BLOOMSBURY PUBLISHING PLC

(“Bloomsbury” or “the Company”)

Unaudited Interim Results for the six months ended 31 August 2020

Record first half earnings performance
Interim dividend declared

Bloomsbury, the leading independent publisher, today announces unaudited results for the six months ended 31 August 2020.

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

“Bloomsbury experienced excellent trading in the first half with year-on-year profit growth of 60% to £4.0 million. This has delivered our highest first half earnings since 2008 and exceeded the Board’s expectations.

Online book sales and e-book revenues were significantly higher.

The Consumer division had an excellent performance with 17% revenue growth and a £2.1 million increase in profit before tax and highlighted items to £2.7 million. Stand-out bestsellers during the period included *Why I’m No Longer Talking to White People about Race, Crescent City: House of Earth and Blood, White Rage, Humankind* and *Such A Fun Age*.

In the Non-Consumer division, our strategy of developing online academic resources, conceived five years ago, meant we were well placed to benefit from the accelerated shift by academic institutions to digital products to support remote learning. We saw 47% growth in sales of Bloomsbury Digital Resources as a result.

Bloomsbury is in a strong financial position, with net cash of £44.1 million at 31 August 2020, as a result of excellent trading in the first half and the swift measures taken by the Board to control costs and strengthen Bloomsbury’s balance sheet. The strength of our financial position meant that we continued to operate effectively, invest in new content, and build a strong pipeline of authors and titles. Bloomsbury is well positioned for the future, with sufficient working capital and significant headroom for acquisitions opportunities.

In light of our strong financial position and the importance of our dividend policy, we are resuming an interim dividend of 1.28 pence per share, in line with last year.

I would like to thank our staff, authors, illustrators, distributors and suppliers for their resilience, initiative and determination. They continue to be motivated, adaptable and effective, which is demonstrated by the strength of our first half performance. This, together with the strength of our publishing strategy supported by our solid financial position, gives me confidence in Bloomsbury’s future performance.”

Financial Highlights

- Revenues increased by 10% to £78.3 million (2019: £71.3 million)
- Profit before taxation and highlighted items[1] grew by 60% to £4.0 million (2019: £2.5 million)
- Profit before taxation grew by £1.7 million to £3.0 million (2019: £1.3 million)
- Diluted earnings per share, excluding highlighted items[1], grew by 55% to 4.13 pence (2019: 2.66 pence)[2]
- Diluted earnings per share grew by 131% to 2.87 pence (2019: 1.24 pence)[2]
- Net cash of £44.1 million at 31 August 2020, up £24.0 million from last year (2019: £20.1 million)
- Interim dividend of 1.28 pence per share (2019: 1.28 pence per share)

Operational Highlights

Consumer Division

- Consumer revenue growth of 17% to £48.6 million (2019: £41.5 million)
- Consumer profit before taxation and highlighted items[1] increase of £2.1 million to £2.7 million (2019: £0.6 million)
- Excellent Adult Trade performance, with revenue up 16% to £18.8 million (2019: £16.2 million) and profit before taxation and highlighted items[1] of £1.1 million (2019: £0.1 million loss)
- Excellent Children's Trade performance, with revenue up 18% to £29.8 million (2019: £25.3 million) and profit before taxation and highlighted items[1] of £1.7 million (2019: £0.8 million)
- Strong sales of Sarah J. Maas front and backlist titles; Harry Potter sales were robust; encouraging growth in other Children's titles

Non-Consumer Division

- Non-Consumer revenues of £29.7 million (2019: £29.9 million)
- Resilient Academic & Professional performance, with Non-Consumer revenue within 1% of 2019 and profit before taxation and highlighted items[1] of £1.4 million (2019: £1.8 million)
- Bloomsbury Digital Resources ("BDR") revenues up 47% to £5.6 million
- Strong growth in BDR products and Academic e-books, offset by an expected reduction in print sales

Note

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

[2] Restatement of earnings per share due to bonus issue of shares in the period.

For further information, please contact:

Bloomsbury Publishing Plc

Nigel Newton, Chief Executive	nigel.newton@bloomsbury.com
Penny Scott-Bayfield, Group Finance Director	penny.scott-bayfield@bloomsbury.com
Hudson Sandler	+44 (0) 20 7796 4133
Dan de Belder / Hattie Dreyfus	bloomsbury@hudsonsandler.com

The information in this announcement has not been audited or otherwise independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of the Company or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this announcement, or its contents, or otherwise arising in connection with this announcement.

This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase any shares in the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares of the Company.

Certain statements, statistics and projections in this announcement 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 announcement 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 announcement's preparation.

The Company does not undertake any obligation to update or keep current the information contained in this announcement, 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 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

Bloomsbury has had an excellent first half of the year. Revenue grew by 10% to £78.3 million (2019: £71.3 million), and profit before taxation and highlighted items increased by 60% to £4.0 million (2019: £2.5 million). Profit before taxation was £3.0 million (2019: £1.3 million).

The strength of demand for our titles, in print and e-book, and the surge in sales of our digital products demonstrates the strength of our long-term growth strategy.

Bloomsbury Digital Resources ("BDR") is performing very well, with 47% revenue growth year-on-year. This has positioned us well to deliver growth from the accelerated shift to digital learning, with a threefold increase in the number of new customers in the first half. The combination of excellent digital products and the strength and range of our partnerships enable us to continue to deliver growth from the high quality platforms and infrastructure we have built.

The highlighted items of £1.0 million (2019: £1.2 million) consist of the amortisation of acquired intangible assets of £0.9 million (2019: £0.9 million) and legal and other professional fees relating to acquisitions of £0.1 million (2019: £0.3 million). The effective rate of tax for the period was 23.6% (2019: 25.6%). The effective rate of tax, excluding highlighted items, was 17.3% (2019: 17.7%). Diluted earnings per share for the period, excluding highlighted items, was 4.13 pence (2019: 2.66 pence). Including highlighted items, profit before taxation was £3.0 million (2019: £1.3 million) and diluted earnings per share was 2.87 pence (2019: 1.24 pence).

Balance sheet and liquidity

The Board believes our strong balance sheet ensures we have sufficient working capital to fulfil our long-term goals and deliver on our growth strategy.

At 31 August 2020, Bloomsbury held net cash of £44.1 million (2019: £20.1 million). During the first half, our cash generation was stronger than expected, due to the combination of better than anticipated trading, reduced costs, continued focus on working capital with a £3.7 million (14%) reduction in inventory and good cash collection. We also received a £1.3 million loan from the US Government under the Paycheck Protection Program ("PPP"). This resulted in a net cash inflow, excluding the equity placing, dividends, PPP loan and acquisitions, of £4.8 million (2019: net outflow of £2.1 million). In addition, the net equity placing was £8.0 million (2019: nil) and the final dividend was settled by way of a bonus issue (2019: final dividend of £5.1 million).

Dividend

The Group's dividend policy is supported by strong cash cover. The Board has declared an interim dividend of 1.28 pence per share, in line with the interim dividend for the six months ended 31 August 2019. The dividend will be paid on 4 December 2020 to Shareholders on the register on the record date of 6 November 2020.

Acquisitions

With trading having been stronger than expected, the Board expects to be able to use the proceeds of the equity placing for future growth opportunities. We are actively considering acquisition opportunities in line with our long-term growth strategy of growing our Non-Consumer portfolio.

During the period we successfully completed the integration of Oberon Books Limited, acquired in December 2019, and the assets of Zed Books Limited, acquired in March 2020. Bloomsbury has a successful track record in strategic acquisitions, with 16 acquisitions completed since 2008.

Long-term growth strategy

Bloomsbury's long-term growth strategy is aimed at diversifying into digital channels and building quality revenues, increasing earnings and building on the success of the last five years. This has meant that we have been well placed to benefit from recent changes, including the accelerated shift to digital products to support remote learning and consumer demand for titles across multiple platforms.

Our long-term objectives include:

Non-Consumer

- Growing Bloomsbury's portfolio in Non-Consumer publishing. These are characterised by higher, more predictable margins and greater digital and global opportunities: *2020/21 H1 Progress: delivered 47% growth in Non-Consumer digital revenues*
- Achieve BDR revenue of £15 million and profit of £5 million for 2021/22: *2020/21 H1 Progress: delivered £5.6 million revenue, up 47%, and £1.2m profit, up £1.1m*

Consumer

- Discover, nurture, champion and retain high quality authors and illustrators in our Consumer division, while looking at new ways to leverage our backlist. *2020/21 H1 Progress: UK and US bestsellers included Why I'm No Longer Talking to White People about Race by Reni Eddo-Lodge, White Rage by Carol Anderson, Humankind by Rutger Bregman and Such a Fun Age by Kiley Reid*
- Grow our key authors through effective publishing across all formats alongside strategic sales and marketing. *2020/21 H1 Progress: Sales of Sarah J. Maas' titles increased by 131%*
- As the originating publisher of J.K. Rowling's Harry Potter, to ensure that new children discover and read it for pleasure every year. *2020/21 H1 Progress: Sales of Harry Potter titles were robust and the paperback edition of Harry Potter and the Philosopher's Stone was the fifth bestselling children's book of the year to date on UK Nielsen Bookscan, twenty-three years after it was first published*

International Expansion

- Expand international revenues and reduce reliance on UK market*: 2020/21 H1 Progress: delivered overseas revenue of 67% of Group revenue; 70% of Academic BDR revenue is international*

Employee Experience and Engagement, Diversity and Inclusion

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 nurtures talent, stimulates creativity and collaboration, is respectful of difference and supports well-being; and
- Bloomsbury is committed to equality, diversity and inclusion. We condemn systemic racism in society in all its forms. We are dedicated to finding ways to improve our industry's practices and our own company.
- *2020/21 H1 Progress:*
- *We have expanded our Diversity and Inclusion networks globally, to ensure engagement with our staff on these vital topics;*
- *Working in partnership with the Black Writers' Guild to increase diversity in staff and authors;*
- *With our staff, we are working on recruitment, staff engagement, training and our networks;*
- *With our publishing, we seek to publish diverse voices. We continue to look for books that will ensure our lists represent the societies we live in. We intend to monitor our publishing so we can ensure that our list balance is representative of those societies; and partner with organisations that can help us achieve these aims; and*
- *Increased our focus on employee engagement, with more frequent communication across Bloomsbury, including Town Hall meetings, and continued employee voice meetings. Having transitioned to remote working we have designed our long-term strategy for flexible working.*

Sustainability

Continue to switch to renewable energy across all sites, with the goal of Net Zero emissions in line with the Paris Agreement

- *2020/21 H1 Progress: We appointed a Head of Sustainability, working with the Executive Committee Sponsor, to oversee green initiatives across Bloomsbury worldwide. Our focus in H2 is to establish our targets to reduce Scope 1, 2 and 3 emissions. Scope 1 and 2 emissions are already being measured and we have appointed Trucost to further measure Scope 3 emissions. Furthermore, we have introduced our long-term flexible working policy to reduce emissions from staff travel; and*
- *Supporting the Woodland Trust and Reforest'Action for three years.*

Consumer Division

The Consumer division consists of Adult and Children's trade publishing. The division delivered excellent revenue growth of 17% to £48.6 million (2019: £41.5 million). Profit before taxation and highlighted items increased by £2.1 million to £2.7 million (2019: £0.6 million). These very strong results reflect robust demand across both print and digital for front and backlist titles, and the growth and effectiveness of online sales channels. Frontlist highlights included Sarah J. Maas' bestselling *Crescent City: House of Earth and Blood* and the *Sunday Times* bestseller, *Humankind* by Rutger Bregman. Reni Eddo-Lodge's *Why I'm No Longer Talking to White People about Race* was the number one paperback *Sunday Times* bestseller for seven weeks and *White Rage* by Carol Anderson reached number eight on the *New York Times* bestseller list.

Our excellent publishing has been recognised with a number of awards, with *Such a Fun Age* by Kiley Reid and *Apeirogon* by Colum McCann being longlisted for the Booker Prize. Kate Summerscale's *The Haunting of Alma Fielding: A True Ghost Story* was shortlisted for the Baillie Gifford Prize. The Raven Books crime and thriller imprint was shortlisted for the second year in a row for best Crime and Mystery Publisher by the Crime Writers Association ('CWA'), and *Between Two Evils* by Eva Dolan and *The Anarchists' Club* by Alex Reeve shortlisted for the prestigious CWA Dagger awards. In addition, we have been shortlisted for the Books Are My Bag Reader Awards with *The Devil and the Dark Water* by Stuart Turton, *Humankind* by Rutger Bregman, *Cinderella is Dead* by Kalynn Bayron, and Kiley Reid, the author of *Such a Fun Age. Harry Potter and the Philosopher's Stone* won the Best Book of the last 30 years at the British Book Awards in July. In addition, Bloomsbury won the IPG Award for Education Publisher of the Year for the second year in a row in September 2020.

Our excellent bestseller list performance in the last six months has continued to build the positive profile and momentum of our consumer publishing, positioning us well with a strong pipeline of authors and titles in the future.

Adult Trade

The Adult team delivered growth with a 16% increase in revenue to £18.8 million and a £1.2 million increase in profit before taxation and highlighted items to £1.1 million (2019: loss of £0.1 million).

Sunday Times bestsellers in the period included *Humankind* by Rutger Bregman and Kiley Reid's *Such a Fun Age*. Reni Eddo-Lodge's *Why I'm No Longer Talking to White People about Race* was the number one paperback *Sunday Times* bestseller for seven weeks and *White Rage* by Carol Anderson reached number eight on the *New York Times* bestseller list. Cookery success on the front and backlist included *A Table for Friends*, by Skye McAlpine, *Dishoom*, and Tom Kerridge's *Lose Weight for Good*.

Children's Trade

Children's sales increased by 18% to £29.8 million (2019: £25.3 million). There was strong demand for our classic titles, led by J.K. Rowling's Harry Potter series, as well as Sarah J. Maas' latest bestseller, *Crescent City: House of Earth and Blood*.

Sales of Harry Potter titles were robust. *Harry Potter and the Philosopher's Stone* was the UK's fifth bestselling children's book of the year to date, twenty-three years after it was first published. We are delighted that every year these classics reach a new generation of readers. UK print sales of Harry Potter books increased by 8% between mid-July and the end of September, according to Nielsen Bookscan.

Sarah J. Maas revenues grew by 131%, reflecting her new bestselling hardback title, *Crescent City: House of Earth and Blood* and strong sales of her backlist titles. Last year there were no new titles in the first half. We will publish two new titles this financial year: *Crescent City: House of Earth and Blood*, published in March 2020, and one in the second half: *A Court of Silver Flames*, publishing in February 2021.

Revenues for the rest of the Children's division grew by 6% year-on-year. Highlights in the Children's list included *The Wild Way Home* by Sophie Kirtley, *The Great Godden* by Meg Rosoff and the fourth in the bestselling series, *Kid Normal and the Final Five* by Greg James and Chris Smith, illustrated by Erica Salcedo.

Non-Consumer Division

The Non-Consumer division consists of Academic & Professional and Special Interest. Revenues in the division were within 1% of last year at £29.7 million (2019: £29.9 million). Profit before taxation and highlighted items for the Non-Consumer division was £1.4 million (2019: £1.8 million).

Academic & Professional revenues increased by 1% to £20.1 million (2019: £19.6 million) and profit was £1.8 million (2019: £1.8 million). The accelerated demand for digital products and swift adoption of digital learning by academic institutions helped drive the excellent performance of BDR and accelerated demand for e-books, which offset reduced print sales.

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 delivered a 297% increase in the number of new customers year-on-year, and maintained our existing customer retention rate at over 90%. With Taylor & Francis we have delivered two modules and with Human Kinetics, we delivered the new product and a further module will be launched in the second half. New partnerships include the Yale University Press, the Liverpool University Press and the Stratford Festival. In total, we delivered two new products and two new modules in the first half and are on track to launch a further four new modules in the second half as planned.

Special Interest generated revenues of £9.6 million (2019: £10.0 million), with resilient demand for wildlife titles, Wisden and Osprey games during the period. The result was a £0.3 million loss (2019: breakeven).

Social initiatives

As part of Bloomsbury's ongoing commitment to the wider community, we have undertaken further charitable initiatives. We published *The Book of Hopes: Words and Pictures to Comfort, Inspire and Entertain Children*, edited by Katherine Rundell, with contributions from more than 110 children's writers and illustrators. Free to read online, this collection of short stories, poems, essays and pictures is also published as a hardback gift edition, with a donation from the sale of each book going to NHS Charities Together. During Waterstones' Book of the Month promotion, we donated 10% of their sales of Reni Eddo-Lodge's *Why I'm No Longer Talking to White People About Race* between BTEG and Inquest. These new initiatives are in addition to our three-year partnership with the National Literacy Trust with a particular focus on Hastings, one of the UK's most deprived local authority areas. We gave many copies of *Harry Potter and the Philosopher's Stone* through the National Literacy Trust in Hastings. 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.

Recent trading and outlook

Our results for the first half were excellent and demonstrate the strength of our long-term strategy and resilient demand for our titles, in both print and digital formats.

Bloomsbury is in a strong financial position, with net cash of £44.1 million, thanks to the support of our shareholders, robust cash generation and stronger than anticipated trading in the first half. We are actively considering acquisition opportunities, in line with our long-term growth strategy.

We have continued to trade well during the first six weeks of the second half. In previous years, our revenue and earnings have been weighted towards the second half, with sales of trade titles rising for Christmas and sales of academic titles being strongest at the beginning of the academic year in the Autumn.

Our strong Consumer book list for the second half includes *Quidditch Through the Ages* by J.K. Rowling, illustrated by Emily Gravett, *Fantastic Beasts and the Wonder of* Nature in association with the Natural History Museum exhibition, Sarah J. Maas' *A Court of Silver Flames*, the fourth in the *Court of Thorns and Roses* series and *GCHQ: Behind the Enigma – The Authorised History of GCHQ* by John Ferris. Front and backlist *Sunday Times* bestsellers in the second half to date include *Piranesi* by Susanna Clarke – also a *Washington Post* bestseller - and the paperback editions of *Why I'm No Longer Talking to White People about Race* by Reni Eddo-Lodge, *Three Women* by Lisa Taddeo, *The Madness of Crowds* by Douglas Murray and *The Anarchy* by William Dalrymple. Highlights in Children's include the third in Brigid Kemmerer's *Cursebreaker* series, *A Vow so Bold and Deadly.*

We are confident about the future of publishing. The short-term is difficult to predict because of the pandemic.

Condensed Consolidated Interim Income Statement
For the six months ended 31 August 2020

	Notes	**6 months ended 31 August 2020 £'000**	6 months ended 31 August 2019 £'000	Year ended 29 February 2020 £'000
Revenue	3	**78,287**	71,341	162,772
Cost of sales		**(37,051)**	(34,512)	(74,978)
Gross profit		**41,236**	36,829	87,794
Marketing and distribution costs		**(9,842)**	(9,779)	(21,373)
Administrative expenses		**(28,013)**	(25,580)	(52,949)
Share of result of joint venture		**(39)**	-	-
Operating profit before highlighted items		**4,343**	2,684	15,947
Highlighted items	4	**(1,001)**	(1,214)	(2,475)
Operating profit		**3,342**	1,470	13,472
Finance income		**71**	75	270
Finance costs		**(378)**	(244)	(513)
Profit before taxation and highlighted items		**4,036**	2,515	15,704
Highlighted items	4	**(1,001)**	(1,214)	(2,475)
Profit before taxation	3	**3,035**	1,301	13,229
Taxation		**(715)**	(333)	(2,728)
Profit for the period attributable to owners of the Company		**2,320**	968	10,501
Earnings per share attributable to owners of the Company				
Basic earnings per share [1]	6	**2.89p**	1.25p	13.58p
Diluted earnings per share[1]	6	**2.87p**	1.24p	13.40p

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

[1] Restatement of earnings per share due to the bonus issue of shares (note 8).

Condensed Consolidated Interim Statement of Comprehensive Income
For the six months ended 31 August 2020

	6 months ended 31 August 2020 £'000	6 months ended 31 August 2019 £'000	Year ended 29 February 2020 £'000
Profit for the period	**2,320**	968	10,501
Other comprehensive income			
Items that may be reclassified to the income statement:			
Exchange differences on translating foreign operations	**(1,176)**	3,550	856
Items that may not be reclassified to the income statement:			
Remeasurements on the defined benefit pension scheme	**4**	(112)	(115)
Other comprehensive income for the period net of tax	**(1,172)**	3,438	741
Total comprehensive income for the period attributable to owners of the Company	**1,148**	4,406	11,242

Items in the statement above are disclosed net of tax.

Condensed Consolidated Interim Statement of Financial Position
At 31 August 2020

	Notes	**31 August 2020 £'000**	31 August 2019 £'000	29 February 2020 £'000
Assets				
Goodwill		**44,865**	45,254	45,030
Other intangible assets		**21,881**	21,048	21,630
Investments		**477**	300	516
Property, plant and equipment		**1,774**	2,020	1,914
Right-of-use assets		**12,333**	13,052	13,343
Deferred tax assets		**2,960**	2,579	2,756
Trade and other receivables	7	**1,092**	1,338	1,237
Total non-current assets		**85,382**	85,591	86,426
Inventories		**26,375**	31,204	27,164
Trade and other receivables	7	**85,734**	85,959	84,805
Cash and cash equivalents		**44,058**	20,090	31,345
Total current assets		**156,167**	137,253	143,314
Total assets		**241,549**	222,844	229,740
Liabilities				
Retirement benefit obligations		**139**	217	185
Deferred tax liabilities		**2,435**	2,328	2,347
Borrowings		**12,698**	12,679	12,945
Provisions		**202**	148	182
Total non-current liabilities		**15,474**	15,372	15,659
Trade and other payables		**64,347**	62,589	61,844
Borrowings		**2,442**	1,650	1,585
Current tax liabilities		**-**	-	328
Provisions		**665**	43	651
Total current liabilities		**67,454**	64,282	64,408
Total liabilities		**82,928**	79,654	80,067
Net assets		**158,621**	143,190	149,673
Equity				
Share capital		**1,020**	942	942
Share premium		**47,319**	39,388	39,388
Translation reserve		**8,331**	12,201	9,507
Other reserves		**8,682**	7,201	7,778
Retained earnings		**93,269**	83,458	92,058
Total equity attributable to owners of the Company		**158,621**	143,190	149,673

Condensed Consolidated Interim Statement of Changes in Equity
At 31 August 2020

	Share capital £'000	Share premium £'000	Translation reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Own shares held by the EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 2020	**942**	**39,388**	**9,507**	**1,803**	**22**	**6,724**	**(771)**	**92,058**	**149,673**
Profit for the period	-	-	-	-	-	-	-	2,320	2,320
Other comprehensive income									
Exchange differences on translating foreign operations	-	-	(1,176)	-	-	-	-	-	(1,176)
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	4	4
Total comprehensive income for the period	**-**	**-**	**(1,176)**	**-**	-	**-**	**-**	**2,324**	**1,148**
Transactions with owners									
Issue of share capital	47	7,931	-	-	-	-	-	-	7,978
Bonus issue of share capital	31	-	-	-	-	-	-	(31)	-
Purchase of shares by the Employee Benefit Trust	-	-	-	-	-	-	(536)	-	(536)
Share options exercised	-	-	-	-	-	-	1,017	(1,017)	-
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	(65)	(65)
Share-based payment transactions	-	-	-	-	-	423	-	-	423
Total transactions with owners of the Company	**78**	**7,931**	**-**	**-**	-	**423**	**481**	**(1,113)**	**7,800**
At 31 August 2020	**1,020**	**47,319**	**8,331**	**1,803**	**22**	**7,147**	**(290)**	**93,269**	**158,621**

	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									
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(5,051)	(5,051)
Share options exercised	-	-	-	-	-	-	2	-	2
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 2019	**942**	**39,388**	**8,651**	**1,803**	**22**	**6,095**	**(802)**	**87,639**	**143,738**
Profit for the period	-	-	-	-	-	-	-	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 period	**-**	**-**	**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**

Condensed Consolidated Interim Statement of Cash Flows
For the six months ended 31 August 2020

	6 months ended 31 August 2020 £'000	6 months ended 31 August 2019 £'000	Year ended 29 February 2020 £'000
Cash flows from operating activities			
Profit for the period	**2,320**	968	10,501
Adjustments for:			
Depreciation	**226**	247	502
Depreciation of right-of-use assets	**908**	860	1,775
Amortisation of intangible assets	**2,402**	2,149	4,301
Finance income	**(71)**	(75)	(270)
Finance costs	**378**	244	513
Share of loss of joint venture	**39**	-	7
Share-based payment charges	**456**	100	761
Tax expense	**715**	333	2,728
	7,373	4,826	20,818
Decrease/(increase) in inventories	**874**	(3,571)	(620)
Increase in trade and other receivables	**(1,029)**	(2,638)	(4,385)
Increase in trade and other payables	**2,800**	1,310	2,489
Cash generated from/(used in) operating activities	**10,018**	(73)	18,302
Income taxes paid	**(1,910)**	(622)	(1,706)
Net cash generated from/(used in) operating activities	**8,108**	(695)	16,596
Cash flows from investing activities			
Purchase of property, plant and equipment	**(89)**	(131)	(294)
Purchases of intangible assets	**(1,299)**	(1,226)	(3,137)
Purchase of business, net of cash acquired	**-**	(310)	(310)
Purchase of rights to assets	**(1,490)**	-	(1,213)
Purchase of share of joint venture	**-**	-	(223)
Interest received	**71**	75	254
Net cash used in investing activities	**(2,807)**	(1,592)	(4,923)
Cash flows from financing activities			
Equity dividends paid	**-**	(5,051)	(6,009)
Purchase of shares by the Employee Benefit Trust	**(536)**	-	-
Proceeds from exercise of share options	**-**	2	27
Proceeds from share issue	**7,978**	-	-
New loan advances	**1,450**	-	-
Repayment of lease liabilities	**(583)**	(560)	(1,531)
Lease liabilities interest paid	**(235)**	(242)	(492)
Other interest paid	**(143)**	(2)	(3)
Net cash generated from/(used in) financing activities	**7,931**	(5,853)	(8,008)
Net increase/(decrease) in cash and cash equivalents	**13,232**	(8,140)	3,665
Cash and cash equivalents at beginning of period	**31,345**	27,580	27,580
Exchange (loss)/gain on cash and cash equivalents	**(519)**	650	100
Cash and cash equivalents at end of period	**44,058**	20,090	31,345

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 2020 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the publication of books and other related services.

2. Significant accounting policies

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 29 February 2020.

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 29 February 2020 and should be read in conjunction with the Annual Report 2020. 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 2020 Annual Report refers to other new standards effective from 1 March 2020. None of these standards have had a material impact in these financial statements.

The comparative financial information for the year ended 29 February 2020 does not constitute statutory accounts for that financial year. This information was extracted from the statutory accounts for the year ended 29 February 2020, 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 27 October 2020.

b) Going concern

The Directors are confident that the Group has adequate resources to continue in operational existence and will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the condensed consolidated interim financial statements and therefore have prepared the condensed consolidated interim financial statements on a going concern basis. 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 coronavirus.

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

- Print sales drop by 25% due to continued uncertainty in the retail sector and economic pressure;

- Digital sales 5% lower due to economic pressure; and
- Downside assumptions about extended debtor days to February 2022.

Under this severe but plausible downside scenario, the Group has sufficient liquidity to be able to manage these downside assumptions. This process supports the view that for the period to 28 February 2022, 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 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 2022 and an uncommitted incremental term loan facility of up to £6 million. At 31 August 2020, the Group had not drawn the facility.

c) 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 2020 Annual Report.

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 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:

Six months ended 31 August 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	**29,767**	**18,836**	**48,603**	**20,083**	**9,601**	**29,684**	**-**	**78,287**
Cost of sales	(16,002)	(9,205)	(25,207)	(7,014)	(4,830)	(11,844)	-	(37,051)
Gross profit	**13,765**	**9,631**	**23,396**	**13,069**	**4,771**	**17,840**	**-**	**41,236**
Marketing and distribution costs	(3,824)	(2,647)	(6,471)	(1,945)	(1,426)	(3,371)	-	(9,842)
Contribution before administrative expenses	**9,941**	**6,984**	**16,925**	**11,124**	**3,345**	**14,469**	**-**	**31,394**
Administrative expenses excluding highlighted items	(8,212)	(5,887)	(14,099)	(9,273)	(3,640)	(12,913)	-	(27,012)
Share of joint venture	-	-	-	-	-	-	(39)	(39)
Operating profit/(loss) before highlighted items	**1,729**	**1,097**	**2,826**	**1,851**	**(295)**	**1,556**	**(39)**	**4,343**
Amortisation of acquired intangible assets	-	(9)	(9)	(767)	(107)	(874)	-	(883)
Other highlighted items	-	-	-	-	-	-	(118)	(118)
Operating profit /(loss)	**1,729**	**1,088**	**2,817**	**1,084**	**(402)**	**682**	**(157)**	**3,342**
Finance income	-	-	-	26	-	26	45	71
Finance costs	(51)	(43)	(94)	(98)	(42)	(140)	(144)	(378)
Profit/(loss) before taxation and highlighted items	**1,678**	**1,054**	**2,732**	**1,779**	**(337)**	**1,442**	**(138)**	**4,036**
Amortisation of acquired intangible assets	-	(9)	(9)	(767)	(107)	(874)	-	(883)
Other highlighted items	-	-	-	-	-	-	(118)	(118)
Profit/(loss) before taxation	**1,678**	**1,045**	**2,723**	**1,012**	**(444)**	**568**	**(256)**	**3,035**
Taxation	-	-	-	-	-	-	(715)	(715)
Profit/(loss) for the period	**1,678**	**1,045**	**2,723**	**1,012**	**(444)**	**568**	**(971)**	**2,320**

Six months ended 31 August 2019	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional[1] £'000	Special Interest[1] £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
External revenue	**25,280**	**16,187**	**41,467**	**19,866**	**10,008**	**29,874**	**-**	**71,341**
Cost of sales	(13,981)	(8,913)	(22,894)	(6,521)	(5,097)	(11,618)	-	(34,512)
Gross profit	**11,299**	**7,274**	**18,573**	**13,345**	**4,911**	**18,256**	**-**	**36,829**
Marketing and distribution costs	(3,665)	(2,600)	(6,265)	(2,179)	(1,335)	(3,514)	-	(9,779)
Contribution before administrative expenses	**7,634**	**4,674**	**12,308**	**11,166**	**3,576**	**14,742**	**-**	**27,050**
Administrative expenses excluding highlighted items	(6,753)	(4,768)	(11,521)	(9,297)	(3,548)	(12,845)	-	(24,366)
Operating profit/(loss) before highlighted items	**881**	**(94)**	**787**	**1,869**	**28**	**1,897**	**-**	**2,684**
Amortisation of acquired intangible assets	-	(9)	(9)	(748)	(107)	(855)	-	(864)
Other highlighted items	-	-	-	-	-	-	(350)	(350)
Operating profit /(loss)	**881**	**(103)**	**778**	**1,121**	**(79)**	**1,042**	**(350)**	**1,470**
Finance income	-	-	-	33	-	33	42	75
Finance costs	(89)	(49)	(138)	(71)	(33)	(104)	(2)	(244)
Profit/(loss) before taxation and highlighted items	**792**	**(143)**	**649**	**1,831**	**(5)**	**1,826**	**40**	**2,515**
Amortisation of acquired intangible assets	-	(9)	(9)	(748)	(107)	(855)	-	(864)
Other highlighted items	-	-	-	-	-	-	(350)	(350)
Profit/(loss) before taxation	**792**	**(152)**	**640**	**1,083**	**(112)**	**971**	**(310)**	**1,301**
Taxation	-	-	-	-	-	-	(333)	(333)
Profit/(loss) for the period	**792**	**(152)**	**640**	**1,083**	**(112)**	**971**	**(643)**	**968**

Year ended 29 February 2020	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional[1] £'000	Special Interest[1] £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
External revenue	**59,354**	**37,416**	**96,770**	**43,123**	**22,879**	**66,002**	**-**	**162,772**
Cost of sales	(30,840)	(19,627)	(50,467)	(13,606)	(10,905)	(24,511)	-	(74,978)
Gross profit	**28,514**	**17,789**	**46,303**	**29,517**	**11,974**	**41,491**	**-**	**87,794**
Marketing and distribution costs	(8,269)	(5,619)	(13,888)	(4,636)	(2,849)	(7,485)	-	(21,373)
Contribution before administrative expenses	**20,245**	**12,170**	**32,415**	**24,881**	**9,125**	**34,006**	**-**	**66,421**
Administrative expenses excluding highlighted items	(12,845)	(10,503)	(23,348)	(19,975)	(7,151)	(27,126)	-	(50,474)
Operating profit/(loss) before highlighted items	**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/(loss) 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**

[1] The Content Services division has been moved into the Special Interest Division; digital projects moved to the Academic & Professional division.

Six months ended 31 August 2020	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
Operating profit / (loss) before highlighted items	**1,729**	**1,097**	**2,826**	**1,851**	**(295)**	**1,556**	**(39)**	**4,343**
Depreciation	303	228	531	411	192	603	-	1,134
Amortisation of internally generated intangibles	228	166	394	988	137	1,125	-	1,519
EBITDA before highlighted items	**2,260**	**1,491**	**3,751**	**3,250**	**34**	**3,284**	**(39)**	**6,996**

Six months ended 31 August 2019	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional[1] £'000	Special Interest[1] £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
Operating profit / (loss) before highlighted items	**881**	**(94)**	**787**	**1,869**	**28**	**1,897**	**-**	**2,684**
Depreciation	387	253	640	319	148	467	-	1,107
Amortisation of internally generated intangibles	186	95	281	909	95	1,004	-	1,285
EBITDA before highlighted items	**1,454**	**254**	**1,708**	**3,097**	**271**	**3,368**	**-**	**5,076**

Year ended 29 February 2020	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional[1] £'000	Special Interest[1] £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
Operating profit / (loss) before highlighted items	**7,400**	**1,667**	**9,067**	**4,906**	**1,974**	**6,880**	**-**	**15,947**
Depreciation	821	515	1,336	626	315	941	-	2,277
Amortisation of internally generated intangibles	360	210	570	1,817	178	1,995	-	2,565
EBITDA before highlighted items	**8,581**	**2,392**	**10,973**	**7,349**	**2,467**	**9,816**	**-**	**20,789**

[1] The Content Services division has been moved into the Special Interest Division; digital projects moved to the Academic & Professional division.

External revenue by product type

	Six months ended 31 August 2020 £'000	Six months ended 31 August 2019 £'000	Year ended 29 February 2020 £'000
Print	**57,687**	56,609	129,115
Digital	**17,625**	11,264	24,135
Rights and services	**2,975**	3,468	9,522
Total	**78,287**	71,341	162,772

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

Total assets	**31 August 2020 £'000**	31 August 2019[1] £'000	29 February 2020 £'000
Children's Trade	**9,312**	13,086	11,016
Adult Trade	**7,469**	7,782	6,747
Academic & Professional	**59,109**	59,210	59,128
Special Interest	**13,800**	14,479	13,492
Unallocated	**151,859**	128,287	139,357
Total assets	**241,549**	222,844	229,740

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

[1] The Content Services division has been moved into the Special Interest Division; digital projects moved to the Academic & Professional division.

4. Highlighted items

	Six months ended 31 August 2020 £'000	Six months ended 31 August 2019 £'000	Year ended 29 February 2020 £'000
Legal and other professional fees	**87**	350	461
Coronavirus onerous costs	**-**	-	180
Restructuring costs	**31**	-	98
Other highlighted items	**118**	350	739
Amortisation of acquired intangible assets	**883**	864	1,736
Total highlighted items	**1,001**	1,214	2,475

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 2020 legal and other professional fees of £87,000 were incurred as a result of the Zed Books acquisition (six months ended 31 August 2019: £350,000 and year ended 29 February 2020: £461,000 has been 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).

For the six months ended 31 August 2020, restructuring costs of £31,000 were incurred as a result of the acquisition of Oberon Books Limited and Zed Books (year ended 29 February 2020 restructuring costs of £98,000 relate to the acquisition of Oberon Books Limited and I.B. Tauris & Co. Limited).

For the year ended 29 February 2020, Coronavirus onerous costs of £180,000 are irrecoverable costs crystallised in the year associated with book fairs and conferences that were cancelled due to the coronavirus.

5. Dividends

	Six months ended 31 August 2020 £'000	Six months ended 31 August 2019 £'000	Year ended 29 February 2020 £'000
Amounts paid in the period			
Prior period final dividend	**-**	5,051	5,051
Interim dividend	**-**	-	958
Total dividend payments in the period	**-**	5,051	6,009
Amounts arising in respect of the period			
Interim dividend for the period	**1,045**	958	958
Final dividend for the year	**-**	-	-
Total dividend for the period	**1,045**	958	958

The proposed interim dividend of 1.28 pence per ordinary share will be paid to the equity Shareholders on 4 December 2020 to Shareholders registered at close of business on 6 November 2020.

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

6. Earnings per share

The basic earnings per share for the six months ended 31 August 2020 is calculated using a weighted average number of Ordinary Shares in issue of 80,190,832 (31 August 2019: 77,343,137 and 29 February 2020: 77,345,922) 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 2020 Number	6 months ended 31 August 2019 Number restated*	Year ended 29 February 2020 Number restated*
Weighted average shares in issue	**80,190,832**	77,343,137	77,345,922
Dilution	**725,819**	640,005	1,026,939
Diluted weighted average shares in issue	**80,916,651**	77,983,142	78,372,861

	£'000	£'000	£'000
Profit after tax attributable to owners of the Company	**2,320**	968	10,501
Basic earnings per share	**2.89p**	1.25p	13.58p
Diluted earnings per share	**2.87p**	1.24p	13.40p
Adjusted profit attributable to owners of the Company	**3,339**	2,071	12,720
Adjusted basic earnings per share	**4.16p**	2.68p	16.45p
Adjusted diluted earnings per share	**4.13p**	2.66p	16.23p

Adjusted profit is derived as follows:			
Profit before tax	**3,035**	1,301	13,229
Amortisation of acquired intangible assets	**883**	864	1,736
Other highlighted items	**118**	350	739
Adjusted profit before tax	**4,036**	2,515	15,704
Tax expense	**715**	333	2,728
Deferred tax movements on goodwill and acquired intangible assets	**(21)**	110	202
Tax expense on other highlighted items	**3**	1	54
Adjusted tax	**697**	444	2,984
Adjusted profit	**3,339**	2,071	12,720

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.

*Restatement of earnings per share due to the bonus issue of shares (note 8).

7. Trade and other receivables

Non-current	**31 August 2020 £'000**	31 August 2019 £'000	29 February 2020 £'000
Prepayments and accrued income	**1,092**	1,338	1,237
Non-current trade and other receivables	**1,092**	1,338	1,237
Current			
Gross trade receivables	**56,292**	54,803	54,252
Less: loss allowance	**(3,371)**	(1,682)	(1,832)
Net trade receivables	**52,921**	53,121	52,420
Income tax recoverable	**1,108**	1,582	481
Other receivables	**2,740**	1,607	1,510
Prepayments and accrued income	**4,067**	4,289	5,551
Royalty advances	**24,898**	25,360	24,843
Current trade and other receivables	**85,734**	85,959	84,805
Total trade and other receivables	**86,826**	87,297	86,042

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.

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 2020 £6,239,000 (31 August 2019 £6,389,000 and 29 February 2020 £5,604,000) of royalty advances relate to titles expected to publish after more than 12 months.

8. 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.

	Six months ended 31 August 2019 (restated)	Six months ended 31 August 2019	Year ended 29 February 2020 (restated)	Year ended 29 February 2020
Basic earnings per share	1.25p	1.29p	13.58p	14.03p
Diluted earnings per share	1.24p	1.28p	13.40p	13.84p
Adjusted basic earnings per share	2.68p	2.77p	16.45p	17.00p
Adjusted diluted earnings per share	2.66p	2.74p	16.23p	16.77p
Weighted average number of shares used in basic earnings per share calculation	77,343,137	74,828,480	77,345,922	74,830,714
Weighted average number of shares used in diluted earnings per share calculation	77,983,142	75,468,485	78,372,861	75,857,653

9. Related parties

The Group has no related party transactions in the current or prior periods 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
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

27 October 2020

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 are as follows:

- Market: including market volatility due to the impact of the coronavirus pandemic, increased dependence on internet retailing, sales of used books and rental of text books;
- Importance of digital publishing: BDR revenues and profit;
- Acquisitions: Risk of delivering lower than expected return on investment;
- Title acquisition: Commercial viability of titles acquired;
- Information and technology systems: Cybersecurity and the risk of malware attack, and the risk of inadequate internal access controls or security measures;
- Financial valuations: Judgemental valuation of assets and provisions;
- Intellectual property: Erosion of copyright and infringement of IP by third parties;
- Reliance on key counterparties: Failure of key counterparties or breakdown in key counterparty relationships;
- Talent management: Failure to retain key talent and create the conditions in which employees can thrive;
- Legal and compliance: Breach of key contracts by the Company and failure to comply with applicable regulations; and
- Reputation: Investor confidence.

Further information about the principal risks and mitigation of those risks included in the 2020 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 2020 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 condenses consolidated interim statement of changes in equity, the condensed consolidated 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 2020 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.

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

27 October 2020