedback from the Company's largest shareholders, receiving broad support and encouragement for this action.

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 28 February 2021 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated and Company Statement of Cash Flows and the related notes, including the accounting policies in note 2 and note 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 28 February 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ("IFRSs as adopted by the EU");
- the parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of, 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 to the extent applicable.

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 04 September 2013. The period of total uninterrupted engagement is for the eight financial years ended 28 February 2021. 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.

Revenue returns provision – Group £12.3m (2020: £9.2m), Parent Company £3.9m (2020: £1.6m)

Refer to page 105 (Audit Committee Report), notes 2 and 32 on pages 147 and 188 (accounting policy) and note 19 and 41 on pages 170 and 193 (financial disclosures) **Risk vs 2020 ▲**. The risk rating for this key audit matter has been increased as the coronavirus pandemic has impacted the judgemental assumptions relating the operations of certain of the Group's customers.

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 provision 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:

- **Evaluating 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.
- **Sensitivity analysis:** Where specific amendments were made to reflect sales and returns patterns we challenged these amendments by considering alternative inputs.
- **Historical comparisons:** We obtained evidence of actual returns received in the current year and compared to prior year's provision to assess historical accuracy of the Group's provisions.
- **Tests of details:** We tested the inputs used in the returns provision calculations at 28 February 2021 by agreeing inputs such as historical sales and returns experienced to underlying records of the Group.

We performed the detailed tests above rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls.

Our results

From the evidence obtained, we considered the level of the sales returns provision to be acceptable (2020: acceptable).

Carrying value of Goodwill (Academic and Professional) – £35.9m (2020: £35.9m) **(Special Interest)** - £5.0 (2020: £5.0m)

Refer to page 105 (Audit Committee Report), note 2 on page 147 (accounting policy) and note 11 on pages 164 and 165 (financial disclosures) **Risk vs 2020 ▲**. The risk rating for this key audit matter has been increased as the coronavirus pandemic has increased the level of uncertainty in forecast trading.

Forecast based valuation

- The Group has historically acquired a number of businesses with a majority being integrated into the Academic and Professional division; this constitutes a single cash generating unit for impairment testing. 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 and selection of an appropriate discount rate, which are the basis of the assessment of recoverability.

The recoverability of the Special Interest division is also dependent on achieving forecast trading levels and we have determined there is a significant range of plausible forecast future cash flows which form the basis of the assessment of recoverability.

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 and cost inflation.
- **Challenge Inputs:** We challenged the judgements and assumptions used by the Group in their calculation based on our knowledge of the business. In addition we used our discount rate tool to assist us in assessing the discount rate assumptions used by the Group.
- **Sensitivity analysis:** We performed breakeven analysis on key components of 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.

We performed the detailed tests above rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls.

Our results

We found the resulting estimate of the recoverable amount of goodwill for the Academic and Professional cash generating unit and the Special Interest cash generating unit to be acceptable (2020 result: acceptable).

Recoverability of advances – Group £24.8m (2020: £24.8m), parent Company £13.2m (2020: £12.5m)

Refer to page 105 (Audit Committee Report), notes 2 and 32 on pages 147 and 188 (accounting policy) and note 18 and 40 on pages 169 and 192 (financial disclosures) **Risk vs 2020 ▲**. The risk rating for this key audit matter has been increased as the coronavirus pandemic has increased the level of uncertainty in forecast trading.

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:

- **Evaluating application:** We evaluated whether the Group's royalty advance provisioning policy was consistently applied and remained appropriate, reflecting the underlying trends in the data and with regard to relevant accounting standards.
- **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.
- **Challenge inputs:** We challenged whether any specific adjustments were required in arriving at the final provision given the uncertainty of COVID-19. This involved critically assessing whether COVID-19 and other events 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.

We performed the detailed tests above rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls.

Our results

We found the resulting estimate of the carrying value of advances to be acceptable (2020: acceptable)

Parent: Recoverability of parent Company's investment in subsidiaries - £81.2m (2020: £81.2m)

Refer to page 105 (Audit Committee Report), note 32 on page 188 (accounting policy) and note 36 on page 191 (financial disclosures) **Risk vs 2020 ▲**. The risk rating for this key audit matter has been increased as the coronavirus pandemic has increased the level of uncertainty in forecast trading.

The carrying amount of the parent Company's investments in subsidiaries represents 38.0% (2020: 43.7%) 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 and considering if the value in use was in excess of their carrying amount. We also assessed 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.
- **Sensitivity analysis:** We performed breakeven analysis on the discount rate and profit levels and considered the likelihood that the drivers of breakeven would arise.

We performed the detailed tests above rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls.

Our results

We found the Group's assessment of the recoverability of the parent Company's investment in subsidiaries to be acceptable (2020: acceptable).

We continue to perform procedures over the going concern basis of preparation. However, following cash generation of £25.2m in the year and a share issue of £8m in the year, resulting in cash and cash equivalents of £54.5m (FY20: £31.3m) we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

3 Our application of materiality and an overview of the scope of our audit

Materiality

Materiality for the group financial statements as a whole was set at £667,000 (2020: £606,000), determined with reference to a benchmark of group profit before tax, normalised by averaging over the last three years due to fluctuations in the business environment, of £14,209,000 (2020: profit before tax of £13,229,000), of which it represents 4.7%% (2020: 4.6%% of 2020 profit before tax).

Component materiality of £566,000 (2020: £515,000) has been applied to the audit of the parent company. This is lower than the materiality we would otherwise have determined by reference to total revenue normalised by averaging over the last three years due to fluctuation in the business environment. It represents 0.86% of this amount (2020: 4.2% of profit before tax). We consider normalised total revenue to be the most appropriate benchmark because it provides a more stable measure of the parent company's performance year on year than profit before tax.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75%% (2020: 65%%) of materiality for the financial statements as a whole, which equates to £500,000 (2020: £393,000) for the group and £425,000 (2020: £334,000) for the parent company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £33,350 (2020: £30,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Scope

Of the group's 4 (2020: 4) reporting components, we subjected 2 (2020: 2) to full scope audits for group purposes. The components within the scope of our work accounted for the following percentages of the group's results:

	Group revenue	Total profits and losses that made up group profit before tax	Group total assets
Audits for group reporting purposes	92%	87%	94%

The remaining 8% (2020: 10%) of total group revenue, 13% (2020: 6%) of group profit before tax and 6% (2020: 6%) of total group assets is represented by 2 (2020: 2) reporting components, none of which individually represented more than 8% (2020: 7%) of any of total group revenue, group profit before tax or total group assets.

For the residual 2 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.

The Group team set the following component materialities, having regard to the mix of size and risk profile of the Group across the components:

UK £566,000 (2020: £515,000)

USA £433,000 (2020: £393,000)

The work on both components and the parent Company was performed by the Group team.

4 Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company'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").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- lower than expected trading volumes resulting from the continued impact of COVID-19 and;
- failure of key counterparties in the supply chain including key distributors

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash (a reverse stress test).

Our procedures also included:

- Critically assessing assumptions in base case and downside scenarios relevant to liquidity in particular in relation to expected trading volumes by comparing to historical trends in severe economic situations and overlaying knowledge of the entities plans based on approved budgets and our knowledge of the entity and the sector in which it operates.
- Comparing past budgets to actual results to assess the directors' track record of budgeting accurately.
- Critically evaluating whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks and dependencies.

Independent Auditor's Report

to the members of Bloomsbury Publishing Plc *continued*

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing 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 Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable; and
- the related statement under the Listing Rules set out on page 93 is materially consistent with the financial statements and our audit knowledge.

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 above conclusions are not a guarantee that the Group or the Company will continue in operation.

5 Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets in the current or subsequent financial year we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that print revenue is over or under stated due to inaccurate forecasts of returns, the risk that Group management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates.

We did not identify any additional fraud risks.

Further detail in respect of the revenue return provision is set out in the key audit matter disclosures in section 2 of this report.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included testing any unexpected journal entries posted to cash.
- Assessing significant accounting estimates for bias.
- Performing substantive testing over adjustments made to the revenue returns provision to critically assess that these adjustments were appropriate.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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.

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, consumer rights 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.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements. 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. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6 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

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement page 54 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 how emerging risks are identified, 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*

We are also required to review the viability statement, set out on page 54 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

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 Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' 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;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

7 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.

8 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 92, 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 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 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.

9 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.

Anna Barrell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 Snowhill
Snowhill Queensway
Birmingham
B4 6GH

02 June 2021

Consolidated Income Statement

For the year ended 28 February 2021

	Notes	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Revenue	3	**185,136**	162,772
Cost of sales		**(85,533)**	(74,978)
Gross profit		**99,603**	87,794
Marketing and distribution costs		**(23,393)**	(21,373)
Administrative expenses		**(58,267)**	(52,949)
Share of result of joint venture		**(110)**	–
Operating profit before highlighted items		**19,637**	15,947
Highlighted items	4	**(1,804)**	(2,475)
Operating profit	4	**17,833**	13,472
Finance income	6	**120**	270
Finance costs	6	**(604)**	(513)
Profit before taxation and highlighted items		**19,153**	15,704
Highlighted items	4	**(1,804)**	(2,475)
Profit before taxation		**17,349**	13,229
Taxation	7	**(3,652)**	(2,728)
Profit for the year attributable to owners of the Company		**13,697**	10,501
Earnings per share attributable to owners of the Company			
Basic earnings per share	9	**16.94p**	13.58p
Diluted earnings per share	9	**16.71p**	13.40p

The notes on pages 147 to 184 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 28 February 2021

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Profit for the year	**13,697**	10,501
Other comprehensive income		
Items that may be reclassified to the income statement:		
Exchange differences on translating foreign operations	**(2,877)**	856
Items that may not be reclassified to the income statement:		
Remeasurements on the defined benefit pension scheme	**89**	(115)
Other comprehensive income for the year net of tax	**(2,788)**	741
Total comprehensive income for the year attributable to the owners of the Company	**10,909**	11,242

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 28 February 2021

	Notes	28 February 2021 £'000	29 February 2020 £'000
Assets			
Goodwill	11	**44,688**	45,030
Other intangible assets	12	**21,337**	21,630
Investments	13	**162**	516
Property, plant and equipment	14	**1,846**	1,914
Right-of-use assets	15	**11,433**	13,343
Deferred tax assets	16	**3,904**	2,756
Trade and other receivables	18	**1,005**	1,237
Total non-current assets		**84,375**	86,426
Inventories	17	**26,774**	27,164
Trade and other receivables	18	**93,542**	84,805
Cash and cash equivalents		**54,466**	31,345
Total current assets		**174,782**	143,314
Total assets		**259,157**	229,740
Liabilities			
Retirement benefit obligations	24	**14**	185
Deferred tax liabilities	16	**2,386**	2,347
Lease liabilities	26	**11,135**	12,945
Provisions	21	**232**	182
Total non-current liabilities		**13,767**	15,659
Trade and other liabilities	19	**74,341**	61,844
Lease liabilities	26	**1,808**	1,585
Current tax liabilities		**456**	328
Provisions	21	**536**	651
Total current liabilities		**77,141**	64,408
Total liabilities		**90,908**	80,067
Net assets		**168,249**	149,673
Equity			
Share capital	22	**1,020**	942
Share premium	22	**47,319**	39,388
Translation reserve	22	**6,630**	9,507
Other reserves	22	**9,623**	7,778
Retained earnings	22	**103,657**	92,058
Total equity attributable to owners of the Company		**168,249**	149,673

The financial statements were approved by the Board of Directors and authorised for issue on 2 June 2021.

J N Newton
Director

P Scott-Bayfield
Director

Consolidated Statement of Changes in Equity

For the year ended 28 February 2021

	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 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**
Profit for the year	–	–	–	–	–	–	–	13,697	13,697
Other comprehensive income									
Exchange differences on translating foreign operations	–	–	(2,877)	–	–	–	–	–	(2,877)
Remeasurements on the defined benefit pension scheme	–	–	–	–	–	–	–	89	89
Total comprehensive income for the year	**–**	**–**	**(2,877)**	**–**	**–**	**–**	**–**	**13,786**	**10,909**
Transactions with owners									
Issue of share capital	47	7,931	–	–	–	–	–	–	7,978
Bonus issue of share capital	31	–	–	–	–	–	–	(31)	–
Dividends to equity holders of the Company	–	–	–	–	–	–	–	(1,045)	(1,045)
Purchase of shares by the Employee Benefit Trust	–	–	–	–	–	–	(674)	–	(674)
Share options exercised	–	–	–	–	–	–	1,298	(1,114)	184
Deferred tax on share-based payment transactions	–	–	–	–	–	–	–	3	3
Share-based payment transactions	–	–	–	–	–	1,221	–	–	1,221
Total transactions with owners of the Company	**78**	**7,931**	**–**	**–**	**–**	**1,221**	**624**	**(2,187)**	**7,667**
At 28 February 2021	**1,020**	**47,319**	**6,630**	**1,803**	**22**	**7,945**	**(147)**	**103,657**	**168,249**

Consolidated Statement of Cash Flows

For the year ended 28 February 2021

	Notes	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Cash flows from operating activities			
Profit for the year		**13,697**	10,501
Adjustments for:			
Depreciation of property, plant and equipment	14	**473**	502
Depreciation of right-of-use assets	15	**1,806**	1,775
Amortisation of intangible assets	12	**5,485**	4,301
Impairment of investments	13	**300**	–
Finance income	6	**(120)**	(270)
Finance costs	6	**604**	513
Share of loss of joint venture	13	**110**	7
Share-based payment charges	23	**1,416**	761
Tax expense	7	**3,652**	2,728
		27,423	20,818
Increase in inventories		**(357)**	(620)
Increase in trade and other receivables		**(11,281)**	(4,385)
Increase in trade and other liabilities		**13,789**	2,489
Cash generated from operating activities		**29,574**	18,302
Income taxes paid		**(4,406)**	(1,706)
Net cash generated from operating activities		**25,168**	16,596
Cash flows from investing activities			
Purchase of property, plant and equipment		**(422)**	(294)
Purchase of intangible assets		**(3,804)**	(3,137)
Purchase of business, net of cash acquired		**–**	(310)
Purchase of rights to assets		**(1,547)**	(1,213)
Purchase of share in a joint venture		**(56)**	(223)
Interest received		**110**	254
Net cash used in investing activities		**(5,719)**	(4,923)
Cash flows from financing activities			
Equity dividends paid	20	**(1,045)**	(6,009)
Purchase of shares by the Employee Benefit Trust	20	**(674)**	–
Proceeds from exercise of share options	20	**184**	27
Proceeds from share issue	20	**7,978**	–
Repayment of lease liabilities	20	**(1,451)**	(1,531)
Lease liabilities interest paid	20	**(442)**	(492)
Other interest paid	20	**(149)**	(3)
Net cash generated from/ (used in) financing activities	20	**4,401**	(8,008)
Net increase in cash and cash equivalents		**23,850**	3,665
Cash and cash equivalents at beginning of year		**31,345**	27,580
Exchange (loss)/gain on cash and cash equivalents		**(729)**	100
Cash and cash equivalents at end of year		**54,466**	31,345

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 201. The consolidated financial statements of the Company as at and for the year ended 28 February 2021 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 Group financial statements were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and these Group financial statements were also prepared in accordance with international financial reporting standards ("IFRS") adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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 13 to 81. The financial position of the Group, its cash flows and liquidity position are described in the Financial Review on pages 44 to 47. 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 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 consolidated financial statements.

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

- Print revenues are reduced by 25% - 50% during 2021/22, with recovery during 2022/23;
- Downside assumptions about extended debtor days during 2021/22, with recovery during 2022/23;
- Cash preservation measures implemented and variable costs reduced.

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 2w.

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 28 February 2021. The table below summarises the impact of these changes to the Group:

Accounting standard	Description of change	Impact on financial statements
Other standards	A number of other new standard and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020 including: • Amendment to IFRS 16 Leases: Covid-19-Related Rent Concessions • Amendments to IFRS 3 Business Combinations: Definition of a Business • Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform • Amendments to IAS 1 and IAS 8: Definition of Material • Amendments to References to the Conceptual Framework in IFRS Standards	The standards and amendments have not had a material impact on the Group. Additional disclosure has been provided where relevant.

Notes to the Financial Statements

Accounting Policies continued

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 2021 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 28 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 the 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.

h) Government grants

Government grants that are receivable as compensation for expenses or losses already incurred are not recognised in profit or loss until there is assurance that the Group will comply with the conditions attached to them and that the grants will be received.

i) 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.

Notes to the Financial Statements

Accounting Policies continued

j) 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.

k) 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 50% 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.

l) 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.

m) Leases
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.

n) 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.

o) 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.

Notes to the Financial Statements

Accounting Policies continued

p) 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.

q) 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).

r) 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.

s) 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 awards granted in 2017, 2018 or 2019, 50% of any award under the Plan is subject to a Return on Capital Employed performance condition and 50% Earnings Per Share. Awards granted in 2020 are subject to the following performance conditions; Earnings Per Share (60%), Non-Consumer operating profit (15%), Consumer operating profit (15%) and BDR revenue (10%). 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.

t) 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.

u) 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.

v) Dividends

Dividends are recognised as liabilities once they are appropriately authorised.

w) 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. The sales returns liability represents 8.1% of annual gross title sales (2020: 6.4%).

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.

If these estimates do not reflect actual returns in future periods then revenues could be understated or overstated for a particular period. In note 19 we have disclosed the impact on revenue of a 10% increase or decrease in actual returns in the year.

Notes to the Financial Statements

Accounting Policies continued

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 and subsidiary rights receivable.

This is an estimate as it requires management to estimate the future sales of a title. The Directors review all royalty advances for triggers indicating that a provision may be required and additionally at the end of each financial year a review is carried out on advances for all published titles where the initial publication date is 12 months or earlier from the year end date to assess if a provision is required.

If it is unlikely that royalties from future title sales and 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.

In note 4, we have disclosed the provision made against advances in the year.

iv. 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.

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 28 February 2021	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
External revenue	**74,599**	**43,761**	**118,360**	**44,307**	**22,469**	**66,776**	**–**	**185,136**
Cost of sales	(37,128)	(20,812)	(57,940)	(16,767)	(10,826)	(27,593)	–	(85,533)
Gross profit	**37,471**	**22,949**	**60,420**	**27,540**	**11,643**	**39,183**	**–**	**99,603**
Marketing and distribution costs	(9,386)	(6,278)	(15,664)	(4,678)	(3,051)	(7,729)	–	(23,393)
Contribution before administrative expenses	**28,085**	**16,671**	**44,756**	**22,862**	**8,592**	**31,454**	**–**	**76,210**
Administrative expenses excluding highlighted items	(17,543)	(12,706)	(30,249)	(18,494)	(7,420)	(25,914)	(300)	(56,463)
Share of result of joint venture	–	–	–	–	–	–	(110)	(110)
Operating profit/(loss) before highlighted items/segment results	**10,542**	**3,965**	**14,507**	**4,368**	**1,172**	**5,540**	**(410)**	**19,637**
Amortisation of acquired intangible assets	–	(17)	(17)	(1,578)	(214)	(1,792)	–	(1,809)
Other highlighted items	–	–	–	–	–	–	5	5
Operating profit/(loss)	**10,542**	**3,948**	**14,490**	**2,790**	**958**	**3,748**	**(405)**	**17,833**
Finance income	–	–	–	51	–	51	69	120
Finance costs	(161)	(105)	(266)	(117)	(59)	(176)	(162)	(604)
Profit/(loss) before taxation and highlighted items	**10,381**	**3,860**	**14,241**	**4,302**	**1,113**	**5,415**	**(503)**	**19,153**
Amortisation of acquired intangible assets	–	(17)	(17)	(1,578)	(214)	(1,792)	–	(1,809)
Other highlighted items	–	–	–	–	–	–	5	5
Profit/(loss) before taxation	**10,381**	**3,843**	**14,224**	**2,724**	**899**	**3,623**	**(498)**	**17,349**
Taxation	–	–	–	–	–	–	(3,652)	(3,652)
Profit/(loss) for the year	**10,381**	**3,843**	**14,224**	**2,724**	**899**	**3,623**	**(4,150)**	**13,697**
Operating profit/(loss) before highlighted items/segment results	**10,542**	**3,965**	**14,507**	**4,368**	**1,172**	**5,540**	**(410)**	**19,637**
Depreciation	912	528	1,440	556	283	839	–	2,279
Amortisation of internally generated intangibles	446	383	829	2,586	261	2,847	–	3,676
EBITDA before highlighted items	**11,900**	**4,876**	**16,776**	**7,510**	**1,716**	**9,226**	**(410)**	**25,592**

Notes to the Financial Statements

continued

3. Revenue and segmental analysis continued

Year ended 29 February 2020	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'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**

Total assets

	28 February 2021 £'000	29 February 2020 £'000
Children's Trade	**10,361**	11,016
Adult Trade	**7,495**	6,747
Academic & Professional	**58,527**	59,128
Special Interest	**12,773**	13,492
Unallocated	**170,001**	139,357
Total assets	**259,157**	229,740

Unallocated primarily represents centrally held assets including system development; property, plant and equipment; right-of-use assets; receivables; and cash.

External revenue by source

	United Kingdom £'000	North America £'000	Australia £'000	India £'000	Total £'000
Year ended 28 February 2021	**117,429**	**53,872**	**11,084**	**2,751**	**185,136**
Year ended 29 February 2020	104,440	42,415	11,107	4,810	162,772

During the year, sales to one customer exceeded 10% of Group revenue (2020: one customer). The value of these sales was £68,597,000 (2020: £43,405,000). This customer purchases from all operating segments and represents 13% (2020: 8%) of gross trade receivables.

Analysis of non-current assets (excluding deferred tax assets) by geographic location

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
United Kingdom (country of domicile)	**73,711**	75,839
North America	**6,633**	7,638
Other	**127**	193
Total	**80,471**	83,670

The Group's revenues by product type were as follows:

Year ended 28 February 2021	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non-Consumer £'000	Total £'000
Print	63,708	34,644	98,352	23,267	18,200	41,467	139,819
Digital	7,636	8,298	15,934	19,015	2,730	21,745	37,679
Rights and services[1]	3,255	819	4,074	2,025	1,539	3,564	7,638
Total	**74,599**	**43,761**	**118,360**	**44,307**	**22,469**	**66,776**	**185,136**

Year ended 29 February 2020	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'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**

[1] Rights and services revenue includes revenue from copyright and trademark licences, management contracts, advertising and publishing services.

Contract Balances

Online digital platforms sales within the Digital revenue stream generally entail customer billings at or near the contract's inception and accordingly Digital deferred income balances are primarily related to subscription performance obligations to be delivered over time.

Ebook sales within the Digital revenue stream generally derived from ebook aggregators who provide periodic sales reports over time. The extent of accrued income is related to the timing of receiving these reports.

Within the Rights and Services revenue stream are licenses for multiple-titles at a fixed price. As the performance obligations within these arrangements are generally when the customer is granted access, the extent of accrued income will ultimately depend upon the difference between revenue recognised and billings to date.

Refer to note 18 for opening and closing balances of accrued income. Refer to note 19 for opening and closing balances of deferred income. Revenue recognised during the period from changes in deferred income was driven primarily by the release of revenue over time from digital subscriptions and delivery of print books invoiced but not delivered in the previous financial year.

The below table depicts the remaining transaction price on unsatisfied or partially unsatisfied performance obligations from contracts with customers as follows:

Year ended 28 February 2021	Sales £'000	Deferred income £'000	Committed sales £'000	Total remaining transaction price £'000	2022 £'000	2023 £'000	2024 and later £'000
Print	**139,819**	**526**	**4,601**	**5,127**	**5,127**	–	–
Digital	**37,679**	**4,197**	**1,484**	**5,681**	**4,409**	**654**	**618**
Rights and services	**7,638**	**5**	**1,447**	**1,452**	**683**	**532**	**237**
Total	**185,136**	**4,728**	**7,532**	**12,260**	**10,219**	**1,186**	**855**

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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**

4. Operating profit

Operating profit is stated after charging the following amounts:

	Notes	**Year ended 28 February 2021 £'000**	Year ended 29 February 2020 £'000
Purchase of goods and changes in inventories	17	**47,802**	43,722
Auditor's remuneration (see overleaf)		**360**	331
Depreciation of property, plant and equipment	14	**473**	502
Highlighted items (see below)		**1,804**	2,475
Provision made against advances		**3,656**	5,464
Exchange loss/(gain)		**924**	(151)
Loss allowance for financial assets		**1,934**	349
Staff costs (excluding termination benefits)	5	**39,940**	34,868

Highlighted items

	Notes	**Year ended 28 February 2021 £'000**	Year ended 29 February 2020 £'000
Legal and other professional fees		**203**	461
Coronavirus onerous costs		**–**	180
Restructuring costs		**1,076**	98
Paycheck Protection Program grant		**(1,284)**	–
Other highlighted items		**(5)**	739
Amortisation of acquired intangible assets	12	**1,809**	1,736
Total highlighted items		**1,804**	2,475

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 28 February 2021, legal and other professional fees of £203,000 were incurred as a result of the Group's ongoing and completed acquisitions, including certain assets of Red Globe Press and Zed Books Limited. Restructuring costs primarily relate to restructuring in both divisions. The Paycheck Protection Program grant was received from the US Government's Small Business Administration.

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.

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 28 February 2021			Year ended 29 February 2020		
	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	**200**	**100**	**300**	190	90	280
Fees payable to the Company's Auditor and its associates for other services:						
Audit of the Company's subsidiaries pursuant to legislation	**5**	**10**	**15**	5	11	16
Other services pursuant to legislation:						
Interim review	**45**	**–**	**45**	35	–	35
Total	**250**	**110**	**360**	230	101	331

5. Staff costs

Staff costs, including Directors, during the year were:

	Notes	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Salaries (including bonuses)		**33,515**	29,653
Social security costs		**3,339**	2,952
Pension costs	24	**1,670**	1,502
Share-based payment charge	23	**1,416**	761
Staff costs (excluding termination benefits)	4	**39,940**	34,868
Termination benefits		**1,004**	220
Total		**40,944**	35,088

For the year ended 28 February 2021 £918,000 (year ended 29 February 2020: £16,000) of termination benefits are included within highlighted items.

The average monthly number of employees during the year were:

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Editorial, production and selling	**600**	593
Finance and administration	**119**	109
Total	**719**	702

Staff costs are charged to administrative expenses.

Three (2020: three) Directors were accruing benefits during the year under defined contribution pension arrangements.

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5. Staff costs continued

Total emoluments for Directors was:

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Short-term employee benefits	**1,113**	1,967
Post-employment benefits	**114**	140
Total	**1,227**	2,107

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 28 February 2021 £'000	Year ended 29 February 2020 £'000
Short-term employee benefits	**2,486**	3,841
Post-employment benefits	**208**	224
Share-based payment charge	**1,083**	597
Total	**3,777**	4,662

6. Finance income and finance costs

	Notes	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Finance income			
Interest on bank deposits		**59**	136
Other interest receivable		**51**	118
Interest income on pension plan assets	24	**10**	16
Total		**120**	270
Finance costs			
Interest on lease liabilities	26	**442**	492
Interest cost on pension obligations	24	**13**	18
Interest on bank overdraft and loans		**–**	2
Other interest payable		**149**	1
Total		**604**	513

7. Taxation

a) Tax charge for the year

	Notes	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Current taxation			
UK corporation tax			
Current year		**2,865**	2,513
Adjustment in respect of prior years		**(73)**	(73)
Overseas taxation			
Current year		**1,742**	462
Adjustment in respect of prior years		**362**	40
		4,896	2,942
Deferred tax	16		
UK			
Origination and reversal of temporary differences		**(683)**	14
Adjustment in respect of prior years		**–**	–
Tax rate adjustment		**132**	–
Overseas			
Origination and reversal of temporary differences		**(302)**	(171)
Adjustment in respect of prior years		**(391)**	(57)
		(1,244)	(214)
Total taxation expense		**3,652**	2,728

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% (2020: 19.00%). The reasons for this are explained below:

	Year ended 28 February 2021		Year ended 29 February 2020	
	£'000	%	£'000	%
Profit before taxation	**17,349**	**100.0**	13,229	100.0
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	**3,296**	**19.0**	2,514	19.0
Effects of:				
Non-deductible revenue expenditure	**80**	**0.5**	153	1.1
Non-taxable income	**(131)**	**(0.8)**	–	–
Movement in unrecognised temporary differences	**(52)**	**(0.3)**	47	0.4
Different rates of tax in foreign jurisdictions	**444**	**2.6**	142	1.1
Tax losses	**217**	**1.2**	(124)	(0.9)
Movement in deferred tax rate	**132**	**0.8**	–	–
Adjustment to tax charge in respect of prior years				
Current tax	**289**	**1.7**	(33)	(0.3)
Deferred tax	**(391)**	**(2.3)**	(57)	(0.4)
Tax charge for the year before disallowable costs on highlighted items	**3,884**	**22.4**	2,642	20.0
Highlighted items				
Disallowable costs	**38**	**0.2**	86	0.6
Disallowable credits	**(270)**	**(1.6)**	–	–
Tax charge for the year	**3,652**	**21.0**	2,728	20.6

7. Taxation continued

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.

Tax losses relate to unrecognised tax losses being utilised against current year profits or losses in the year that have not been recognised as deferred tax assets.

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.

The disallowable credits relate to the US Government Paycheck Protection Program grant.

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.

The March 2020 UK Budget announced that a UK corporation tax rate of 19% would continue to apply with effect from 1 April 2020, rather than reduce to 17%, and this change was substantively enacted on 17 March 2020 The net UK deferred tax liability has been calculated based on this rate (29 February 2020: calculated based on 17% rate). This increased the Group's current tax charge and decreased the net deferred tax asset by £132,000.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly and decrease the net deferred tax asset by £207,000.

d) Tax effects of components of other comprehensive income

	Before tax 2021 £'000	**Tax charge 2021 £'000**	**After tax 2021 £'000**	Before tax 2020 £'000	Tax charge 2020 £'000	After tax 2020 £'000
Exchange difference on translating foreign operations	**(2,877)**	**–**	**(2,877)**	856	–	856
Remeasurements on the defined benefit pension scheme	**110**	**(21)**	**89**	(138)	23	(115)
Other comprehensive income	**(2,767)**	**(21)**	**(2,788)**	718	23	741

8. Dividends

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Amounts paid in the year		
Prior period final dividend per share (2020: 6.75p)	**–**	5,051
Interim 1.28p dividend per share (2020: 1.28p)	**1,045**	958
Total dividend payments in the year	**1,045**	6,009
Amounts arising in respect of the year		
Interim 1.28p dividend per share for the year (2020: 1.28p)	**1,045**	958
Proposed 7.58p final dividend per share for the year (2020: nil)	**6,182**	–
Proposed 9.78p special dividend per share for the year (2020: nil)	**7,976**	–
Total dividend 18.64p per share for the year (2020: 1.28p)	**15,203**	958

The Directors are recommending a final dividend of 7.58 pence per share and a special dividend of 9.78 pence per share, which, subject to Shareholder approval at the Annual General Meeting, will be paid on 24 August 2021 to Shareholders on the register at close of business on 26 July 2021.

For the year ended 29 February 2020, Bloomsbury made a bonus issue to Shareholders in lieu of, and with a value equivalent to, it's proposed final cash dividend of 6.89 pence per ordinary share.

9. Earnings per share

The basic earnings per share for the year ended 28 February 2021 is calculated using a weighted average number of Ordinary shares in issue of 80,867,938 (2020: 77,344,388) 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 28 February 2021 Number	Year ended 29 February 2020 Number Restated*
Weighted average shares in issue	**80,867,938**	77,344,388
Dilution	**1,082,577**	1,026,939
Diluted weighted average shares in issue	**81,950,515**	78,371,327

	£'000	£'000
Profit after tax attributable to owners of the Company	**13,697**	10,501
Basic earnings per share	**16.94p**	13.58p
Diluted earnings per share	**16.71p**	13.40p

	£'000	£'000
Adjusted profit attributable to owners of the Company	**15,310**	12,720
Adjusted basic earnings per share	**18.93p**	16.45p
Adjusted diluted earnings per share	**18.68p**	16.23p

Adjusted profit is derived as follows:

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Profit before taxation	**17,349**	13,229
Amortisation of acquired intangible assets	**1,809**	1,736
Other highlighted items	**(5)**	739
Adjusted profit before tax	**19,153**	15,704
Tax expense	**3,652**	2,728
Deferred tax movements on goodwill and acquired intangible assets	**(41)**	202
Tax expense on other highlighted items	**232**	54
Adjusted tax	**3,843**	2,984
Adjusted profit	**15,310**	12,720

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.

* Restatement of earnings per share due to the bonus issue of shares (note 10).

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10. Restatement of earnings per share due to the bonus issue of shares in the period

On 28 August 2020 a bonus issue in lieu of final dividend of 2,513,674 Ordinary Shares of 1.25 pence each, were provided to Shareholders on the register on the record date of 31 July 2020. This bonus issue was made to Shareholders in lieu of, and with a value equivalent to, the final dividend Bloomsbury would have declared in the absence of coronavirus.

	Year ended 29 February 2020 (restated)	Year ended 29 February 2020
Basic earnings per share	**13.58p**	14.03p
Diluted earnings per share	**13.40p**	13.84p
Adjusted basic earnings per share	**16.45p**	17.00p
Adjusted diluted earnings per share	**16.23p**	16.77p
Weighted average number of shares used in basic earnings per share calculation	**77,344,388**	74,830,714
Weighted average number of shares used in diluted earnings per share calculation	**78,371,327**	75,857,653

11. Goodwill

	28 February 2021 £'000	29 February 2020 £'000
Cost		
At start of year	**49,293**	49,156
Exchange differences	**(346)**	137
At end of year	**48,947**	49,293
Impairment		
At start of year	**4,263**	4,261
Exchange differences	**(4)**	2
At end of year	**4,259**	4,263
Net book value		
At end of year	**44,688**	45,030
At start of year	**45,030**	44,895

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:

	28 February 2021 £'000	29 February 2020 £'000
Children's Trade	**1,695**	1,849
Adult Trade	**2,151**	2,339
Academic & Professional	**35,889**	35,889
Special Interest	**4,953**	4,953
Total	**44,688**	45,030

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 2022 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	
	2021 %	2020 %	**2021 %**	2020 %	**2021 %**	2020 %
Children's Trade	**10.6**	11.5	**0.3**	0.8	**1.8**	2.0
Adult Trade	**10.6**	11.3	**10.8**	2.6	**1.8**	2.0
Academic & Professional	**10.2**	10.7	**3.9**	3.0	**1.8**	2.0
Special Interest	**11.4**	11.6	**2.7**	2.0	**1.8**	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 2022 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 2022.

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 and Adult Trade CGUs to exceed its recoverable amount.

Academic & Professional has by far the largest goodwill and non-current assets. This division is progressing with its 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 2.5% increase in the discount rate would not give rise to an impairment (2020: 2% increase, no impairment). A 9% reduction in the first year revenue growth rates would give rise to a £0.9 million impairment (2020: 8% reduction gives an impairment of £0.2 million). Reducing the long-term growth rate to 0% would not give rise to an impairment (2020: 0%, no impairment).

Special Interest has the second largest goodwill and non-current assets. This division is progressing with the implementation of a new, more targeted publishing strategy and developing direct relationships with key subject communities. There is therefore a risk in the medium term if this strategy does not succeed. A 12% reduction in the first year revenue growth rates would give rise to a £0.9 million impairment.

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12. Other intangible assets

	Publishing rights £'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 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
Additions[2]	1,474	–	–	18	891	2,503	392	5,278
Transfers	–	–	–	–	–	745	(745)	–
Disposals	–	–	–	–	(5)	–	–	(5)
Exchange differences	(142)	–	(26)	(11)	(26)	(56)	–	(261)
At 28 February 2021	**19,224**	**8,090**	**4,391**	**269**	**9,673**	**16,720**	**319**	**58,686**
Amortisation								
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
Disposals	–	–	–	–	(3)	–	–	(3)
Charge for the year	1,120	377	312	34	1,101	2,541	–	5,485
Exchange differences	(103)	–	(15)	–	(25)	(34)	–	(177)
At 28 February 2021	**12,195**	**2,697**	**3,672**	**53**	**7,004**	**11,728**	**–**	**37,349**
Net book value								
At 28 February 2021	**7,029**	**5,393**	**719**	**216**	**2,669**	**4,992**	**319**	**21,337**
At 29 February 2020	6,714	5,770	1,042	243	2,882	4,307	672	21,630

1 The addition of £866,000 relates to the acquisition of assets of Oberon Book's publishing rights on 10 December 2019.
2 The addition of £1,474,000 relates to the acquisition of assets of Zed Book's publishing rights on 20 March 2020.

13. Investments

	28 February 2021 £'000	29 February 2020 £'000
Equity securities designated as at Fair Value through Other Comprehensive Income ("FVOCI")	**–**	300
Joint venture	**162**	216
Total	**162**	516

The FVOCI equity investment in Cricket Properties Limited has been impaired in the year.

The amounts recognised in the Income Statement are as follows:

	28 February 2021 £'000	29 February 2020 £'000
Equity securities impairment	**(300)**	–
Joint venture	**(110)**	(7)
Total	**(410)**	(7)

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 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
Additions	4	37	381	–	422
Disposals	–	–	(3)	–	(3)
Exchange differences	(11)	(35)	(59)	(4)	(109)
At 28 February 2021	**2,922**	**998**	**3,153**	**31**	**7,104**
Depreciation					
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
Charge for the year	125	59	289	–	473
Disposals	–	–	(1)	–	(1)
Exchange differences	(8)	(35)	(49)	(2)	(94)
At 28 February 2021	**1,929**	**898**	**2,414**	**17**	**5,258**
Net book value					
At 28 February 2021	**993**	**100**	**739**	**14**	**1,846**
At 29 February 2020	1,117	122	659	16	1,914

The depreciation charge is included in administrative expenses.

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15. Right-of-use assets

	Property £'000	Cars £'000	Equipment £'000	Total £'000
At 28 February 2019	–	–	–	–
Adjustment on initial application of IFRS 16	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
Additions	–	67	44	111
Disposals	(170)	(5)	(42)	(217)
Exchange differences	(310)	–	–	(310)
At 28 February 2021	**14,493**	**152**	**53**	**14,698**
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
Charge for the year	1,735	59	12	1,806
Disposals	(170)	(5)	(42)	(217)
Exchange differences	(95)	–	–	(95)
At 28 February 2021	**3,157**	**99**	**9**	**3,265**
Net book value				
At 28 February 2021	**11,336**	**53**	**44**	**11,433**
At 29 February 2020	13,286	45	12	13,343

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 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
Credit/(charge) to the income statement	65	191	(5)	67	(40)	966	1,244
Charge to other comprehensive income	–	–	(21)	–	–	–	(21)
Credit to equity	–	–	–	3	–	–	3
Exchange differences	(10)	–	–	–	–	(107)	(117)
At 28 February 2021	**329**	**409**	**39**	**352**	**(2,323)**	**2,712**	**1,518**

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 UK.

b) The analysis for financial reporting purposes is as follows:

	28 February 2021 £'000	29 February 2020 £'000
Deferred tax assets	3,904	2,756
Deferred tax liabilities	(2,386)	(2,347)
Total	1,518	409

c) Unrecognised deferred tax assets

The Group had deferred tax assets not recognised in the financial statements as follows:

	28 February 2021 £'000	29 February 2020 £'000
Trading losses	1,751	402
Non-trading losses	–	–

At 28 February 2021, the Group had trading losses of £8.9 million (2020: £2.4 million) and non-trading losses of approximately £nil (2020: £nil). A deferred tax asset has not been recognised in respect of these taxable 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

	28 February 2021 £'000	29 February 2020 £'000
Work in progress	4,946	4,756
Finished goods for resale	21,828	22,408
Total	26,774	27,164

The cost of inventories recognised as cost of sales amounted to £39,187,000 (2020: £35,603,000). The provision and write-down of inventories to net realisable value recognised in cost of sales amounted to £8,615,000 (2020: £8,119,000).

18. Trade and other receivables

	28 February 2021 £'000	29 February 2020 £'000
Non-current		
Accrued income	1,005	1,237
Current		
Gross trade receivables	61,897	54,252
Less: loss allowance	(3,230)	(1,832)
Net trade receivables	58,667	52,420
Income tax recoverable	171	481
Other receivables	3,623	1,510
Prepayments	1,072	1,350
Accrued income	5,219	4,201
Royalty advances	24,790	24,843
Total current trade and other receivables	93,542	84,805
Total trade and other receivables	94,547	86,042

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 28 February 2021, £7,260,000 (2020: £5,604,000) of royalty advances are expected to be recovered after more than 12 months.

18. Trade and other receivables continued

Other receivables principally comprises VAT recoverable.

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.

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 116 days (2020: 118 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:

	28 February 2021 £'000	29 February 2020 £'000
At start of year	1,832	2,102
Acquired	–	3
Amounts created	2,117	507
Amounts utilised	(515)	(516)
Amounts released	(183)	(263)
Exchange differences	(21)	(1)
At end of year	**3,230**	1,832

19. Trade and other liabilities

	28 February 2021 £'000	29 February 2020 £'000
Current		
Trade payables	23,680	25,419
Sales returns liability	12,345	9,163
Taxation and social security	967	789
Other payables	3,615	3,509
Accruals	29,006	19,701
Deferred income	4,728	3,263
Total current trade and other liabilities	74,341	61,844
Total trade and other liabilities	**74,341**	61,844

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 £1.5 million lower/higher (2020: £1.9 million lower/higher).

Other payables principally comprises sub rights payable to authors. Accruals are higher than last year at due to the higher royalty accrual, up £4.4 million, and the £2.6 million employee bonus payable for the year (2020: £nil).

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 2020	14,530	–	40,330	17,285	92,058	164,203
Changes from financing cash flows						
Dividend paid	–	–	–	–	(1,045)	(1,045)
Proceeds from share issue	–	–	7,978	–	–	7,978
Proceeds from exercise of share options	–	–	–	1,298	(1,114)	184
Purchase of shares by the Employee Benefit Trust	–	–	–	(674)	–	(674)
Repayment of lease liabilities	(1,451)	–	–	–	–	(1,451)
Interest paid	(442)	(149)	–	–	–	(591)
Total changes from financing cash flows	(1,893)	(149)	7,978	624	(2,159)	4,401
Other changes						
Liability-related						
Right-of-use asset additions	111	–	–	–	–	111
Foreign exchange movements	(247)	–	–	–	–	(247)
Interest expense	442	149	–	–	–	591
Total liability-related other changes	306	149	–	–	–	455
Total equity-related other changes	–	–	31	(1,656)	13,758	12,133
Balance at 28 February 2021	**12,943**	**–**	**48,339**	**16,253**	**103,657**	**181,192**

	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**

Notes to the Financial Statements

continued

21. Provisions

	Author advances £'000	Property £'000	Total £'000
At 1 March 2020	611	222	833
Created in the year	121	72	193
Released in the year	(2)	(40)	(42)
Utilised in the year	(184)	–	(184)
Exchange difference	(33)	1	(32)
28 February 2021	**513**	**255**	**768**
Non-current	–	232	232
Current	513	23	536

The property provision includes amounts provided for dilapidations. The author advance provision is 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

	28 February 2021 £'000	29 February 2020 £'000
Authorised:		
105,459,997 Ordinary shares of 1.25p each (2020: 100,435,582 Ordinary shares of 1.25p each)	**1,318**	1,255
Allotted, called up and fully paid:		
81,608,672 Ordinary shares of 1.25p each (2020: 75,328,570 Ordinary shares of 1.25p each)	**1,020**	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 2,102,693 (2020: 2,128,260) Ordinary shares with an aggregate nominal value of £26,284 (2020: £26,603) (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 57,480 shares of the Company held at 28 February 2021 (2020: 481,093) in the EBT was £154,046 (2020: £1,179,000). 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 47,549 Ordinary shares of 1.25 pence being approximately 0.1% 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:

	28 February 2021 £'000	29 February 2020 £'000
Equity-settled share-based transactions	1,221	629
Cash-settled share-based transactions	195	132
Total	1,416	761

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 28 February 2021 of £253,000 (2020: £229,000), 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 for awards granted during the year ended February 2018, 2019 and 2020, 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 108 to 128. 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 28 February 2021 Number	Year ended 29 February 2020 Number
Outstanding at start of year	1,769,210	1,663,528
Granted during the year	592,154	605,506
Exercised during the year	(530,624)	–
Lapsed during the year	(258,350)	(499,824)
Outstanding at end of year	1,572,390	1,769,210
Exercisable at end of year	525,412	530,624

	Year ended 28 February 2021	Year ended 29 February 2020
Range of exercise price of outstanding awards (pence)	–	–
Weighted average remaining contracted life (months)	18	18
Expense recognised for the year (£'000)	1,337	718

23. Share-based payments continued

The share awards granted in the year to 28 February 2021 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	All
Share price	211 pence
Exercise price	–
Expected term	3 years
Expected volatility	38.54%
Risk-free interest rate	N/A
Fair value charge per award	169 – 211 pence

This award is subject to the following performance conditions; EPS (60%), Non-Consumer operating profit (15%), Consumer operating profit (15%) and BDR revenue (10%).

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 2021 Number	Weighted average exercise price 2021 Pence	Share options 2020 Number	Weighted average exercise price 2020 Pence
Outstanding at start of year	**359,050**	**164**	175,475	138
Granted during the year	**327,035**	**169**	200,654	185
Exercised during the year	**(133,299)**	**137**	(1,601)	142
Lapsed during the year	**(22,483)**	**143**	(15,478)	145
Outstanding at end of year	**530,303**	**174**	359,050	164
Exercisable at end of year	**9,432**	**137**	–	–

	2021	2020
Range of exercise price of outstanding options (pence)	**137–185**	137–185
Weighted average remaining contracted life (months)	**25**	19
Expense recognised for the year (£'000)	**79**	43

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 2021 Number	Weighted average exercise price 2021 Pence	Share options 2020 Number	Weighted average exercise price 2020 Pence
Outstanding at the start of year	**–**	**–**	105,512	162
Lapsed during the year	**–**	**–**	(105,512)	162
Outstanding at end of year	**–**	**–**	–	–
Exercisable at end of year	**–**	**–**	–	–

	2021	2020
Range of exercise price of outstanding awards (pence)	**–**	–
Weighted average remaining contracted life (months)	**–**	–
Expense recognised for the year (£'000)	**–**	–

24. Retirement benefit obligations

Pension costs

The pension costs charged to the income statement of £1,688,000 (2020: £1,518,000) 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 £1,670,000 (2020: £1,502,000) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. At 28 February 2021, there were no prepaid contributions (29 February 2020: £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 £6,610 per month, plus expenses as and when required. Contributions paid to the scheme during the year were £79,000 (2020: £90,000). The Directors' best estimate of the contributions to be paid by the group to the plan for the period commencing 1 March 2021 in respect of the deficit repair contributions is £14,000. The Group will also pay contributions equal to the expense amount incurred over the period, which is estimated to be £15,000. 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.

As the scheme has an excess of assets compared to scheme liabilities at the current year end, the Group has sought legal advice on the application of the asset ceiling and concluded that adjustments are required for this scheme. As a result, IFRRIC 14 applies and the present values in respect of deficit recovery payments required under the Schedule of Contributions are considered to be the net liability recognised as at 28 February 2021.

The financial assumptions used by the actuary for the update were as follows:

	28 February 2021 £'000	29 February 2020 £'000	28 February 2019 £'000
Discount rate	**2.10%**	1.70%	2.70%
Inflation assumption	**2.30–3.20%**	2.10–2.90%	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 28 February 2021 are 90% of the standard tables S2PxA, year of birth, no age rating for males and females, projected using CMI_2019 converging to 1.50% p.a. These imply the following life expectancies:

	28 February 2021 Years	29 February 2020 Years
Male retiring in 2041	**24.5**	24.5
Female retiring in 2041	**26.6**	26.5
Male retiring in 2021	**22.8**	22.8
Female retiring in 2021	**24.8**	24.7

The amounts recognised in the income statement in respect of the defined benefit scheme are as follows:

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Interest cost	**(13)**	(18)
Interest income	**10**	16
Expenses	**(15)**	(14)
Total	**(18)**	(16)

A charge of £13,000 (2020: £18,000) has been included in finance costs and a credit of £10,000 (2020: £16,000) has been included in finance income.

24. Retirement benefit obligations continued

The amounts recognised in other comprehensive income in respect of the defined benefit scheme are as follows:

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Return on pension plan assets (excluding amounts included in interest income)	**12**	9
Experience gains and losses arising on the defined benefit obligation – gain	**98**	6
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/(loss)	**49**	(153)
Total actuarial gains and losses (before restrictions due to some of the surplus not being recognisable) – gain/(loss)	**159**	(138)
Effect of asset ceiling (excluding amounts included in net interest cost) – loss	**(49)**	–
Total	**110**	(138)

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:

	28 February 2021 £'000	29 February 2020 £'000
Fair value of assets (with profit policy)	**619**	633
Present value of defined benefit obligations	**(584)**	(818)
Surplus/(deficit) in scheme	**35**	(185)
Impact of asset ceiling	**(49)**	–
Liability to be recognised	**(14)**	(185)
Deferred tax assets	**3**	31
Net liability to be recognised	**(11)**	(154)
Analysis for reporting purposes:		
Non-current liabilities	**(14)**	(185)
Deferred tax assets	**3**	31

Reconciliation of the impact of the asset ceiling is as follows:

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Impact of asset ceiling at the start of the year	**–**	–
Effect of the asset ceiling included in net interest cost	**–**	–
Actuarial losses on asset ceiling	**49**	–
Impact of asset ceiling at the end of the year	**49**	–

Movements in the present value of defined benefit obligations in the year were as follows:

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
At start of year	**(818)**	(661)
Expenses	**(15)**	(14)
Interest cost	**(13)**	(18)
Benefits paid and expenses	**115**	22
Remeasurement gains/(losses)	**147**	(147)
At end of year	**(584)**	(818)

Movements in the fair value of scheme assets in the year were as follows:

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
At start of year	**633**	540
Interest income	**10**	16
Return on plan assets (excluding amounts included in interest income)	**12**	9
Employer contributions	**79**	90
Benefits paid and expenses	**(115)**	(22)
At end of year	**619**	633

The actual return on scheme assets was £22,000 (2020: £25,000).

Assets

	28 February 2021 £'000	29 February 2020 £'000	28 February 2019 £'000
With profits	**619**	633	540
Total assets	**619**	633	540

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. The scheme assets are held in a With-Profits insurance policy.

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 2020.

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	28 February 2021 £'000	29 February 2020 £'000
Investments available for sale			
Equity securities designated as at FVOCI (Level 3)	13	–	300
Joint venture	13	162	216
Total investments available for sale		162	516
Loans and receivables			
Cash and cash equivalents		54,466	31,345
Trade receivables	18	58,667	52,420
Accrued income	18	6,224	5,254
Total loans and receivables		119,357	89,019
Financial liabilities measured at amortised cost			
Trade payables	19	23,680	25,419
Other payables due in less than one year		4,582	4,298
Sales returns liability	19	12,345	9,163
Accruals	19	29,006	19,701
Lease liabilities	26	12,943	14,530
Total financial liabilities measured at amortised cost		82,556	73,111
Net financial instruments		36,963	16,424

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.

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

	28 February 2021 £'000	29 February 2020 £'000
Fixed rate instruments		
Financial assets	**3,519**	1,967
Financial liabilities	**–**	–
Total	**3,519**	1,967
Variable rate instruments		
Financial assets	**50,947**	29,378
Financial liabilities	**–**	–
Total	**50,947**	29,378

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 28 February 2021 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.

	28 February 2021		29 February 2020	
	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 (2020: 1%)	**322**	**–**	207	–
0.5% decrease in base rate of interest (2020: 0.5%)	**(166)**	**–**	(123)	–

25. Financial instruments and risk management continued

(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	
	28 February 2021 £'000	29 February 2020 £'000	28 February 2021 £'000	29 February 2020 £'000
GBP	75,747	53,596	56,739	51,933
USD	32,732	26,076	20,123	16,520
EURO	690	841	246	166
AUD	8,043	5,576	4,577	3,835
INR	2,145	2,930	871	657
Total	119,357	89,019	82,556	73,111

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.

	28 February 2021 £'000	29 February 2020 £'000
Impact on equity		
10% weakening in US dollar against pound sterling (2020: 10%)	(941)	(603)
10% strengthening in US dollar against pound sterling (2020: 10%)	1,150	737
10% weakening in euro against pound sterling (2020: 10%)	–	–
10% strengthening in euro against pound sterling (2020: 10%)	–	–
10% weakening in AUS dollar against pound sterling (2020: 10%)	(282)	(158)
10% strengthening in AUS dollar against pound sterling (2020: 10%)	344	193
10% weakening in INR against pound sterling (2020: 10%)	(116)	(207)
10% strengthening in INR against pound sterling (2020: 10%)	142	252
Impact on income statement		
10% weakening in US dollar against pound sterling (2020: 10%)	(206)	(266)
10% strengthening in US dollar against pound sterling (2020: 10%)	251	325
10% weakening in euro against pound sterling (2020: 10%)	(40)	(61)
10% strengthening in euro against pound sterling (2020: 10%)	49	75
10% weakening in AUS dollar against pound sterling (2020: 10%)	(33)	–
10% strengthening in AUS dollar against pound sterling (2020: 10%)	41	–
10% weakening in INR against pound sterling (2020: 10%)	–	–
10% strengthening in INR against pound sterling (2020: 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.

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 28 February 2021, the exposure to credit risk for gross trade receivables by geographical region was as follows:

	28 February 2021 £'000	29 February 2020 £'000
United Kingdom	**39,394**	34,617
North America	**17,901**	14,321
Australia	**3,039**	2,441
India	**1,563**	2,873
Total	**61,897**	54,252

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 92% (2020: 93%) of the North America trade receivable balance. In the United Kingdom balances with the distributors make up 87% (2020: 87%) 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 continues to remain high given the macro economic climate with 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 28 February 2021, the Group had no draw down (2020: £nil) of this facility with £8.0 million of undrawn borrowing facilities (2020: £8.0 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 2.5x and a minimum interest cover covenant of 4x. The agreement is to May 2022.

The Group's financial liabilities are trade payables, accruals and other payables as shown above. All other financial liabilities are due within one year.

Notes to the Financial Statements

continued

26. Leases
The Group's lease portfolio consists of office properties, vehicles and equipment. 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.

The amounts recognised in the income statement are as follows:

	Notes	**28 February 2021 £'000**	29 February 2020 £'000
Interest on lease liabilities	6	**442**	492
Expenses relating to short-term leases		**4**	22
Expense relating to leases of low-value assets		**1**	7
Depreciation of right-of-use assets	15	**1,806**	1,775

The maturities of the Group's lease liabilities are as follows:

	28 February 2021 £'000	29 February 2020 £'000
Less than one year	**1,943**	2,068
One to five years	**7,218**	7,978
More than five years	**5,288**	6,941
Total undiscounted lease liabilities	**14,449**	16,987
Lease liabilities included in the balance sheet	**12,943**	14,530
Current	**1,808**	1,585
Non-current	**11,135**	12,945

27. Commitments and contingent liabilities
a) Capital commitments

	28 February 2021 £'000	29 February 2020 £'000
Property, plant and equipment	**–**	–
Intangible assets	**118**	238
Total	**118**	238

b) Other commitments
The Group is committed to paying royalty advances to authors in subsequent financial years. At 28 February 2021, this commitment amounted to £20,580,000 (2020: £20,187,000).

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 23 April 2021, the Group announced the acquisition of certain assets of Red Globe Press ("RGP"), the academic imprint, from Macmillan Education Limited, a part of Springer Nature Group. The transaction completed on 1 June 2021. The consideration is £3.7 million, of which £1.8 million was satisfied in cash at completion and up to £1.9 million will be paid on or post-completion, subject to assignment of certain contracts.

RGP specialises in high-quality publishing for Higher Education students globally in Humanities and Social Sciences, Business and Management, and Study Skills. RGP has a backlist of more than 7,000 titles and publishes more than 100 new titles per year, with content including digital platforms, textbooks, research-driven materials and general academic publishing. The acquired RGP titles are a good strategic fit, strengthen Bloomsbury's existing academic publishing, and establish new areas of academic publishing in Business and Management, Study Skills and Psychology. RGP's three digital products will be migrated to Bloomsbury Digital Resources' own platform and its content added to Bloomsbury Collections. The business will operate within Bloomsbury's Academic & Professional division. There are opportunities for profit enhancements following the integration of the business into Bloomsbury.

The Group will take on Inventories, Advances and intangible assets associated with taking on the titles, imprint and digital products. No cash or trade receivables will transfer as part of the acquisition. Given the timing of the acquisition in relation to the date these accounts were signed no further information is available for disclosure.

30. Investments in subsidiary companies

The Group's subsidiary companies at 28 February 2021 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.
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.
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.

Notes to the Financial Statements

continued

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 28 February 2021, 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 28 February 2021 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 28 February 2021

Company Number 1984336

	Notes	28 February 2021 £'000	29 February 2020 £'000
Assets			
Intangible assets	33	**4,593**	3,107
Property, plant and equipment	34	**1,654**	1,613
Right-of-use assets	35	**9,033**	10,016
Investments in subsidiary companies	36	**81,159**	81,159
Other investments	37	**162**	516
Deferred tax assets	38	**774**	503
Total non-current assets		**97,375**	96,914
Inventories	39	**6,745**	6,729
Trade and other receivables	40	**71,250**	62,009
Cash and cash equivalents		**38,329**	19,995
Total current assets		**116,324**	88,733
Total assets		**213,699**	185,647
Liabilities			
Provisions	43	**216**	144
Lease liabilities	47	**9,025**	9,932
Total non-current liabilities		**9,241**	10,076
Trade and other liabilities	41	**87,469**	72,444
Provisions	43	**116**	151
Lease liabilities	47	**1,143**	906
Current tax liabilities		**159**	932
Total current liabilities		**88,887**	74,433
Total liabilities		**98,128**	84,509
Net assets		**115,571**	101,138
Equity			
Share capital	44	**1,020**	942
Share premium	44	**47,319**	39,388
Other reserves	44	**9,770**	8,549
Retained earnings	44	**57,462**	52,259
Total equity attributable to owners of the Company		**115,571**	101,138

The Company financial statements were approved by the Board of Directors and authorised for issue on 2 June 2021.

J N Newton
Director

P Scott-Bayfield
Director

Company Statement of Changes in Equity

For the year ended 28 February 2021

	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 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**
Profit for the year and total comprehensive income for the year	–	–	–	–	–	6,092	6,092
Transactions with owners							
Issue of share capital	47	7,931	–	–	–	–	7,978
Bonus issue of share capital	31	–	–	–	–	(31)	–
Dividends to equity holders of the Company	–	–	–	–	–	(1,045)	(1,045)
Share options exercised	–	–	–	–	–	184	184
Deferred tax on share-based payment transactions	–	–	–	–	–	3	3
Share-based payment transactions	–	–	–	–	1,221	–	1,221
Total transactions with owners of the Company	**78**	**7,931**	**–**	**–**	**1,221**	**(889)**	**8,341**
At 28 February 2021	**1,020**	**47,319**	**1,803**	**22**	**7,945**	**57,462**	**115,571**

Company Statement of Cash Flows

For the year ended 28 February 2021

	Notes	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Cash flows from operating activities			
Profit for the year		**6,092**	10,373
Adjustments for:			
Depreciation of property, plant and equipment		**319**	295
Depreciation of right-of-use assets		**1,094**	1,051
Amortisation of intangible assets		**1,286**	986
Impairment of investments		**300**	3,304
Finance income		**(133)**	(191)
Finance costs		**595**	559
Share of loss of joint venture		**110**	7
Share-based payment charges		**621**	314
Tax expense		**1,323**	1,802
		11,607	18,500
Decrease/(increase) in inventories		**239**	(573)
Increase in trade and other receivables		**(8,534)**	(4,915)
Increase in trade and other liabilities		**15,011**	1,984
Cash generated from operations		**18,323**	14,996
Income taxes paid		**(2,792)**	(1,440)
Net cash generated from operating activities		**15,531**	13,556
Cash flows from investing activities			
Purchase of property, plant and equipment		**(361)**	(263)
Purchase of business		**–**	(310)
Purchase of rights to assets		**(1,547)**	(1,213)
Purchase of share in a joint venture		**(56)**	(223)
Purchase of intangible assets		**(1,298)**	(1,454)
Interest received		**37**	91
Net cash used in investing activities		**(3,225)**	(3,372)
Cash flows from financing activities			
Equity dividends paid	42	**(1,045)**	(6,009)
Proceeds from exercise of share options	42	**184**	27
Proceeds from share issue		**7,978**	–
Repayment of lease liabilities	42	**(781)**	(880)
Lease liabilities interest paid	42	**(308)**	(322)
Other interest paid	42	**–**	(1)
Net cash from/(used in) financing activities	42	**6,028**	(7,185)
Net increase in cash and cash equivalents		**18,334**	2,999
Cash and cash equivalents at beginning of year		**19,995**	16,996
Cash and cash equivalents at end of year		**38,329**	19,995

Notes to the Company Financial Statements

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 201. The Company is primarily involved in the publication of books and other related services.

32. Significant accounting policies
a) Basis of preparation
These financial statements were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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 2022, 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 £6,092,000 (2019: £10,373,000).

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 28 February 2021. The table below summarises the impact of these changes to the Company:

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.	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 2021 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.

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 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 awards granted in 2017, 2018 or 2019, 50% of any award under the Plan is subject to a Return on Capital Employed performance condition and 50% Earnings Per Share. Awards granted in 2020 are subject to the following performance conditions; Earnings Per Share (60%), Non-Consumer operating profit (15%), Consumer operating profit (15%) and BDR revenue (10%). 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.

The Company recharges a share of the share-based payment charge to subsidiaries. This recharge is made via intercompany transactions.

33. Intangible assets

	Publishing rights £'000	Systems development £'000	Total £'000
Cost			
At 28 February 2019	730	7,464	8,194
Additions	–	1,454	1,454
At 29 February 2020	730	8,918	9,648
Additions[1]	1,474	1,298	2,772
At 28 February 2021	**2,204**	**10,216**	**12,420**
Amortisation[2]			
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
Charge for the year	85	1,201	1,286
At 28 February 2021	**772**	**7,055**	**7,827**
Net book value			
At 28 February 2021	**1,432**	**3,161**	**4,593**
At 29 February 2020	43	3,064	3,107

1 The addition of £1,474,000 relates to the acquisition of assets of Zed Book's publishing rights on 20 March 2020.
2 The amortisation charge of £1,280,000 (2020: £986,000) was included in administrative expenses in the year.

Notes to the Company Financial Statements

continued

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 2019	2,718	453	1,743	4,914
Additions	20	49	194	263
At 29 February 2020	2,738	502	1,937	5,177
Additions	4	36	320	360
At 28 February 2021	**2,742**	**538**	**2,257**	**5,537**
Depreciation				
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
Charge for the year	108	43	168	319
At 28 February 2021	**1,782**	**454**	**1,647**	**3,883**
Net book value				
At 28 February 2021	**960**	**84**	**610**	**1,654**
At 29 February 2020	1,064	91	458	1,613

The depreciation charge of £319,000 (2020: £295,000) 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	9,523	90	42	9,655
Additions	1,412	–	–	1,412
At 29 February 2020	10,935	90	42	11,067
Additions	–	67	44	111
Disposals	(170)	(5)	(42)	(217)
At 28 February 2021	**10,765**	**152**	**44**	**10,961**
Depreciation				
At 28 February 2019	–	–	–	–
Charge for the year	970	45	36	1,051
At 29 February 2020	970	45	36	1,051
Charge for the year	1,027	59	8	1,094
Disposals	(170)	(5)	(42)	(217)
At 28 February 2021	**1,827**	**99**	**2**	**1,928**
Net book value				
At 28 February 2021	**8,938**	**53**	**42**	**9,033**
At 29 February 2020	9,965	45	6	10,016

36. Investment in subsidiary companies

	£'000
Cost	
At 29 February 2020 and 28 February 2021	**93,905**
Impairment	
At 29 February 2020 and 28 February 2021	**12,746**
Net book value	
At 28 February 2021	**81,159**
At 29 February 2020	81,159

Information on subsidiary companies is disclosed in note 30.

37. Other investments

	28 February 2021 £'000	29 February 2020 £'000
Equity securities designated as at FVOCI	**–**	300
Joint venture	**162**	216
Total	**162**	516

The FVOCI equity investment in Cricket Properties Limited has been impaired in the year.

The amounts recognised in the Income Statement are as follows:

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Equity securities impairment	**(300)**	–
Joint venture (loss)	**(110)**	(7)
Total	**(410)**	(7)

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 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
(Charge)/credit to the income statement	(3)	3	67	201	268
Credit to equity	-	-	3	-	3
At 28 February 2021	**(34)**	**37**	**352**	**419**	**774**

Notes to the Company Financial Statements

continued

38. Deferred tax assets and liabilities continued

The analysis for financial reporting purposes is as follows:

	28 February 2021 £'000	29 February 2020 £'000
Deferred tax assets	**774**	503
Deferred tax liabilities	**–**	–
Total	**774**	503

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

	28 February 2021 £'000	29 February 2020 £'000
Work in progress	**1,272**	1,879
Finished goods for resale	**5,473**	4,850
Total	**6,745**	6,729

The cost of inventories recognised as cost of sales amounted to £20,253,000 (2020: £17,644,000).

The provision and write down of inventories to net realisable value recognised in cost of sales amounted to £1,888,000 (2020: £1,903,000).

40. Trade and other receivables

	28 February 2021 £'000	29 February 2020 £'000
Current		
Gross trade receivables	**38,791**	32,835
Less loss allowance	**(2,664)**	(1,575)
Net trade receivables	**36,127**	31,260
Amounts owed by Group undertakings	**14,560**	12,824
Other receivables	**3,730**	2,033
Prepayments	**673**	775
Accrued income	**2,926**	2,597
Royalty advances	**13,234**	12,520
Total trade and other receivables	**71,250**	62,009

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 28 February 2021, £4,859,000 (2020: £2,534,000) of royalty advances are expected to be recovered after more than 12 months.

Other receivables principally comprises VAT recoverable.

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 176 days (2020: 181 days).

Movements on the Company's loss allowance for trade receivables are as follows:

	28 February 2021 £'000	29 February 2020 £'000
At start of year	**1,575**	1,736
Amounts created	**1,704**	401
Amounts released	**(149)**	(177)
Amounts utilised	**(466)**	(385)
At end of year	**2,664**	1,575

41. Trade and other liabilities

	28 February 2021 £'000	29 February 2020 £'000
Current		
Trade payables	**4,979**	8,809
Sales return liability	**3,908**	1,605
Amounts owed to Group undertakings	**59,502**	47,901
Taxation and social security	**692**	642
Other payables	**2,221**	2,379
Accruals and deferred income	**16,167**	11,108
Total current trade and other liabilities	**87,469**	72,444
Total trade and other payables liabilities	**87,469**	72,444

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. Other payables principally comprises sub rights payable to authors.

If actual returns were 10% higher or lower in the year revenue would have been £0.4 million lower/higher (2020: £0.5 million). Accruals are higher than last year at due to a higher royalty accrual, up £1.7 million, and a £2.6 million employee bonus payable for the year (2020: £nil).

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 2020	10,838	–	40,330	8,549	52,259	111,976
Changes from financing cash flows						
Dividend paid	–	–	–	–	(1,045)	(1,045)
Proceeds from share issue	–	–	7,978	–	–	7,978
Proceeds from exercise of share options	–	–	–	–	184	184
Repayment of lease liability	(781)	–	–	–	–	(781)
Interest paid	(308)	–	–	–	–	(308)
Total changes from financing cash flows	(1,089)	–	7,978	–	(861)	6,028
Other changes						
Liability-related						
Right-of-use asset additions	111	–	–	–	–	111
Interest expense	308	–	–	–	–	308
Total liability-related other changes	419	–	–	–	–	419
Total equity-related other changes	–	–	31	1,221	6,064	7,316
Balance at 28 February 2021	**10,168**	**–**	**48,339**	**9,770**	**57,462**	**125,739**

Notes to the Company Financial Statements

continued

42. Loans and borrowings continued

	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**

43. Provisions

	Author advance £'000	Property £'000	Total £'000
At 29 February 2020	151	144	295
Created in the year	73	72	145
Utilised in the year	(108)	–	(108)
At 28 February 2021	**116**	**216**	**332**
Non-current	–	216	216
Current	116	–	116

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 28 February 2021, the Company had distributable reserves of £57.5 million. The total external dividends excluding the special dividend relating to the year ended 28 February 2021 amounted to £7.2 million. The Company distributable reserves support just under 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:

	28 February 2021 £'000	29 February 2020 £'000
Equity-settled share-based transactions	1,221	629
Cash-settled share-based transactions	195	132
Total	**1,416**	761

£795,000 (2020: £447,000) of this amount was recharged to subsidiaries of the Company.

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	28 February 2021 £'000	29 February 2020 £'000
Investments available for sale			
Equity securities designated as FVOCI (Level 3)		–	300
Joint venture		162	216
Total investments available for sale	37	**162**	516
Loans and receivables			
Cash and cash equivalents		38,329	19,995
Amounts owed by Group undertakings	40	14,560	12,824
Trade receivables	40	36,127	31,260
Accrued income	40	2,926	2,597
Total loans and receivables		**91,942**	66,676
Financial liabilities measured at amortised cost			
Trade payables	41	4,979	8,809
Sales return liability	41	3,908	1,605
Accruals		16,000	11,108
Other payables		2,913	3,021
Amounts owed to Group undertakings	41	59,502	47,901
Lease liabilities	47	10,168	10,838
Total financial liabilities measured at amortised cost		**97,470**	83,282
Net financial instruments		**(5,366)**	(16,090)

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.

46. Financial instruments and risk management continued

a) Market risk

i. Interest rate risk

Interest rate profile of financial assets:

	28 February 2021 £'000	29 February 2020 £'000
Variable rate financial assets	**38,329**	19,995

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.

	28 February 2021 £'000	29 February 2020 £'000
Impact on profit and equity		
1% increase in base rate of interest (2020: 1%)	**236**	142
0.5% decrease in base rate of interest (2020: 0.5%)	**(118)**	(79)

ii. Currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	Loan and receivables		Financial liabilities	
	28 February 2021 £'000	29 February 2020 £'000	28 February 2021 £'000	29 February 2020 £'000
GBP	**89,595**	63,742	**96,817**	82,713
USD	**1,289**	1,828	**407**	403
EURO	**690**	833	**246**	166
AUD	**368**	273	**–**	–
Total	**91,942**	66,676	**97,470**	83,282

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.

	28 February 2021 £'000	29 February 2020 £'000
Impact on profit or loss		
10% weakening in US dollar against pound sterling (2020: 10%)	**(80)**	(129)
10% strengthening in US dollar against pound sterling (2020: 10%)	**98**	158
10% weakening in euro against pound sterling (2020: 10%)	**(41)**	(61)
10% strengthening in euro against pound sterling (2020: 10%)	**50**	75
10% weakening in AUS dollar against pound sterling (2020: 10%)	**(33)**	(25)
10% strengthening in AUS dollar against pound sterling (2020: 10%)	**41**	30

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% (2020: 87%) 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 continues to remain high given the macro economic climate with 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 Company 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 28 February 2021, the Group had no draw down (2020: £nil) of this facility with £8.0 million of undrawn borrowing facilities (2020: £8.0 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 2.5x and a minimum interest cover covenant of 4x. The agreement is to May 2022.

47. Leases

The Company's lease portfolio consists of office properties, vehicles and equipment.

The maturities of the Group's lease liabilities are as follows:

	28 February 2021 £'000	29 February 2020 £'000
Less than one year	**1,179**	1,248
One to five years	**4,967**	4,831
More than five years	**5,288**	6,813
Total undiscounted lease liabilities	**11,434**	12,892
Lease liabilities included in the balance sheet	**10,168**	10,838
Current	**1,143**	906
Non-current	**9,025**	9,932

Notes to the Company Financial Statements

continued

48. Commitments and contingent liabilities

a) Capital commitments

	28 February 2021 £'000	29 February 2020 £'000
Property, plant and equipment	**–**	–
Intangible assets	**118**	238
Total	**118**	238

b) Other commitments

The Company is committed to paying royalty advances in subsequent financial years. At 28 February 2021, this commitment amounted to £14,331,000 (2020: £12,306,000).

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:

	28 February 2021 £'000	29 February 2020 £'000
Sale of goods to subsidiaries	**10,482**	9,525
Management recharges	**8,135**	9,422
Commission payable to subsidiaries	**2**	(8)
Finance income from subsidiaries	**96**	91
Rights income from joint venture	**15**	–
Amounts owed by subsidiaries at year end	**14,560**	12,824
Amounts owed to subsidiaries at year end	**59,502**	47,901

All amounts outstanding are unsecured and will be settled in cash. £0.5 million provision has been made for doubtful debts in respect of the amounts owed by subsidiaries (2020: £nil).

Key management remuneration is disclosed in note 5.

Additional information

Five Year Financial Summary

	2017 £'000	2018 £'000	2019 £'000	2020 £'000	**2021 £'000**
Revenue	142,564	161,510	162,679	162,772	**185,136**
Adjusted profit†	12,039	13,217	14,374	15,704	**19,153**
Adjusted diluted EPS‡	12.22p	13.47p	14.48p	16.23p	**18.68p**
Dividend per share	6.70p	7.51p	7.96p	1.28p	**18.64p**
Return on Capital Employed	8.2%	9.9%	11.0%	12.2%	**15.4%**
Net assets	139,299	139,563	143,738	149,673	**168,249**
Net cash*	15,478	25,428	27,580	31,345	**54,466**

† 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. All prior periods adjusted diluted EPS has been restated for the bonus issue of shares in the year, see note 10. The adjusted diluted EPS for the year ended 28 February 2021 includes a special dividend of 9.78p pence per share

* 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
Independent Non-Executive Directors	John Warren – Senior Independent Director Steven Hall Leslie-Ann Reed Baroness Lola Young of Hornsey
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 Advisers	Investec Investment Banking 30 Gresham Street London EC2V 7QP
Registrars	Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL

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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 48 to 54.

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 offices of
Hudson Sandler LLP
25 Charterhouse Square
London
EC1M 6AE*
On Wednesday 21 July 2021 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, please refer to the Company Secretary's letter over the page which details the arrangements of this year's Annual General Meeting.

Letter to Shareholders

2 June 2021

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 the offices of Hudson Sandler LLP at 25 Charterhouse Square, London EC1M 6AE on Wednesday 21 July 2021 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.

AGM Arrangements

We are keen to welcome Shareholders in person to our 2021 AGM, particularly given the constraints we faced in 2020 due to the coronavirus pandemic. At the time of writing this letter, the UK Government plans to lift all restrictions relating to coronavirus before the date of the AGM and it is therefore currently anticipated that Shareholders, proxies and corporate representatives will be able to attend and participate in the AGM. Please note that all attendees will be required to adhere to the health and safety measures detailed below under the heading "Health and Safety".

However, given the constantly evolving nature of the situation, it may be the case that following the publication and despatch of this Notice of Meeting, further restrictions on the ability of people to gather and meet in indoor venues may be imposed by the UK Government, or the date on which the restrictions are currently expected to be lifted is postponed to a future date. We want to ensure that we are able to adapt these arrangements efficiently to respond to changes in circumstances. On this basis, should the situation change such that we consider that it is no longer possible for Shareholders to attend the meeting, the Company will make announcements via the Regulatory News Service and its investor relations website (www.bloomsbury-ir.co.uk) to keep Shareholders up to date as to the ability to attend the AGM in person.

Attendance at the AGM

Shareholders intending to attend the AGM are asked to register their intention as soon as practicable by filling out a form which can be found at www.bloomsbury-ir.co.uk/governance/governance-agm.

Proxies

Given the uncertainty around whether Shareholders will be able to attend the AGM because of tighter restrictions due to a change in the situation with the coronavirus pandemic, Shareholders are encouraged to participate by submitting a proxy vote in advance of the meeting and appointing the Chair of the Meeting as their proxy. This will ensure that your vote will be counted if ultimately you (or any other proxy you might otherwise appoint) are not able to attend the meeting in person. Further details on how Shareholders can vote are set out below under the heading "Voting by Proxy".

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 Group. Proxy votes should be submitted as early as possible and in any event by no later than 12.00 noon on Monday 19 July 2021 in order to count towards the vote. Submission of a proxy vote will not preclude a Shareholder from attending and voting at the AGM in person. As mentioned above, Shareholders may prefer to appoint the Chair of the Meeting as their proxy for this year's AGM.

Health and Safety

The health and safety of our employees and Shareholders is paramount to us. Please note therefore that strict health and safety measures will be enforced at the AGM. We ask that all prospective attendees:

- Download the NHS Test & Trace app prior to arrival;
- Agree to have their temperature checked prior to admission to the meeting;
- Wear face coverings at all times during the meeting; and
- Practice social distancing at all times during the meeting.

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. The Company will provide any appropriate updates in relation to the AGM via its investor relations website (www.bloomsbury-ir.co.uk) 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 16 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 2021 with this document. Shareholders who have not elected to receive hard copy documents can view or download the Annual Report and Accounts 2021 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
2 June 2021

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 the offices of Hudson Sandler LLP at 25 Charterhouse Square, London EC1M 6AE on Wednesday 21 July 2021 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 16 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 28 February 2021, 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 28 February 2021, as set out on pages 108 to 110 and 118 to 128 respectively of the Company's Annual Report and Accounts for the year ended 28 February 2021.
3. To declare a special dividend for the year ended 28 February 2021 of 9.78 pence per Ordinary share.
4. To declare a final dividend for the year ended 28 February 2021 of 7.58 pence per Ordinary share.
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 appoint Baroness Lola Young of Hornsey 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 and 16 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 to 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 £340,036 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 £51,005;

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 £51,005; 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 8,160,867 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.

By order of the Board

Maya Abu-Deeb
General Counsel & Group Company Secretary

Bloomsbury Publishing Plc
2 June 2021

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 16 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 28 February 2021, 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 108 to 110 and 118 to 128 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) – Special Dividend

The Board proposes a special dividend of 9.78 pence per share for the year ended 28 February 2021. If approved, the recommended special dividend will be paid on 27 August 2021 to all Shareholders on the register on the record date of 30 July 2021. Payments will be made by cheque or BACS (where there is an existing dividend mandate). The special dividend equates to an aggregate distribution to Shareholders of approximately £8.0 million.

Resolution 4 (ordinary resolution) – Final Dividend

The Board proposes a final dividend of 7.58 pence per share for the year ended 28 February 2021. If approved, the recommended final dividend will be paid on 27 August 2021 to all Shareholders on the register on the record date of 30 July 2021. Payments will be made by cheque or BACS (where there is an existing dividend mandate). The final dividend equates to an aggregate distribution to Shareholders of approximately £6.2 million, making approximately £7.2 million in aggregate for the interim and final dividend together for the year ended 28 February 2021.

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 John Warren 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 86 to 87 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 2013/2014 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 2022.

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 2022.

Resolution 13 (ordinary resolution) – Authority to allot Ordinary shares

This is an ordinary resolution to replace the general authority, last given at the 2020 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 27,202,891 Ordinary shares of 1.25 pence with a nominal value of £340,036, 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 2021 Annual Report and Accounts, the Directors had beneficial holdings of Ordinary shares in the Company which, in aggregate, amounted to approximately 1.49% 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 1.15% 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.

Explanatory Notes to the Resolutions

continued

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; the non-pre-emptive equity placing of 3,766,428 Ordinary shares in the capital of the Company in April 2020; and the issue of 2,513,674 Ordinary shares by way of a bonus issue in August 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 2020 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 8,160,887 Ordinary shares with a nominal value of £102,011, 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 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, Shareholders wishing to attend the meeting are asked to register their attendance as soon as possible (please see Note 1 below). Shareholders are also recommended to appoint the Chair of the Meeting to be their proxy at the AGM (see Note 2 below).

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 Monday 19 July 2021 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. **Shareholders wishing to attend the meeting are asked to register their attendance as soon as possible by filling out a questionnaire which can be found at www.bloomsbury-ir.co.uk/governance/governance-agm. Rules around capacity at the venue and changes in health and safety requirements may mean Shareholders cannot ultimately attend the meeting.**
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. **Given the uncertainty around whether Shareholders will be able to attend the AGM, whether because of capacity at the venue does not allow for safety reasons related to coronavirus restrictions or due to a change in the situation with the coronavirus pandemic, we recommend that all Shareholders appoint the Chair of the Meeting as their proxy. This will ensure that all Shareholder votes are counted even if attendance at the meeting is restricted or a Shareholder or any other proxy a Shareholder might appoint is unable to attend in person. The return of a completed proxy form will not prevent a Shareholder from attending the AGM and voting in person if the Shareholder wishes to do so, should this be permitted under the applicable coronavirus restrictions.** In general however, 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 Monday 19 July 2021 (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 Monday 19 July 2021. Any power of attorney or other authority under which the proxy is submitted must be sent to the Company's Registrar (Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL) so as to have been received by the Company's Registrars by not later than 12.00 noon on Monday 19 July 2021 (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 Group, 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 Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL) so as to have been received by the Company's Registrars by not later than 12.00 noon on Monday 19 July 2021 (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.

Explanatory Notes to the Notice

continued

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 Group at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL. 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 Group at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL. 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 Group no later than 12.00 noon on Monday 19 July 2021. 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 any changes required to be made to the AGM arrangements 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 1 June 2021 (being the last business day prior to the date of this Notice), the Company's issued share capital comprised 81,608,672 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 1 June 2021 is 81,608,672.
9. **Questions at the AGM.** Any Shareholder attending 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 meeting 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.** Copies of the following documents will be available for inspection at the place of the AGM for 15 minutes prior to and during the meeting:
    - copy of this Notice of AGM;
    - 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 2021 Annual Report and Accounts; and
    - copies of the Company's 2014 Performance Share Plan and 2014 Sharesave Plan
14. **Communication.** Except as provided above, members who have general queries about the AGM should call the Company's registrar 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 weekends and 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.

Shareholder notes

Bloomsbury Publishing Plc
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Promotion on **www.bloomsbury.com** from March to April 2021, ahead of UK bookshops re-opening