BLOOMSBURY PUBLISHING PLC

(“Bloomsbury” or the “Group”)

Unaudited Interim Results for the six months ended 31 August 2019

Strong Non-Consumer growth and delivery of diversified strategy

Bloomsbury, the leading independent publisher, today announces unaudited results for the six months ended 31 August 2019.

The Group delivered an encouraging first half and performance is in line with the Board’s expectations for the full year. Traditionally, sales of trade titles peak for Christmas and sales of academic titles at the beginning of the academic year in the Autumn. With our strong Consumer list in the second half, our sales are therefore expected to be even more second-half weighted than in previous years.

Commenting on the results, Nigel Newton, Chief Executive, said:

“Bloomsbury had an encouraging first half. The Academic & Professional division delivered an excellent performance with 9% revenue growth and profit before tax and highlighted items up £1.8 million. This included outstanding revenue growth of 73% from Bloomsbury Digital Resources, which has moved into profit. Drama Online is the premier reference resource in its field, and now includes our new partnership with the National Theatre.

The robust growth of the Non-Consumer division’s revenue and profitability demonstrate the continued delivery of our diversified, international strategy. The Consumer division results are more heavily weighted to the second half this year, with our biggest titles, including the illustrated *Harry Potter and the Goblet of Fire* by J.K. Rowling and Jim Kay, published in October ahead of the peak Christmas period.

In Consumer, our very strong list for the second half, with 10 recent, current and potential bestsellers, includes William Dalrymple’s *The Anarchy*, *The Dutch House* by Ann Patchett, the Dishoom cookbook, Tom Kerridge’s new blockbuster in December, *Lose Weight and Get Fit*, and Sarah J. Maas’ *Crescent City: House of Earth and Blood*. These follow bestsellers in the first half including *Three Women* by Lisa Taddeo, which was number one on the *Sunday Times* bestseller list for four weeks, and *Mudlarking* by Lara Maiklem.

Our strong financial position and good cash generation, with a £3.1 million increase in cash since 31 August 2018, give us significant opportunities for further acquisitions and investment in organic growth. With a proposed interim dividend increase of 6%, we are on track to deliver our 25th year of consecutive dividend growth.

The Group is performing in line with the Board’s expectations for the full year.”

Financial Highlights

- Profit before taxation and highlighted items* of £2.5 million (2018: £2.9 million**)

- Revenues were £71.3 million (2018: £75.3 million**)
- Profit before taxation was £1.3 million (2018: £1.6 million)
- Diluted earnings per share, excluding highlighted items*, of 2.74 pence (2018: 3.14 pence)
- Diluted earnings per share of 1.28 pence (2018: 1.62 pence)
- £3.1 million increase in cash to £20.1 million at 31 August 2019 (2018: £16.9 million)
- Interim dividend up 6% to 1.28 pence per share (2018: 1.21 pence per share)

Operational Highlights

Non-Consumer Division

- Excellent Academic & Professional performance, with revenue up 9% and profit before taxation and highlighted items* of £1.8 million (2018: £0.1 million)
- Non-Consumer revenues up 6% to £29.9 million (2018: £28.3 million)
- Bloomsbury Digital Resources 2020 ("BDR 2020") revenues up 73% to £3.8 million and moves into profit
- BDR 2020 partnerships with Taylor & Francis and Human Kinetics in development and the new National Theatre collection included in Drama Online

Consumer Division

- Our Consumer frontlist is even more heavily weighted to the second half than in previous years, with our biggest titles published in the Autumn, including 10 recent, current and potential bestsellers
- Consumer profit before taxation and highlighted items* of £0.6 million (2018: £3.1 million)
- Consumer revenue of £41.5 million (2018: £47.0 million)
- Good Adult Trade performance, with revenue up 2% to £16.2 million (2018: £15.9 million) and loss before taxation and highlighted items* of £0.1 million (2018: £0.4 million profit)
- Delivering Adult transformation with revenue growth against a strong comparative last year which included the exceptional cookery backlist sales
- Children's Trade delivered profit before taxation and highlighted items* of £0.8 million (2018: £2.8 million) and revenue of £25.3 million (2018: £31.1 million)
- In Children's, *Harry Potter and the Goblet of Fire Illustrated Edition* by J.K. Rowling and Jim Kay and Sarah J. Maas' *Crescent City: House of Earth and Blood* are in the second half. Last year the first half included two Sarah J. Maas frontlist titles compared to one this year
- Sales of Harry Potter titles remain strong following the 20th anniversary year in 2017/18. In context, first half sales were 13% higher than H1 2016/17 and 16% below last year
- New Audio division, with an expert team focusing on production of key titles, launching with the Audible bestseller, *The Madness of Crowds*, narrated by its author Douglas Murray
- Appointment of Paul Baggaley as Editor-In-Chief of Bloomsbury Adult; Paul is one of the most highly regarded figures in the industry, and joins us from Picador

Notes

* Highlighted items comprise amortisation of acquired intangible assets and legal and other professional costs and restructuring costs relating to ongoing and completed acquisitions.

** Exceptional comparator for the Consumer Division; last year included exceptional Cookery sales.

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References in this announcement to other reports or materials, such as a website address, have been provided to direct the reader to other sources of information on Bloomsbury Publishing Plc 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 announcement.

Chief Executive's statement

Overview

It has been an encouraging first half for Bloomsbury. Group profit before taxation and highlighted items was £2.5 million (2018: £2.9 million). Group profit before tax was £1.3 million (2018: £1.6 million).

Our Bloomsbury Digital Resources 2020 ("BDR 2020") digital growth strategy is performing very well, delivering 73% revenue growth year-on-year. The combination of excellent digital products and the strength and range of our partnerships enable us to deliver growth from the high quality platforms and infrastructure we have built.

The highlighted items of £1.2 million (2018: £1.3 million) consist of the amortisation of acquired intangible assets (£0.9 million) (2018: £0.9 million) and legal and other professional fees relating to acquisitions of £0.3 million (2018: £0.4 million). The effective rate of tax for the period was 25.6% (2018: 21.0%). The adjusted effective rate of tax, excluding highlighted items, was 17.7% (2018: 16.5%). Diluted earnings per share for the period, excluding highlighted items, was 2.74 pence (2018: 3.14 pence). Including highlighted items, profit before tax was £1.3 million (2018: £1.6 million) and diluted earnings per share was 1.28 pence (2018: 1.62 pence).

Delivering the Bigger Bloomsbury Strategy

Bloomsbury continues to focus on quality revenues, increasing earnings and building on the strong momentum achieved over the last two years. We continue to diversify both internationally and into Non-Consumer publishing. Our Bigger Bloomsbury initiatives, announced in May 2019, focus on our key growth drivers with targeted strategies across the Group to help grow our revenues and improve our margins over the next four years.

We have made good progress in the first half on the eight initiatives for this year, with highlights including:

- Growing the profits of the Academic & Professional division:
    - Delivered £1.8 million growth in Academic & Professional profit before taxation and highlighted items
- Maximising the success of Bloomsbury Digital Resources 2020:
    - Moved into profit for the first time and delivered 73% growth in BDR 2020 revenue
- Reducing our finished goods inventory further:
    - Delivered a reduction in inventories of £1.1 million (5%) on a like-for-like basis. Like-for-like is on a CER basis and excludes the value of the new *Harry Potter and the Goblet of Fire Illustrated Edition*

- Growing the revenues of acquisitions:
    - Healthy double-digit revenue growth from IB Tauris ('IBT'), acquired in May 2018, contributing to the Non-Consumer division with growth in print and digital through e-books and BDR 2020
- Increasing employee engagement through strategic HR initiatives:
    - Good progress in engagement and delivery of key initiatives, including our Group wide Employee Voice Meetings, listening to each of our employees' views; our new Management Development Programme; the Group wide Appraisal process; our Employee Assistance Programme supporting employees' well-being, as well as other initiatives in progress.

Our focus on growing the profits of the Adult division, increasing our focus on our nine biggest Consumer assets and increasing the growth of international revenues continues, with growth expected to be more weighted towards the second half than in the previous years.

Cash

Cash generation continued to be strong with cash at the period end of £20.1 million, up £3.1 million. Our focus on working capital continues: inventories have further reduced by 5% or £1.1 million year on year, on a like-for-like basis. Our strategic priority for cash continues to be investment in acquisitions and organic investment to grow and enhance our existing business.

Acquisitions

Bloomsbury has a strong and successful track record in strategic acquisitions, with 14 acquisitions completed since 2008.

We are increasing our M&A resource, reflecting the wide number of opportunities available to Bloomsbury. Vafa Payman, currently MD of Content Services, will be moving to support this with a joint role as MD, Bloomsbury China, and Head of Acquisitions and Corporate Development.

Dividend

The Group has a progressive dividend policy supported by strong cash cover. The Board has declared an interim dividend of 1.28 pence per share, a 6% increase on the 1.21 pence per share interim dividend for the six months ended 31 August 2018. The dividend will be paid on 6 December 2019 to Shareholders on the register on the record date of 8 November 2019.

Non-Consumer Division

The Non-Consumer division consists of Academic & Professional, Special Interest and Content Services. Revenues in the division increased by 6% to £29.9 million (2018: £28.3 million). Within this, Academic & Professional revenues grew by 9% to £19.6 million (2018: £18.0 million), driven by the excellent performance of BDR 2020. Profit before taxation and highlighted items for the Non-Consumer division increased to £1.8 million (2018: £0.1 million). The profit growth reflects improved Academic & Professional profitability and the £0.6 million improvement in the BDR 2020 result.

The strategic growth initiative BDR 2020 has made Bloomsbury into a leading B2B publisher in the academic and professional information market and significantly accelerated the growth of its digital revenues. Our BDR 2020 strategy from inception has been to acquire and license content to develop excellent digital products, and future acquisitions will continue this successful strategy.

We are focused on delivering growth from accelerating our established and most successful products, including the award-winning Drama Online, building partnerships and launching new products. We are on track to launch five new digital resources in the year as planned, with one launched in the first half and a further four new launches in the second half.

During the period we completed the following deals, which demonstrate the opportunities to further leverage content and market other services on our digital platforms and through the sales infrastructure we have developed:

- Announced in May, new content partnerships with Taylor and Francis and Human Kinetics, the world's leading sports science publisher, further leveraging our BDR 2020 development and infrastructure; and
- Announced in July, our content partnership with the National Theatre, further endorsing and significantly expanding the video offering of our award-winning Drama Online platform.

Our outstanding Drama list includes Peter Handke, winner of the 2019 Nobel Prize for Literature.

Across Special Interest and Content Services divisions during the period, profit has increased by £0.4 million (2018: loss of £0.4 million) and revenues are in line with last year. In the second half, the Special Interest division will take over the publishing part of our Content Services division, to generate further synergies following the successful restructure of the Special Interest division. Digital projects, including IZA World of Labor, will move to the Academic & Professional division.

Consumer Division

The Consumer division consists of Adult and Children's trade publishing. The Consumer division generated revenue of £41.5 million (2018: £47.0 million). Profit before taxation and highlighted items was £0.6 million (2018: £3.1 million). As expected, the results reflect the stronger weighting towards the second half this year compared to last year. Our biggest title, *Harry Potter and the Goblet of Fire Illustrated Edition* by J.K. Rowling and Jim Kay, publishes in the second half, along with our very strong frontlist as previously mentioned. Last year the first half included the unexpectedly high *Kitchen Confidential* sales and two Sarah J. Maas frontlist titles compared to one this year.

Adult Trade

The Adult team delivered a 2% increase in revenue to £16.2 million and a loss before taxation and highlighted items of £0.1 million (2018: £0.4 million profit). This was against the exceptional comparative which included the unexpectedly high Cookery sales*,* which were mainly high margin e-books.

Bestsellers in the period included the *Sunday Times* number one bestseller, *Three Women* by Lisa Taddeo, the *New York Times* and *Sunday Times* bestseller *City of Girls* by Elizabeth Gilbert, the *Sunday Times* bestseller *Mudlarking* by Lara Maiklem and *Circe* by Madeline Miller.

Our excellent non-fiction has been recognised by a number of awards, with Lisa Taddeo's *Three Women* shortlisted for Foyles' Adult Non-Fiction Book of the Year and *The Lives of Lucian Freud: Youth* by William Feaver shortlisted for the prestigious Baillie Gifford Prize. Madeline Miller's *Circe* has been shortlisted for the Books Are My Bag Reader Awards and in the US, Elif Shafak's *10 Minutes and 38 Seconds In This Strange World* was shortlisted for The Booker Prize.

Our Raven Books crime and thriller imprint continued its critical and commercial success and was shortlisted for best Crime and Mystery Publisher by the Crime Writers Association, as well as several Raven titles and authors being recognised in prestigious awards' shortlists.

Children's Trade

Children's sales were £25.3 million (2018: £31.1 million). The results reflected the stronger weighting towards the second half this year compared to last year, including publication of *Harry Potter and the Goblet of Fire Illustrated Edition* by J.K. Rowling and Jim Kay, and Sarah J. Maas' *Crescent City: House of Earth and Blood*.

Sales of Harry Potter titles remain strong following the 20th anniversary year in 2017/18. In context, first half sales were 13% higher than H1 2016/17 and 16% below last year. Our biggest title of the year will be *Harry Potter and the Goblet of Fire Illustrated Edition* by J.K. Rowling and Jim Kay, published in October. This is the fourth illustrated title in the series. The paperback edition of Harry Potter and the Philosopher's Stone was the eighth bestselling children's book of the year to date on UK Nielsen Bookscan, twenty-two years after it was first published, and Amazon's top 20 bestselling books of all time includes three Harry Potter titles. Every year these classics reach a new generation of readers.

Sarah J. Maas revenues were 39% lower, reflecting that last year included two frontlist titles (one hardback and one paperback) compared to one paperback frontlist title for this period. This year's new hardback title, *Crescent City: House of Earth and Blood*, publishes in the Spring. We are also building on the success of the bestselling *Throne of Glass* series this Autumn, publishing the new *Throne of Glass Miniature Character Collection* and an innovative new game, *Embers of Memory*, from the Special Interest division. *Embers of Memory*, published in October, reached number one in Amazon's games category. Last year, the frontlist consisted of five titles (two hardback and three paperback) for the full year.

Revenues for the rest of the Children's division were 13% lower year on year. Highlights in the Children's list included *The Good Thieves* by Katherine Rundell and the third in the bestselling series, *Kid Normal and the Shadow Machine* by Greg James and Chris Smith, illustrated by Erica Salcedo.

As a testament to our strength in this area, Bloomsbury won Children's Publisher of the Year at the IPG Awards in May 2019, and Katherine Rundell's *The Good Thieves* has been shortlisted for Foyles' Children's Book of the Year and the Books Are My Bag Reader Awards. Also shortlisted for the Books Are My Bag Awards is Sarah Crossan's *Toffee*. In the US, *1919: The Year That Changed America* by Martin W. Sandler has been selected as a finalist in the National Book Awards.

Audio

To benefit from strong double-digit growth in the UK and US audio markets last year, Bloomsbury has built a new Audio division, which will focus on production of key titles, distributed through a new, exclusive deal with Audible. Recruiting this expert team has enabled us to produce 50 titles to date, launching with *The Madness of Crowds*, narrated by Douglas Murray, which was an Audible bestseller, *The Dutch House* and *Three Women*. With our own publishing we benefit from higher margins and ownership of the IP.

Charitable initiatives

As part of Bloomsbury's ongoing commitment to the wider community, we are proud to announce two charitable initiatives. We have formed a three-year partnership with the National Literacy Trust with a particular focus on Hastings, one of the UK's most deprived local authority areas. Our aim is to inspire a love of reading in primary school children that will support them into secondary education; to increase the aspiration of primary school children with regards to the world of work; and to support adults who have literacy challenges to overcome the barriers of accessing support to improve their literacy skills. We hope that with this focus Bloomsbury can have a really positive impact on Hastings. In addition, for every copy of *Dishoom: From Bombay with Love* sold, we will be donating towards the price of a meal for a hungry child to both of Dishoom's chosen charities, Magic Breakfast and The Akshaya Patra Foundation.

IFRS 16

During the period IFRS 16, Leases ("IFRS 16"), was introduced. Adoption of this standard has reduced the amount of rent and lease charges, increased depreciation charges and finance costs and increased the value of assets and liabilities. The net reduction to profit before taxation for the six months ended 31 August 2019 was £(0.1) million. The impact on EBITDA was an increase of £1.0 million and the impact on operating profit was an increase of £0.1 million.

Throughout this announcement we have used PBTA as this provides the fairest profit comparison between the results to 31 August 2019, which include IFRS 16, and the previous period's results, which have not been restated.

Board changes

We announce today the retirement of Jonathan Glasspool, Managing Director for the Non-Consumer division. Jonathan will leave Bloomsbury in July 2020, after twenty years' service. He will help Bloomsbury in recruiting his successor and to ensure a smooth and timely handover.

The Academic & Professional division is a robust, award-winning business in its own right. We are therefore confident of finding a strong successor to run this important and growing part of Bloomsbury's international portfolio, based either in London or New York.

I would like to thank Jonathan for his exceptional contribution to Bloomsbury, building the major Academic & Professional publisher that Bloomsbury sought to add to its trade portfolio.

Outlook

October is the peak period for academic title sales and Christmas for sales of Consumer books. We therefore expect our results to be significantly second-half weighted, as in the past.

Our very strong Consumer book list for the second half includes *Harry Potter and the Goblet of Fire Illustrated Edition* by J.K. Rowling and Jim Kay, already an Amazon Number One bestseller, the first in Sarah J. Maas' new adult series, *Crescent City: House of Earth and Blood*, the *Sunday Times* bestsellers *The Dutch House* by Ann Patchett and *The Anarchy* by William Dalrymple, and the *New York Times* bestseller *She Said* by Jodi Kantor and Megan Twohey. We are also publishing Dishoom's first cookbook, *Dishoom: From Bombay with Love*. Highlights in Children's include the second in Brigid Kemmerer's *Cursebreaker* series, *A Heart So Fierce and Broken*, and the latest title in the *Fantastically Great Women* series by Kate Pankhurst. In addition, Bloomsbury is publishing Tom Kerridge's *Lose Weight and Get Fit*, a major new cookery book to accompany his new BBC TV series.

In our Non-Consumer division, highlights for the second half include the launch of four new BDR 2020 products building on our strength in history, theology and fashion, including the Bloomsbury Fashion Video Archive, in partnership with Yoox Net-a-Porter. In Special Interest, we publish the *Sunday Times* bestseller *The Madness of Crowds* by Douglas Murray; this is also the first audiobook produced by our new Audio division.

Increased US tariffs, introduced on 1 September 2019 and further changes currently planned from 15 December 2019, will result in a small charge for this year on some of our US print titles, printed in China and imported into the US. We are closely monitoring this and working to mitigate the impact for this year and going forward.

The Group is performing in line with the Board's expectations for the full year.

Condensed Consolidated Interim Income Statement
For the six months ended 31 August 2019

	Notes	**6 months ended 31 August 2019 £'000**	6 months ended 31 August 2018 £'000	Year ended 28 February 2019 £'000
Revenue	3	**71,341**	75,324	162,679
Cost of sales		**(34,512)**	(38,436)	(74,922)
Gross profit		**36,829**	36,888	87,757
Marketing and distribution costs		**(9,779)**	(10,513)	(22,053)
Administrative expenses		**(25,580)**	(24,832)	(53,735)
Operating profit before highlighted items		**2,684**	2,842	14,294
Highlighted items	4	**(1,214)**	(1,299)	(2,325)
Operating profit		**1,470**	1,543	11,969
Finance income		**75**	40	130
Finance costs		**(244)**	(28)	(50)
Profit before taxation and highlighted items		**2,515**	2,854	14,374
Highlighted items	4	**(1,214)**	(1,299)	(2,325)
Profit before taxation	3	**1,301**	1,555	12,049
Taxation		**(333)**	(326)	(2,802)
Profit for the period attributable to owners of the Company		**968**	1,229	9,247
Earnings per share attributable to owners of the Company				
Basic earnings per share	6	**1.29p**	1.65p	12.37p
Diluted earnings per share	6	**1.28p**	1.62p	12.25p

The accompanying notes form an integral part of this condensed consolidated interim financial report.

Condensed Consolidated Interim Statement of Comprehensive Income
For the six months ended 31 August 2019

	6 months ended 31 August 2019 £'000	6 months ended 31 August 2018 £'000	Year ended 28 February 2019 £'000
Profit for the period	**968**	1,229	9,247
Other comprehensive income			
Items that may be reclassified to the income statement:			
Exchange differences on translating foreign operations	**3,550**	1,931	964
Items that may not be reclassified to the income statement:			
Remeasurements on the defined benefit pension scheme	**(112)**	(11)	(5)
Other comprehensive income for the period net of tax	**3,438**	1,920	959
Total comprehensive income for the period attributable to owners of the Company	**4,406**	3,149	10,206

Items in the statement above are disclosed net of tax.

Condensed Consolidated Interim Statement of Financial Position
At 31 August 2019

	Notes	31 August 2019 £'000	31 August 2018 £'000	28 February 2019 £'000
Assets				
Goodwill		**45,254**	44,753	44,895
Other intangible assets		**21,048**	22,848	21,890
Investments		**300**	300	300
Property, plant and equipment		**2,020**	2,006	2,110
Right-to-use assets		**13,052**	-	-
Deferred tax assets		**2,579**	3,087	2,376
Trade and other receivables	7	**1,338**	1,486	1,360
Total non-current assets		**85,591**	74,480	72,931
Inventories		**31,204**	30,372	26,076
Trade and other receivables	7	**85,959**	77,257	80,506
Cash and cash equivalents		**20,090**	16,944	27,580
Total current assets		**137,253**	124,573	134,162
Total assets		**222,844**	199,053	207,093
Liabilities				
Retirement benefit obligations		**217**	153	121
Deferred tax liabilities		**2,328**	2,621	2,360
Lease liabilities		**12,679**	-	-
Provisions		**148**	57	147
Total non-current liabilities		**15,372**	2,831	2,628
Trade and other payables		**62,589**	58,837	60,644
Lease liabilities		**1,650**	-	-
Provisions		**43**	205	83
Total current liabilities		**64,282**	59,042	60,727
Total liabilities		**79,654**	61,873	63,355
Net assets		**143,190**	137,180	143,738
Equity				
Share capital		**942**	942	942
Share premium		**39,388**	39,388	39,388
Translation reserve		**12,201**	9,618	8,651
Other reserves		**7,201**	6,711	7,118
Retained earnings		**83,458**	80,521	87,639
Total equity attributable to owners of the Company		**143,190**	137,180	143,738

Condensed Consolidated Interim Statement of Changes in Equity
At 31 August 2019

	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 the EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 2019	**942**	**39,388**	**8,651**	**1,803**	**22**	**6,095**	**(802)**	**87,639**	**143,738**
Profit for the period	-	-	-	-	-	-	-	968	968
Other comprehensive income									
Exchange differences on translating foreign operations	-	-	3,550	-	-	-	-	-	3,550
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	(112)	(112)
Total comprehensive income for the period	**-**	**-**	**3,550**	**-**	-	**-**	**-**	**856**	**4,406**
Transactions with owners									
Purchase of shares	-	-	-	-	-	-	2	-	2
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(5,051)	(5,051)
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	14	14
Share-based payment transactions	-	-	-	-	-	81	-	-	81
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	-	**81**	**2**	**(5,037)**	**(4,954)**
At 31 August 2019	**942**	**39,388**	**12,201**	**1,803**	**22**	**6,176**	**(800)**	**83,458**	**143,190**

	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 the EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 2018	**942**	**39,388**	**7,687**	**1,803**	**22**	**5,673**	**(1,043)**	**85,091**	**139,563**
Adjustment on initial application of IFRS 15 net of tax	-	-	-	-	-	-	-	(857)	(857)
Adjustment on initial application of IFRS 9 net of tax	-	-	-	-	-	-	-	(200)	(200)
At 1 March 2018 (adjusted)	**942**	**39,388**	**7,687**	**1,803**	**22**	**5,673**	**(1,043)**	**84,034**	**138,506**
Profit for the period	-	-	-	-	-	-	-	1,229	1,229
Other comprehensive income									
Exchange differences on translating foreign operations	-	-	1,931	-	-	-	-	-	1,931
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	(11)	(11)
Total comprehensive income for the period	**-**	**-**	**1,931**	**-**	-	**-**	**-**	**1,218**	**3,149**
Transactions with owners									
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(4,749)	(4,749)
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	18	18
Share-based payment transactions	-	-	-	-	-	256	-	-	256
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	-	**256**	**-**	**(4,731)**	**(4,475)**
At 31 August 2018	**942**	**39,388**	**9,618**	**1,803**	**22**	**5,929**	**(1,043)**	**80,521**	**137,180**

	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 the EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 2018	**942**	**39,388**	**7,687**	**1,803**	**22**	**5,673**	**(1,043)**	**85,091**	**139,563**
Adjustment on initial application of IFRS 15 net of tax	-	-	-	-	-	-	-	(857)	(857)
Adjustment on initial application of IFRS 9 net of tax	-	-	-	-	-	-	-	(200)	(200)
At 1 March 2018 (adjusted)	**942**	**39,388**	**7,687**	**1,803**	**22**	**5,673**	**(1,043)**	**84,034**	**138,506**
Profit for the period	-	-	-	-	-	-	-	9,247	9,247
Other comprehensive income									
Exchange differences on translating foreign operations	-	-	964	-	-	-	-	-	964
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	(5)	(5)
Total comprehensive income for the period	**-**	**-**	**964**	**-**	-	**-**	**-**	**9,242**	**10,206**
Transactions with owners									
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(5,655)	(5,655)
Unclaimed Dividends	-	-	-	-	-	-	-	12	12
Share options exercised	-	-	-	-	-	-	241	(27)	214
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	33	33
Share-based payment transactions	-	-	-	-	-	422	-	-	422
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	-	**422**	**241**	**(5,637)**	**(4,974)**
At 28 February 2019	**942**	**39,388**	**8,651**	**1,803**	**22**	**6,095**	**(802)**	**87,639**	**143,738**

Condensed Consolidated Interim Statement of Cash Flows
For the six months ended 31 August 2019

	6 months ended 31 August 2019 £'000	6 months ended 31 August 2018 £'000	Year ended 28 February 2019 £'000
Cash flows from operating activities			
Profit for the period	**968**	1,229	9,247
Adjustments for:			
Depreciation	**1,107**	234	470
Amortisation of intangible assets	**2,149**	2,030	4,139
Finance income	**(75)**	(40)	(130)
Finance costs	**244**	28	50
Share-based payment charges	**100**	316	498
Tax expense	**333**	326	2,802
	4,826	4,123	17,076
(Increase)/decrease in inventories	**(3,571)**	(1,349)	2,315
(Increase)/decrease in trade and other receivables	**(2,638)**	2,170	5,834
Increase/(decrease) in trade and other payables	**1,310**	(2,029)	(7,702)
Cash (used in)/generated from operating activities	**(73)**	2,915	17,523
Income taxes paid	**(622)**	(1,521)	(2,529)
Net cash (used in)/generated from operating activities	**(695)**	1,394	14,994
Cash flows from investing activities			
Purchase of property, plant and equipment	**(131)**	(112)	(456)
Purchases of intangible assets	**(1,226)**	(1,151)	(2,898)
Purchase of business, net of cash acquired	**(310)**	(3,898)	(4,004)
Interest received	**75**	40	116
Net cash used in investing activities	**(1,592)**	(5,121)	(7,242)
Cash flows from financing activities			
Equity dividends paid	**(5,051)**	(4,749)	(5,655)
Proceeds from exercise of share options	**2**	-	214
Repayment of overdraft	-	(201)	(201)
Repayment of lease liabilities	**(560)**	-	-
Interest paid	**(244)**	(28)	(34)
Net cash used in financing activities	**(5,853)**	(4,978)	(5,676)
Net (decrease)/increase in cash and cash equivalents	**(8,140)**	(8,705)	2,076
Cash and cash equivalents at beginning of period	**27,580**	25,428	25,428
Exchange gain on cash and cash equivalents	**650**	221	76
Cash and cash equivalents at end of period	**20,090**	16,944	27,580

Notes to the Condensed Consolidated Interim Financial Statements

1. Reporting entity

Bloomsbury Publishing Plc (the "Company") is a Company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 August 2019 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

a) Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' as adopted by the European Union ("EU"). They are unaudited and do not constitute statutory accounts. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 28 February 2019.

Except as described below, the condensed set of financial statements have been prepared on a consistent basis with the financial statements for the year ended 28 February 2019 and should be read in conjunction with the Annual Report 2019. The annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements as adopted by the EU. The 2019 Annual Report refers to other new standards effective from 1 March 2019. None of these standards have had a material impact in these financial statements.

The comparative financial information for the year ended 28 February 2019 does not constitute statutory accounts for that financial year. This information was extracted from the statutory accounts for the year ended 28 February 2019, a copy of which has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 28 October 2019.

b) Change of accounting policy: IFRS 16

The Group has adopted IFRS 16 Leases from 1 March 2019 and applied the modified retrospective approach. Comparatives for 2019 have not been restated and there is no adjustment to equity at the date of application.

On transition the Group elected not to reassess whether a contract is, or contains, a lease, instead relying on the assessment already made applying IAS 17 'Leases' and IFRIC 4 'Determining whether and Arrangement contains a Lease'. In addition, the Group applied the available practical expedients as follows:

- Reliance on assessment as to whether leases are onerous on 1 March 2019 with no impact identified;

- Exclude leases of low value assets and short term leases of less than 12 months from the application of IFRS 16, with payment for these leases continuing to be expensed directly to the income statement as operating leases;
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- Exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The major class of lease impacted by the new standard is property leases. The lease liability has been measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at transition. The right-of-use assets are set to equal the lease liability adjusted for any prepaid or accrued lease payments.

The weighted average incremental borrowing rate ("IBR") applied to the lease liabilities on 1 March 2019 was 3.3%. A single IBR has been applied to a portfolio of leases when these have shared similar characteristics including location, duration and nature of the leases. The approach to use an IBR to discount leases has been followed since the transition date as the interest rate implicit in individual leases cannot be readily determined.

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

The impact on the income statement for the six month period to 31 August 2019 is as follows:

	Six months ended 31 August 2019 £'000
Decrease in administrative expenses	992
EBITDA benefit	**992**
Increase in depreciation	(860)
Operating profit benefit	**132**
Increase in finance costs	(242)
Profit before tax reduction	**(110)**

Prior to the adoption of IFRS 16 rental payments were charged to the income statement on a straight-line basis. Under IFRS 16 rental costs in the income statement are replaced with depreciation on the right-to-use asset and interest charges on the lease liability. The adoption of IFRS 16 gives rise to a net £110,000 charge in the profit before tax for the six month period to 31 August 2019. At operating profit, the adoption of IFRS 16 gives a benefit of £132,000. The impact is the same for both the statutory profit before tax and adjusted profit before tax.

There is no overall impact on the Group's cash and cash equivalents although there is a change to the classification of cash flows in the cash flow statement with lease payments previously categorised as net cash used in operations now being split between the principal element (categorised in financing activities) and the interest element (categorised as interest paid in financing activities). The impact on the cash flow statement for the six month period to 31 August 2019 is as follows:

	Pre IFRS 16 £’000	Repayment of lease liabilities £’000	Interest paid £’000	Post IFRS 16 £’000
Net cash used in operating activities	(1,497)	560	242	(695)
Net cash used in financing activities	(5,051)	(560)	(242)	(5,853)

c) Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements. The factors taken into account in developing this expectation include the level of cash within the business, the Group’s bank facilities, continuing sources of revenue and principal risks including the impact of Brexit. This process supports the view that for the period to 28 February 2021, the Group is expected to be able to operate within the level of its current financing and meet its covenant requirements. The Group’s bank facilities were reduced after the period end and now consist of a £8 million to £12 million committed revolving loan facility (amount dependent on time during the year to match Bloomsbury's cash flow cycle) which expires in May 2021, an uncommitted incremental term loan facility of up to £6 million and a £1 million overdraft facility renewable annually. At 31 August 2019, the Group had no draw down of this facility.

d) Uses of estimates and judgments

The preparation of condensed consolidated interim financial statements requires management to make judgments, 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. Critical judgments and areas where the use of estimates is significant are set out in the 2019 Annual Report with the exception of IFRS 16. The assumptions and estimates used for IFRS 16 are set out in note 2b) above.

3. 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 three operating segments; Academic & Professional, Special Interest and Content Services.

Each reportable segment represents a cash-generating unit for the purpose of impairment testing. We have reallocated 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:

Six months ended 31 August 2019	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Content Services £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
External revenue	**25,280**	**16,187**	**41,467**	**19,645**	**9,639**	**590**	**29,874**	**-**	**71,341**
Cost of sales	(13,981)	(8,913)	(22,894)	(6,470)	(4,975)	(173)	(11,618)	-	(34,512)
Gross profit	**11,299**	**7,274**	**18,573**	**13,175**	**4,664**	**417**	**18,256**	**-**	**36,829**
Marketing and distribution costs	(3,665)	(2,600)	(6,265)	(2,179)	(1,288)	(47)	(3,514)	-	(9,779)
Contribution before administrative expenses	**7,634**	**4,674**	**12,308**	**10,996**	**3,376**	**370**	**14,742**	**-**	**27,050**
Administrative expenses excluding highlighted items	(6,753)	(4,768)	(11,521)	(9,110)	(3,346)	(389)	(12,845)	-	(24,366)
Operating profit/(loss) before highlighted items	**881**	**(94)**	**787**	**1,886**	**30**	**(19)**	**1,897**	**-**	**2,684**
Amortisation of acquired intangible assets	-	(9)	(9)	(745)	(107)	(3)	(855)	-	(864)
Other highlighted items	-	-	-	-	-	-	-	(350)	(350)
Operating profit /(loss)	**881**	**(103)**	**778**	**1,141**	**(77)**	**(22)**	**1,042**	**(350)**	**1,470**
Finance income	-	-	-	33	-	-	33	42	75
Finance costs	(89)	(49)	(138)	(70)	(32)	(2)	(104)	(2)	(244)
Profit/(loss) before taxation and highlighted items	**792**	**(143)**	**649**	**1,849**	**(2)**	**(21)**	**1,826**	**40**	**2,515**
Amortisation of acquired intangible assets	-	(9)	(9)	(745)	(107)	(3)	(855)	-	(864)
Other highlighted items	-	-	-	-	-	-	-	(350)	(350)
Profit/(loss) before taxation	**792**	**(152)**	**640**	**1,104**	**(109)**	**(24)**	**971**	**(310)**	**1,301**
Taxation	-	-	-	-	-	-	-	(333)	(333)
Profit/(loss) for the period	**792**	**(152)**	**640**	**1,104**	**(109)**	**(24)**	**971**	**(643)**	**968**

Six months ended 31 August 2018	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Content Services £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
External revenue	**31,112**	**15,932**	**47,044**	**18,037**	**9,889**	**354**	**28,280**	**-**	**75,324**
Cost of sales	(17,269)	(8,486)	(25,755)	(7,299)	(5,222)	(160)	(12,681)	-	(38,436)
Gross profit	**13,843**	**7,446**	**21,289**	**10,738**	**4,667**	**194**	**15,599**	**-**	**36,888**
Marketing and distribution costs	(4,532)	(2,550)	(7,082)	(2,017)	(1,392)	(22)	(3,431)	-	(10,513)
Contribution before administrative expenses	**9,311**	**4,896**	**14,207**	**8,721**	**3,275**	**172**	**12,168**	**-**	**26,375**
Administrative expenses excluding highlighted items	(6,538)	(4,527)	(11,065)	(8,666)	(3,352)	(450)	(12,468)	-	(23,533)
Operating profit/(loss) before highlighted items	**2,773**	**369**	**3,142**	**55**	**(77)**	**(278)**	**(300)**	**-**	**2,842**
Amortisation of acquired intangible assets	-	(9)	(9)	(758)	(110)	(3)	(871)	-	(880)
Other highlighted items	-	-	-	-	-	-	-	(419)	(419)
Operating profit /(loss)	**2,773**	**360**	**3,133**	**(703)**	**(187)**	**(281)**	**(1,171)**	**(419)**	**1,543**
Finance income	-	-	-	-	-	-	-	40	40
Finance costs	-	-	-	-	-	-	-	(28)	(28)
Profit/(loss) before taxation and highlighted items	**2,773**	**369**	**3,142**	**55**	**(77)**	**(278)**	**(300)**	**12**	**2,854**
Amortisation of acquired intangible assets	-	(9)	(9)	(758)	(110)	(3)	(871)	-	(880)
Other highlighted items	-	-	-	-	-	-	-	(419)	(419)
Profit/(loss) before taxation	**2,773**	**360**	**3,133**	**(703)**	**(187)**	**(281)**	**(1,171)**	**(407)**	**1,555**
Taxation	-	-	-	-	-	-	-	(326)	(326)
Profit/(loss) for the period	**2,773**	**360**	**3,133**	**(703)**	**(187)**	**(281)**	**(1,171)**	**(733)**	**1,229**

Year ended 28 February 2019	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Content Services £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
External revenue	**65,800**	**33,454**	**99,254**	**41,245**	**21,156**	**1,024**	**63,425**	**-**	**162,679**
Cost of sales	(32,671)	(16,937)	(49,608)	(14,757)	(10,234)	(323)	(25,314)	-	(74,922)
Gross profit	**33,129**	**16,517**	**49,646**	**26,488**	**10,922**	**701**	**38,111**	**-**	**87,757**
Marketing and distribution costs	(9,039)	(5,231)	(14,270)	(4,878)	(2,846)	(59)	(7,783)	-	(22,053)
Contribution before administrative expenses	**24,090**	**11,286**	**35,376**	**21,610**	**8,076**	**642**	**30,328**	**-**	**65,704**
Administrative expenses excluding highlighted items	(14,306)	(10,395)	(24,701)	(18,479)	(7,363)	(867)	(26,709)	-	(51,410)
Operating profit/(loss) before highlighted items	**9,784**	**891**	**10,675**	**3,131**	**713**	**(225)**	**3,619**	**-**	**14,294**
Amortisation of acquired intangible assets	-	(18)	(18)	(1,482)	(209)	(5)	(1,696)	-	(1,714)
Other highlighted items	-	-	-	-	-	-	-	(611)	(611)
Operating profit /(loss)	**9,784**	**873**	**10,657**	**1,649**	**504**	**(230)**	**1,923**	**(611)**	**11,969**
Finance income	-	-	-	-	-	-	-	130	130
Finance costs	-	-	-	-	-	-	-	(50)	(50)
Profit/(loss) before taxation and highlighted items	**9,784**	**891**	**10,675**	**3,131**	**713**	**(225)**	**3,619**	**80**	**14,374**
Amortisation of acquired intangible assets	-	(18)	(18)	(1,482)	(209)	(5)	(1,696)	-	(1,714)
Other highlighted items	-	-	-	-	-	-	-	(611)	(611)
Profit/(loss) before taxation	**9,784**	**873**	**10,657**	**1,649**	**504**	**(230)**	**1,923**	**(531)**	**12,049**
Taxation	-	-	-	-	-	-	-	(2,802)	(2,802)
Profit/(loss) for the year	**9,784**	**873**	**10,657**	**1,649**	**504**	**(230)**	**1,923**	**(3,333)**	**9,247**

Due to the seasonality of the business, the Group's sales and divisional results are weighted towards the second half of the year.

The reconciliation of operating profit to EBITDA, both before highlighted items, for the six months ended 31 August 2019 includes the impact of IFRS 16. The comparative period reconciliations have not been restated for IFRS 16. Note 2b) explains the impact of IFRS 16 on EBITDA for the six months to 31 August 2019.

Six months ended 31 August 2019	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Content Services £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
Operating profit / (loss) before highlighted items	**881**	**(94)**	**787**	**1,886**	**30**	**(19)**	**1,897**	**-**	**2,684**
Depreciation	387	253	640	312	146	9	467	-	1,107
Amortisation of internally generated intangibles	186	95	281	893	90	21	1,004	-	1,285
EBITDA before highlighted items	**1,454**	**254**	**1,708**	**3,091**	**266**	**11**	**3,368**	**-**	**5,076**

Six months ended 31 August 2018	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Content Services £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
Operating profit / (loss) before highlighted items	**2,773**	**369**	**3,142**	**55**	**(77)**	**(278)**	**(300)**	**-**	**2,842**
Depreciation	89	43	132	68	31	3	102	-	234
Amortisation of internally generated intangibles	179	87	266	771	101	12	884	-	1,150
EBITDA before highlighted items	**3,041**	**499**	**3,540**	**894**	**55**	**(263)**	**686**	**-**	**4,226**

Year ended 28 February 2019	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Content Services £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
Operating profit / (loss) before highlighted items	**9,784**	**891**	**10,675**	**3,131**	**713**	**(225)**	**3,619**	**-**	**14,294**
Depreciation	185	83	268	131	64	7	202	-	470
Amortisation of internally generated intangibles	373	177	550	1,638	209	28	1,875	-	2,425
EBITDA before highlighted items	**10,342**	**1,151**	**11,493**	**4,900**	**986**	**(190)**	**5,696**	**-**	**17,189**

External revenue by product type

	Six months ended 31 August 2019 £'000	Six months ended 31 August 2018 £'000	Year ended 28 February 2019 £'000
Print	**56,609**	62,244	133,310
Digital	**11,264**	9,567	20,873
Rights and services	**3,468**	3,513	8,496
Total	**71,341**	75,324	162,679

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

Total assets	**31 August 2019 £'000**	31 August 2018 £'000	28 February 2019 £'000
Children's Trade	**13,086**	11,737	9,939
Adult Trade	**7,782**	8,442	7,218
Academic & Professional	**59,210**	60,887	58,466
Special Interest	**14,238**	13,880	14,193
Content Services	**241**	176	135
Unallocated	**128,287**	103,931	117,142
Total assets	**222,844**	199,053	207,093

Unallocated primarily represents centrally held assets including system development, property, plant and equipment, receivables and cash.

4. Highlighted items

	Six months ended 31 August 2019 £'000	Six months ended 31 August 2018 £'000	Year ended 28 February 2019 £'000
Legal and other professional fees	**350**	160	223
Restructuring costs	**-**	259	388
Other highlighted items	**350**	419	611
Amortisation of acquired intangible assets	**864**	880	1,714
Total highlighted items	**1,214**	1,299	2,325

Highlighted items charged to operating profit comprise significant non-cash charges and the cost of 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 and future profitability of the business.

For the six months ended 31 August 2019 legal and other professional fees of £350,000 were incurred as a result of ongoing acquisitions (six months ended 31 August 2018: £419,000 and year ended 28

February 2019: £611,000 has been incurred as a result of the Group's acquisition of I.B. Tauris & Co. Limited).

5. Dividends

	Six months ended 31 August 2019 £'000	Six months ended 31 August 2018 £'000	Year ended 28 February 2019 £'000
Amounts paid in the period			
Prior period final dividend	**5,051**	4,749	4,749
Interim dividend	**-**	-	906
Total dividend payments in the period	**5,051**	4,749	5,655
Amounts arising in respect of the period			
Interim dividend for the period	**958**	904	906
Final dividend for the year	**-**	-	5,051
Total dividend for the period	**958**	904	5,957

The proposed interim dividend of 1.28 pence per ordinary share will be paid to the equity Shareholders on 6 December 2019 to Shareholders registered at close of business on 8 November 2019. The final dividend for the year ended 28 February 2019 was paid on 23 August 2019.

6. Earnings per share

The basic earnings per share for the six months ended 31 August 2019 is calculated using a weighted average number of Ordinary Shares in issue of 74,828,480 (31 August 2018: 74,677,559 and 28 February 2019: 74,741,083) after deducting shares held by the Employee Benefit Trust.

The diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares to take account of all dilutive potential Ordinary Shares, which are in respect of unexercised share options and the performance share plan.

	6 months ended 31 August 2019 Number	6 months ended 31 August 2018 Number	Year ended 28 February 2019 Number
Weighted average shares in issue	**74,828,480**	74,677,559	74,741,083
Dilution	**640,005**	1,157,184	756,547
Diluted weighted average shares in issue	**75,468,485**	75,834,743	75,497,630

	£'000	£'000	£'000
Profit after tax attributable to owners of the Company	**968**	1,229	9,247
Basic earnings per share	**1.29p**	1.65p	12.37p
Diluted earnings per share	**1.28p**	1.62p	12.25p
Adjusted profit attributable to owners of the Company	**2,071**	2,384	11,299
Adjusted basic earnings per share	**2.77p**	3.19p	15.12p
Adjusted diluted earnings per share	**2.74p**	3.14p	14.97p

Adjusted profit is derived as follows:			
Profit before tax	**1,301**	1,555	12,049
Amortisation of acquired intangible assets	**864**	880	1,714
Other highlighted items	**350**	419	611
Adjusted profit before tax	**2,515**	2,854	14,374
Tax expense	**333**	326	2,802
Deferred tax movements on goodwill and acquired intangible assets	**110**	93	194
Tax expense on other highlighted items	**1**	51	79
Adjusted tax	**444**	470	3,075
Adjusted profit	**2,071**	2,384	11,299

The Group includes the benefit of tax amortisation of intangible assets in the calculation of adjusted tax as this more accurately aligns the adjusted tax charge with the expected cash tax payments.

7. Trade and other receivables

Non-current	31 August 2019 £'000	31 August 2018 £'000	28 February 2019 £'000
Prepayments and accrued income	**1,338**	1,486	1,360
Non-current trade and other receivables	**1,338**	1,486	1,360
Current			
Gross trade receivables	**54,803**	55,815	52,115
Less: loss allowance	**(1,682)**	(1,577)	(2,102)
Less: provision for returns	**-**	(7,830)	-
Net trade receivables	**53,121**	46,408	50,013
Income tax recoverable	**1,582**	1,965	1,340
Other receivables	**1,607**	1,295	1,803
Prepayments and accrued income	**4,289**	4,559	4,683
Royalty advances	**25,360**	23,030	22,667
Current trade and other receivables	**85,959**	77,257	80,506
Total trade and other receivables	**87,297**	78,743	81,866

Trade receivables principally comprise amounts receivable from the sale of books due from distributors. Most trade debtors are secured by credit insurance and in certain territories by third party distributors.

As part of the adoption of IFRS 15 the provision for returns has been reclassified as sales returns liability within trade and other payables.

A provision is held against gross advances payable in respect of published titles advances which may not be fully earned down by anticipated future sales. As at 31 August 2019 £6,389,000 (31 August 2018 £6,595,000 and 28 February 2019 £5,434,000) of royalty advances relate to titles expected to publish after more than 12 months.

8. Related parties

The Group has no related party transactions in the period other than key management remuneration.

Responsibility Statement of the Directors in Respect of the Interim Financial Statements

Directors	
Sir Richard Lambert	Independent Non-Executive Chairman
Nigel Newton	Chief Executive
John Warren	Independent Non-Executive Director Senior Independent Director Chair of the Audit Committee
Leslie-Ann Reed	Independent Non-Executive Director
Steven Hall	Independent Non-Executive Director Chair of the Remuneration Committee
Jonathan Glasspool	Executive Director
Penny Scott-Bayfield	Group Finance Director

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

- The interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Nigel Newton Penny Scott-Bayfield

28 October 2019

Principal risks and uncertainties

Bloomsbury has a systematic and embedded risk management process for identifying and addressing the short to long-term risks and uncertainties for its operations worldwide. The strategy implemented by the Board aims to mitigate the main risks and exploit opportunities to create sustainable returns for shareholders. A summary of the principal risks and uncertainties to the business for the remaining six months of the financial year are as follows:

- The profit from trade publishing depends significantly on the unpredictable sales of a small number of front-list titles especially around the Christmas period.
- The timing for completing rights and services deals depends on third parties.
- Group results are affected by changing exchange rates, although print costs are largely under fixed long term contracts.

A full list of risks and uncertainties is included in the 2019 Annual Report and Accounts.

INDEPENDENT REVIEW REPORT TO BLOOMSBURY PUBLISHING PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2019 which comprises the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of financial position, the condensed consolidated interim statement of changes in equity, the condensed consolidate interim statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2019 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Uncertainties related to the effects of Brexit are relevant to understanding our review of the condensed financial statements. Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. An interim review cannot be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Sarah Styant
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

28 October 2019