

BLOOMSBURY PUBLISHING PLC

("Bloomsbury" or "the Company")

Unaudited Interim Results for the six months ended 31 August 2022

**Record first half earnings
Interim dividend increased**

Bloomsbury, the leading independent publisher, today announces unaudited results for the six months ended 31 August 2022.

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

"Bloomsbury achieved very strong results in the first half with year-on-year revenue growth of 22% to £122.9 million and profit growth of 23% to £15.9 million. These are our highest ever first half sales and profits. These results demonstrate the strength and resilience of our strategy of publishing for both the consumer and academic markets, our growth of digital revenues and our global diversification.

Throughout this cost of living crisis, books remain an affordable treat. Reading offers a form of escapism and an ideal – and inexpensive – therapy for dealing with the stresses and strains of day-to-day life.

The success of Bloomsbury Digital Resources ("BDR") accelerated, with revenue growth of 69% driven by organic and acquired assets. This drove the Non-Consumer division's revenue growth of 24% and a 54% increase in profit before tax and highlighted items¹ to £7.1 million. Resilient demand saw the Consumer division revenue grow by 21%, achieving a 6% increase in profit before tax and highlighted items¹ to £8.9 million.

Our financial position is strong, with net cash of £41.5 million. This gives us significant opportunities for further acquisitions and investment in organic growth.

In recognition of our performance and in line with our dividend policy, we are announcing a 5% increase in our interim dividend to 1.41 pence per share.

The strong first half performance means that we are confident of achieving the Board's expectations for the year ending 28 February 2023.* The strength and resilience of Bloomsbury's strategy and financial position means the Board is confident in its ability to achieve continued success. Bloomsbury plans to invest in further acquisitions and organic growth."

* The Board considers current consensus market expectation for the year ending 28 February 2023 to be revenue of £242.6 million and profit before taxation and highlighted items of £26.9 million.

Financial Highlights

	2022	2021	2020	Growth 2022 vs 2021	Growth 2022 vs 2020
Revenue	£122.9 million	£100.7 million	£78.3 million	22%	57%
Organic revenue ²	£108.1 million	£96.3 million	£78.3 million	12%	38%
Profit before taxation and highlighted items ¹	£15.9 million	£12.9 million	£4.0 million	23%	295%
Profit before taxation	£12.9 million	£11.1 million	£3.0 million	17%	327%
Diluted earnings per share, excluding highlighted items ¹	15.30 pence	12.82 pence	4.13 pence	19%	270%
Diluted earnings per share	12.30 pence	10.41 pence	2.87 pence	18%	329%
Net cash	£41.5 million	£43.7 million	£44.1 million	(5)%	(6)%
Interim dividend	1.41 pence per share	1.34 pence per share	1.28 pence per share	5%	10%

Operational Highlights

Non-Consumer Division

- Non-Consumer revenue growth of 24% to £46.6 million (2021: £37.8 million). Organic revenue growth was 2%
- Non-Consumer profit before taxation and highlighted items¹ increased by 54% to £7.1 million (2021: £4.6 million)
- Academic & Professional revenue growth of 38% to £36.5 million (2021: £26.4 million) and profit before taxation and highlighted items¹ up 85% to £7.3 million (2021: £3.9 million)
- Bloomsbury Digital Resources (“BDR”) revenue growth of 69% to £13.6 million (2021: £8.0 million) and profit of £6.6 million (2021: £2.8 million)
- On track for our new BDR target of 50% organic growth and 30% margin over the next five years
- ABC-CLIO LLC (“ABC-CLIO”) and Red Globe Press (“RGP”) contributed £9.9 million revenue (2021: £1.7 million) to Academic & Professional

Consumer Division

- Strong Consumer revenue growth of 21% to £76.3 million (2021: £62.9 million). Organic revenue growth was 19%
- Consumer profit before taxation and highlighted items¹ increased by 6% to £8.9 million (2021: £8.4 million)

- Adult Trade revenue up 7% to £25.7 million (2021: £23.9 million) and profit before taxation and highlighted items¹ was £0.2 million (2021: £1.3 million)
- Children’s Trade revenue growth of 30% to £50.6 million (2021: £39.0 million) and profit before taxation and highlighted items¹ up 23% to £8.7 million (2021: £7.1 million)
- Sales growth of Sarah J. Maas’ titles of 45%; Harry Potter sales increased by 35% during the 25th anniversary year
- Head of Zeus Limited (“HoZ”), acquired in June 2021, contributed £4.9 million revenue (2021: £2.7 million) to Adult Trade

Notes

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

² Organic revenue for the half year is defined as total revenue of £122.9m (2021: £100.7m) less revenue attributable to the acquisitions of HoZ, RGP and ABC-CLIO.

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 / Amelia Craddock / Emily
Brooker

bloomsbury@hudsonsandler.com

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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 had a very strong first half. Revenue grew by 22% to £122.9 million (2021: £100.7 million), and profit before taxation and highlighted items increased by 23% to £15.9 million (2021: £12.9 million). Profit before taxation was £12.9 million (2021: £11.1 million).

Growth in organic revenue was 12%, with the three strategic acquisitions completed during 2021/22, ABC-CLIO, RGP and HoZ, contributing revenue of £14.8 million (2021: £4.4 million).

The strength and resilience of demand for Bloomsbury titles and the excellent sales of our digital products demonstrate the strength of our long-term growth strategy, the publishing judgement of our editors and the strength of our sales and marketing.

Bloomsbury Digital Resources ("BDR") was the stand-out performer during the period, with 69% revenue growth year-on-year and profit of £6.6 million, an increase of 134%. We continue to demonstrate the strength of our digital strategy of building high margin, quality revenues, accelerating our growth with the acquisitions of RGP and ABC-CLIO. Our strategy enables us to continue to deliver growth from the ongoing shift to digital learning, accelerating the breadth and depth of our excellent digital products and the quality of platforms and infrastructure, with a 12% increase in the number of organic customers year-on-year.

The highlighted items of £3.0 million (2021: £1.8 million) consist of the amortisation of acquired intangible assets of £2.7 million (2021: £1.0 million), one-off legal and other professional fees relating to ongoing and completed acquisitions and restructuring costs of £0.3 million (2021: £0.8 million). The effective rate of tax for the period was 22% (2021: 23%). The adjusted effective rate of tax, excluding highlighted items, was 21% (2021: 18%). Diluted earnings per share for the period, excluding highlighted items, grew by 19% to 15.30 pence (2021: 12.82 pence). Including highlighted items, profit before taxation grew by 17% to £12.9 million (2021: £11.1 million) and diluted earnings per share grew by 18% to 12.30 pence (2021: 10.41 pence).

Strategy

Bloomsbury's long-term growth strategy is aimed at continuing our success in building digital channels, increasing quality revenues and earnings. To achieve this, we are focused on the following long-term strategic objectives:

- **Non-Consumer Publishing and BDR**

- Goal: Grow Bloomsbury's portfolio in Non-Consumer publishing. Non-Consumer publishing is characterised by higher, more predictable margins and greater digital and global opportunities.

Achieved – H1 2022/23: delivered 24% growth in Non-Consumer revenue.

- Goal: BDR: Further 50% organic revenue growth and 30% margin over the five years from 2022/23.

Achieved – H1 2022/23: delivered 41% organic growth and 45% margin.

- **Consumer**

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

Achieved – H1 2022/23: UK and US bestsellers included *Stolen Focus* by Johan Hari, *BAKE* by Paul Hollywood, *Dirtbag, Massachusetts* by Isaac Fitzgerald and *Outdoor Cooking* by Tom Kerridge.

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

Achieved – H1 2022/23: 45% growth in Sarah J. Maas' title sales.

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

Achieved – H1 2022/23: Sales of Harry Potter titles were strong, up 35%, and the paperback edition of *Harry Potter and the Philosopher's Stone* was the 2nd bestselling children's book of the year to date on UK Nielsen Bookscan, 25 years after it was first published.

- **International Expansion**

- Goal: Expand international revenues and reduce reliance on UK market. Continuing our international growth in order to take advantage of the biggest academic market in the USA.

Achieved – H1 2022/23: increased overseas revenues to 73% of Group revenue (2021/22 H1: 65%); 70% of Academic BDR sales are international. US revenues increased to 36% of Group revenue.

- **Employee Experience and Engagement; Diversity, Equity and Inclusion**

Our success is driven by the expertise, passion and commitment of our employees, highlighting the importance of attracting, supporting and engaging our colleagues. We value diversity of thought, perspectives and experience in shaping our culture, and strategy, driving our long-term success and informing the ways in which we fulfil our social purpose.

- Goal: Be an attractive employer for individuals seeking a career in publishing, regardless of background or identity, adding cultural value to our business operations and performance.
- Goal: Focus on initiatives to create an environment that promotes diversity, nurtures talent, stimulates creativity and collaboration, supports well-being and is inclusive and respectful of difference.
- Goal: Implement Bloomsbury's Diversity, Equity and Inclusion Action Plan ("DEIAP").

Achieved – H1 2022/23:

- All employees at Bloomsbury received a permanent salary increase of £1,000 per annum effective from 1 October to help with cost of living;
 - First cohort of senior managers successfully completed their Diploma in Leadership and Management, and our second cohort have started their programme;
 - Rollout of new next stage of employee voice programme;
 - Focusing on increasing our diversity through expanding our reach, including through Creative Access, Diversify.io, and The Dots;
 - Increasing our commitment as an official partner of The Runnymede Trust's Lit in Colour initiative, supporting the increase in students' access to books by writers of colour and those from minority ethnic backgrounds, drawing on our world-leading drama list from Methuen Drama.
- **Sustainability**
 - Goal: Maximise our use of sustainable resources while seeking to reduce carbon emissions in line with our science-based targets. We recognize our responsibility to conserve the Earth's resources and we are committed to monitoring and improving the environmental impact of our operations.

Achieved – H1 2022/23:

- Implemented improvements including removal of plastic shrink wrap from all Harry Potter paperback boxsets, piloting removing dust jackets and plastic finishes and introducing changes to backlist printing to reduce carbon emissions;
- Completed the CDP Climate Change questionnaire;
- Developed our quantitative and qualitative analysis of climate-related risks and opportunities;
- Supporting the Woodland Trust and Reforest'Action for three years.

Non-Consumer Division

The Non-Consumer division consists of Academic & Professional, including BDR, and Special Interest. Revenues in the division grew by 24% to £46.6 million (2021: £37.8 million). Profit before taxation and highlighted items for the Non-Consumer division grew by 54% to £7.1 million (2021: £4.6 million). Organic revenue growth was 2%, with ABC-CLIO and RGP, acquired in December 2021 and June 2021 respectively, contributing £9.9 million (2021: £1.7 million) revenue.

Academic & Professional revenues increased by 38% to £36.5 million (2021: £26.4 million) and profit before taxation and highlighted items increased by 85% to £7.3 million (2021: £3.9 million). This was driven by the strength of our BDR strategy, with 69% revenue growth from the acquisition of ABC-CLIO and increased demand for our existing digital products.

Our BDR growth strategy is focused on accelerating our established and most successful products, leveraging content and platforms from our acquisitions, building partnerships and launching new products. We increased the breadth and depth of our portfolio with the acquisition of ABC-CLIO's 32 digital databases and accelerated growth by expanding international sales using our global infrastructure. We delivered 41% organic revenue growth from a 12% increase in the number of organic customers year-on-year, increased our organic subscription revenue by 30% and maintained our existing customer retention rate at over 90%.

Special Interest revenues were £10.1 million (2021: £11.3 million), with bestsellers during the period including *Wisden Cricketers Almanack*, *Reeds Nautical Almanac*, *The Happy Me Project* by Holly Matthews and Osprey Games' *Stargrave* and *Crescent Moon*. The loss before taxation and highlighted items for the period was £0.1 million (2021: £0.7 million profit before taxation and highlighted items).

Consumer Division

The Consumer division consists of Adult and Children's trade publishing. The Consumer division achieved strong revenue growth of 21% to £76.3 million (2021: £62.9 million). Organic revenue growth was 19%. Profit before taxation and highlighted items increased by 6% to £8.9 million (2021: £8.4 million). The strong performance was driven by the Children's division, across front and backlist titles, and includes £4.9 million revenue (2021: £2.7 million) from HoZ, completed in June 2021.

Adult Trade

The Adult division revenue grew by 7% to £25.7 million (2021: £23.9 million) and profit before taxation and highlighted items was £0.2 million (2021: £1.3 million). Revenue growth was driven by the strength of the backlist and includes £4.9 million (2021: £2.7 million) revenue from HoZ, completed in June 2021.

Sunday Times bestsellers in the period included Paul Hollywood's *BAKE*, *Galatea* by Madeline Miller, *Old Rage* by Sheila Hancock, *The Weekend Cook* by Angela Hartnett and Tom Kerridge's *Outdoor Cooking*. *New York Times* bestsellers included *Dirtbag, Massachusetts* by Isaac Fitzgerald and Paul Hollywood's *BAKE*.

Children's Trade

Children's revenue increased by 30% to £50.6 million (2021: £39.0 million) and profit before taxation and highlighted items increased by 23% to £8.7 million (2021: £7.1 million). High demand for our strong titles continued the momentum from last year, with excellent sales of Sarah J. Maas' titles.

Sales of Harry Potter titles were strong, up 35%. *Harry Potter and the Philosopher's Stone* was the 2nd bestselling children's book of the year to date on UK Nielsen Bookscan, on the 25th anniversary of its first publication, showing the enduring appeal of this classic series.

Sarah J. Maas revenues grew by 45%, reflecting her latest bestselling frontlist title, *Crescent City: House of Sky and Breath*, published in February 2022, and strong backlist sales. *House of Sky and Breath*, *House of Earth and Blood*, and *Throne of Glass* were all *New York Times* bestsellers during the period. Sarah J. Maas is the bestselling author of the *Crescent City*, *Court of Thorns and Roses* and *Throne of Glass* series, with all of her 15 titles published by Bloomsbury, since her first novel, *Throne of Glass*, in 2012.

Revenues for the rest of the Children's division were also good. Highlights in the Children's list included Katya Balen's *October, October*, which won the Yoto Carnegie Medal, *New York Times* bestsellers *This Wicked Fate* by Kalynn Bayron and *Ways to Make Sunshine* by Renee Watson and *Sunday Times* bestsellers *We're Going on an Egg Hunt* and *Five Little Easter Bunnies*.

Acquisitions

Bloomsbury has a strong and successful track record in strategic acquisitions, with 18 completed since 2008. We are actively targeting further acquisition opportunities in line with our long-term growth strategy.

Cash and Financing

Bloomsbury's cash generation was strong with cash at 31 August 2022 of £41.5 million (2021: £43.7 million). During the period we invested £0.9 million of capital expenditure in BDR.

We have increased our international revenues, in particular from the US, during the period. This has enabled us to benefit from the change in exchange rates.

The Group has an unsecured revolving credit facility with Lloyds Bank Plc. The facility comprises a committed revolving loan facility of £10.0 million and an uncommitted incremental term loan facility of up to £6.0 million. At 31 August 2022, the Group had no draw down (2021: £nil) of this facility.

Dividend

The Group has a progressive dividend policy aiming to keep dividend earnings cover in excess of two times, supported by strong cash cover. The Board has declared an interim dividend of 1.41 pence per share, 5% above the interim dividend for the six months ended 31 August 2021. The dividend will be paid on 2 December 2022 to Shareholders on the register on the record date of 4 November 2022.

Board Changes

As announced in March 2022, John Bason joined the Board as a Non-Executive Director on 1 April 2022. John also became a member of the Remuneration, Nomination and Audit Committees. As announced in June 2022, Steven Hall stepped down from the Board at the conclusion of Bloomsbury's 2022 AGM on 20 July 2022. John Bason succeeded Steven as Chair of the Remuneration Committee.

Future Publishing

In Non-Consumer, our BDR strategic initiatives include bringing ABC-CLIO's 32 databases into Bloomsbury Digital Resources, enabling Bloomsbury to scale ABC-CLIO's digital offering globally. The acquisition of ABC-CLIO expands Bloomsbury's reach into the lucrative US High School library market. We see significant opportunity in cross selling existing school and university level digital resources, such as our bestselling platform Drama Online, to US high schools which have well-funded budgets for digital teaching aids. We will also invest in new ABC-CLIO originated high school products. In addition, we will expand Bloomsbury Collections to include both ABC-CLIO and RGP titles as well as migrate RGP's digital products to BDR's own platform.

Our strong Consumer publishing list for the second half includes the Illustrated edition of the fifth Harry Potter title, *Harry Potter and the Order of the Phoenix*, Tom Kerridge's *Real Life Recipes*, *A Visible Man* by Edward Enninful, *Best of Friends* by Kamila Shamsie, *Illuminations* by Alan Moore, *The Story of Russia* by Orlando Figes, *Defend the Dawn* by Brigid Kemmerer and *The Lost Girl King* by Catherine Doyle. *The Three-Body Problem* by Cixin Liu, a HoZ title, has been filmed by the creators of Game of Thrones and will be shown on Netflix in 2023. The next Sarah J. Maas novel, the third in the *Crescent City* series, will be published in 2023/24.

Outlook

The strength of the first half performance means that we are confident of achieving market expectations for the year ending 28 February 2023.*

Bloomsbury's strong and resilient strategy, combined with the strength of our financial position, means the Board is confident in Bloomsbury's ability to achieve continued success. Bloomsbury plans to invest in further acquisitions and organic growth.

* The Board considers current consensus market expectation for the year ending 28 February 2023 to be revenue of £242.6 million and profit before taxation and highlighted items of £26.9 million.

**Condensed Consolidated Interim Income Statement
For the six months ended 31 August 2022**

	Notes	6 months ended 31 August 2022 £'000	6 months ended 31 August 2021 £'000	Year ended 28 February 2022 £'000
Revenue	3	122,910	100,656	230,110
Cost of sales		(56,804)	(43,967)	(107,948)
Gross profit		66,106	56,689	122,162
Marketing and distribution costs		(14,886)	(13,561)	(29,808)
Administrative expenses		(38,041)	(31,831)	(69,675)
Share of result of joint venture		(67)	(54)	(117)
Operating profit before highlighted items		16,091	13,072	27,112
Highlighted items	4	(2,979)	(1,829)	(4,550)
Operating profit		13,112	11,243	22,562
Finance income		46	54	105
Finance costs		(213)	(214)	(486)
Profit before taxation and highlighted items		15,924	12,912	26,731
Highlighted items	4	(2,979)	(1,829)	(4,550)
Profit before taxation	3	12,945	11,083	22,181
Taxation		(2,834)	(2,495)	(5,291)
Profit for the period attributable to owners of the Company		10,111	8,588	16,890
Earnings per share attributable to owners of the Company				
Basic earnings per share	6	12.49p	10.54p	20.72p
Diluted earnings per share	6	12.30p	10.41p	20.33p

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 2022**

	6 months ended 31 August 2022 £'000	6 months ended 31 August 2021 £'000	Year ended 28 February 2022 £'000
Profit for the period	10,111	8,588	16,890
Other comprehensive income			
<i>Items that may be reclassified to the income statement:</i>			
Exchange differences on translating foreign operations	10,270	373	1,497
<i>Items that may not be reclassified to the income statement:</i>			
Remeasurements on the defined benefit pension scheme	-	(10)	(10)
Other comprehensive income for the period net of tax	10,270	363	1,487
Total comprehensive income for the period attributable to owners of the Company	20,381	8,951	18,377

Items in the statement above are disclosed net of tax.

Condensed Consolidated Interim Statement of Financial Position
At 31 August 2022

	Notes	31 August 2022 £'000	31 August 2021 £'000	28 February 2022 £'000
Assets				
Goodwill		48,868	45,326	47,910
Other intangible assets		40,329	25,712	40,323
Investments		161	108	45
Property, plant and equipment		2,562	1,804	2,319
Right-of-use assets		10,022	10,950	10,628
Deferred tax assets		8,953	4,588	7,168
Trade and other receivables	9	1,008	934	923
Total non-current assets		111,903	89,422	109,316
Inventories		44,324	37,203	33,816
Trade and other receivables	9	114,921	100,152	104,879
Cash and cash equivalents		41,451	43,663	41,226
Total current assets		200,696	181,018	179,921
Total assets		312,599	270,440	289,237
Liabilities				
Retirement benefit obligations		-	12	-
Deferred tax liabilities		3,830	3,417	3,696
Lease liabilities		9,191	10,511	9,961
Provisions		318	249	297
Total non-current liabilities		13,339	14,189	13,954
Trade and other liabilities		112,797	91,345	103,028
Lease liabilities		2,388	1,875	2,265
Current tax liabilities		999	453	433
Provisions		982	497	588
Total current liabilities		117,166	94,170	106,314
Total liabilities		130,505	108,359	120,268
Net assets		182,094	162,081	168,969
Equity				
Share capital		1,020	1,020	1,020
Share premium		47,319	47,319	47,319
Translation reserve		18,397	7,003	8,127
Other reserves		11,064	10,453	8,765
Retained earnings		104,294	96,286	103,738
Total equity attributable to owners of the Company		182,094	162,081	168,969

**Condensed Consolidated Interim Statement of Changes in Equity
At 31 August 2022**

	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 2022	1,020	47,319	8,127	1,803	22	9,492	(2,552)	103,738	168,969
Profit for the period	-	-	-	-	-	-	-	10,111	10,111
Other comprehensive income									
Exchange differences on translating foreign operations	-	-	10,270	-	-	-	-	-	10,270
Total comprehensive income for the period	-	-	10,270	-	-	-	-	10,111	20,381
Transactions with owners									
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(7,604)	(7,604)
Purchase of shares by the Employee Benefit Trust	-	-	-	-	-	-	(375)	-	(375)
Share options exercised	-	-	-	-	-	-	2,015	(2,014)	1
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	63	63
Share-based payment transactions	-	-	-	-	-	659	-	-	659
Total transactions with owners of the Company	-	-	-	-	-	659	1,640	(9,555)	(7,256)
At 31 August 2022	1,020	47,319	18,397	1,803	22	10,151	(912)	104,294	182,094

	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 2021	1,020	47,319	6,630	1,803	22	7,945	(147)	103,657	168,249
Profit for the period	-	-	-	-	-	-	-	8,588	8,588
Other comprehensive income									
Exchange differences on translating foreign operations	-	-	373	-	-	-	-	-	373
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	(10)	(10)
Total comprehensive income for the period	-	-	373	-	-	-	-	8,578	8,951
Transactions with owners									
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(14,064)	(14,064)
Purchase of shares by the Employee Benefit Trust	-	-	-	-	-	-	(1,973)	-	(1,973)
Share options exercised	-	-	-	-	-	-	2,047	(2,031)	16
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	146	146
Share-based payment transactions	-	-	-	-	-	756	-	-	756
Total transactions with owners of the Company	-	-	-	-	-	756	74	(15,949)	(15,119)
At 31 August 2021	1,020	47,319	7,003	1,803	22	8,701	(73)	96,286	162,081

	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 2021	1,020	47,319	6,630	1,803	22	7,945	(147)	103,657	168,249
Profit for the period	-	-	-	-	-	-	-	16,890	16,890
Other comprehensive income									
Exchange differences on translating foreign operations	-	-	1,497	-	-	-	-	-	1,497
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	(10)	(10)
Total comprehensive income for the period	-	-	1,497	-	-	-	-	16,880	18,377
Transactions with owners									
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(15,157)	(15,157)
Purchase of shares by the Employee Benefit Trust	-	-	-	-	-	-	(4,489)	-	(4,489)
Share options exercised	-	-	-	-	-	-	2,084	(2,050)	34
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	408	408
Share-based payment transactions	-	-	-	-	-	1,547	-	-	1,547
Total transactions with owners of the Company	-	-	-	-	-	1,547	(2,405)	(16,799)	(17,657)
At 28 February 2022	1,020	47,319	8,127	1,803	22	9,492	(2,552)	103,738	168,969

Condensed Consolidated Interim Statement of Cash Flows
For the six months ended 31 August 2022

	6 months ended 31 August 2022 £'000	6 months ended 31 August 2021 £'000	Year ended 28 February 2022 £'000
Cash flows from operating activities			
Profit for the period	10,111	8,588	16,890
Adjustments for:			
Depreciation of property, plant and equipment	314	239	512
Depreciation of right-of-use assets	902	794	1,889
Amortisation of intangible assets	4,774	3,114	7,505
Loss on disposal on intangible assets	-	-	65
Finance income	(46)	(54)	(105)
Finance costs	213	214	486
Share of loss of joint venture	67	54	117
Share-based payment charges	874	1,021	2,054
Tax expense	2,834	2,495	5,291
	20,043	16,465	34,704
Increase in inventories	(6,886)	(7,165)	(2,745)
(Increase)/decrease in trade and other receivables	(4,351)	1,667	1,205
Increase in trade and other liabilities	3,640	10,383	14,572
Cash generated from operating activities	12,446	21,350	47,736
Income taxes paid	(3,970)	(3,456)	(7,927)
Net cash generated from operating activities	8,476	17,894	39,809
Cash flows from investing activities			
Purchase of property, plant and equipment	(485)	(143)	(644)
Purchases of intangible assets	(2,301)	(1,806)	(3,693)
Purchase of business, net of cash acquired	-	(5,736)	(22,913)
Purchase of rights to assets	-	(2,992)	(3,650)
Purchase of share in a joint venture	(182)	-	-
Interest received	46	54	92
Net cash used in investing activities	(2,922)	(10,623)	(30,808)
Cash flows from financing activities			
Equity dividends paid	(7,604)	(14,064)	(15,157)
Purchase of shares by the Employee Benefit Trust	(375)	(1,973)	(4,489)
Proceeds from exercise of share options	1	16	34
Repayment of borrowing	-	(1,112)	(1,097)
Repayment of lease liabilities	(990)	(897)	(1,862)
Lease liabilities interest paid	(187)	(200)	(419)
Other interest paid	(26)	(14)	(55)
Net cash used in financing activities	(9,181)	(18,244)	(23,045)
Net decrease in cash and cash equivalents	(3,627)	(10,973)	(14,044)
Cash and cash equivalents at beginning of period	41,226	54,466	54,466
Exchange gain on cash and cash equivalents	3,852	170	804
Cash and cash equivalents at end of period	41,451	43,663	41,226

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 2022 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’. 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 2022.

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 2022 and should be read in conjunction with the Annual Report 2022. The annual consolidated financial statements of the Group are prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006. The 2022 Annual Report refers to other new standards effective from 1 March 2022. None of these standards have had a material impact in these financial statements.

The comparative financial information for the year ended 28 February 2022 does not constitute statutory accounts for that financial year. This information was extracted from the statutory accounts for the year ended 28 February 2022, 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 25 October 2022.

b) Going concern

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

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

- Sales drop by 20% with recovery during 2024/25;
- Downside assumptions about extended debtor days with recovery during 2024/25; and
- Cash preservation measures implemented and variable costs reduced.

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

The Group has an unsecured revolving credit facility with Lloyds Bank Plc. The facility comprises a committed revolving credit facility of £10 million, and an uncommitted incremental term loan facility of up to £6 million. The facilities are subject to two covenants, being a maximum net debt to EBITDA ratio of 2.5x and a minimum interest cover covenant of 4x. The agreement is to October 2024. At 31 August 2022, the Group had no draw down of this 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 2022 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:

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
Six months ended 31 August 2022								
External revenue	50,607	25,685	76,292	36,481	10,137	46,618	-	122,910
Cost of sales	(26,453)	(13,809)	(40,262)	(11,529)	(5,013)	(16,542)	-	(56,804)
Gross profit	24,154	11,876	36,030	24,952	5,124	30,076	-	66,106
Marketing and distribution costs	(6,567)	(3,995)	(10,562)	(2,929)	(1,395)	(4,324)	-	(14,886)
Contribution before administrative expenses	17,587	7,881	25,468	22,023	3,729	25,752	-	51,220
Administrative expenses excluding highlighted items	(8,863)	(7,617)	(16,480)	(14,739)	(3,843)	(18,582)	-	(35,062)
Share of joint venture result	-	-	-	-	-	-	(67)	(67)
Operating profit/(loss) before highlighted items/ segment results	8,724	264	8,988	7,284	(114)	7,170	(67)	16,091
Amortisation of acquired intangible assets	-	(175)	(175)	(2,381)	(107)	(2,488)	-	(2,663)
Other highlighted items	-	-	-	-	-	-	(316)	(316)
Operating profit/(loss)	8,724	89	8,813	4,903	(221)	4,682	(383)	13,112
Finance income	-	-	-	26	-	26	20	46
Finance costs	(70)	(37)	(107)	(59)	(21)	(80)	(26)	(213)
Profit/(loss) before taxation and highlighted items	8,654	227	8,881	7,251	(135)	7,116	(73)	15,924
Amortisation of acquired intangible assets	-	(175)	(175)	(2,381)	(107)	(2,488)	-	(2,663)
Other highlighted items	-	-	-	-	-	-	(316)	(316)
Profit/(loss) before taxation	8,654	52	8,706	4,870	(242)	4,628	(389)	12,945
Taxation	-	-	-	-	-	-	(2,834)	(2,834)
Profit/(loss) for the period	8,654	52	8,706	4,870	(242)	4,628	(3,223)	10,111

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
Six months ended 31 August 2021								
External revenue	38,990	23,928	62,918	26,411	11,327	37,738	-	100,656
Cost of sales	(18,094)	(12,001)	(30,095)	(8,775)	(5,097)	(13,872)	-	(43,967)
Gross profit	20,896	11,927	32,823	17,636	6,230	23,866	-	56,689
Marketing and distribution costs	(5,663)	(3,755)	(9,418)	(2,569)	(1,574)	(4,143)	-	(13,561)
Contribution before administrative expenses	15,233	8,172	23,405	15,067	4,656	19,723	-	43,128
Administrative expenses excluding highlighted items	(8,104)	(6,833)	(14,937)	(11,120)	(3,945)	(15,065)	-	(30,002)
Share of joint venture result	-	-	-	-	-	-	(54)	(54)
Operating profit/(loss) before highlighted items/ segment results	7,129	1,339	8,468	3,947	711	4,658	(54)	13,072
Amortisation of acquired intangible assets	-	(49)	(49)	(829)	(107)	(936)	-	(985)
Other highlighted items	-	-	-	-	-	-	(844)	(844)
Operating profit/(loss)	7,129	1,290	8,419	3,118	604	3,722	(898)	11,243
Finance income	-	-	-	38	-	38	16	54
Finance costs	(75)	(42)	(117)	(58)	(25)	(83)	(14)	(214)
Profit/(loss) before taxation and highlighted items	7,054	1,297	8,351	3,927	686	4,613	(52)	12,912
Amortisation of acquired intangible assets	-	(49)	(49)	(829)	(107)	(936)	-	(985)
Other highlighted items	-	-	-	-	-	-	(844)	(844)
Profit/(loss) before taxation	7,054	1,248	8,302	3,098	579	3,677	(896)	11,083
Taxation	-	-	-	-	-	-	(2,495)	(2,495)
Profit/(loss) for the period	7,054	1,248	8,302	3,098	579	3,677	(3,391)	8,588

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
Year ended 28 February 2022								
External revenue	93,039	55,157	148,196	59,328	22,586	81,914	-	230,110
Cost of sales	(46,759)	(29,106)	(75,865)	(20,945)	(11,138)	(32,083)	-	(107,948)
Gross profit	46,280	26,051	72,331	38,383	11,448	49,831	-	122,162
Marketing and distribution costs	(12,812)	(8,271)	(21,083)	(5,335)	(3,390)	(8,725)	-	(29,808)
Contribution before administrative expenses	33,468	17,780	51,248	33,048	8,058	41,106	-	92,354
Administrative expenses excluding highlighted items	(17,506)	(15,732)	(33,238)	(23,907)	(7,980)	(31,887)	-	(65,125)
Share of joint venture result	-	-	-	-	-	-	(117)	(117)
Operating profit/(loss) before highlighted items/ segment results	15,962	2,048	18,010	9,141	78	9,219	(117)	27,112
Amortisation of acquired intangible assets	-	(272)	(272)	(2,349)	(214)	(2,563)	-	(2,835)
Other highlighted items	-	-	-	-	-	-	(1,715)	(1,715)
Operating profit/(loss)	15,962	1,776	17,738	6,792	(136)	6,656	(1,832)	22,562
Finance income	-	-	-	62	-	62	43	105
Finance costs	(162)	(94)	(256)	(115)	(48)	(163)	(67)	(486)
Profit/(loss) before taxation and highlighted items	15,800	1,954	17,754	9,088	30	9,118	(141)	26,731
Amortisation of acquired intangible assets	-	(272)	(272)	(2,349)	(214)	(2,563)	-	(2,835)
Other highlighted items	-	-	-	-	-	-	(1,715)	(1,715)
Profit/(loss) before taxation	15,800	1,682	17,482	6,739	(184)	6,555	(1,856)	22,181
Taxation	-	-	-	-	-	-	(5,291)	(5,291)
Profit/(loss) for the year	15,800	1,682	17,482	6,739	(184)	6,555	(7,147)	16,890

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
Six months ended 31 August 2022								
Operating profit/(loss) before highlighted items	8,724	264	8,988	7,284	(114)	7,170	(67)	16,091
Depreciation	429	229	658	440	118	558	-	1,216
Amortisation of internally generated intangibles	223	292	515	1,428	168	1,596	-	2,111
EBITDA before highlighted items	9,376	785	10,161	9,152	172	9,324	(67)	19,418

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
Six months ended 31 August 2021								
Operating profit/(loss) before highlighted items	7,129	1,339	8,468	3,947	711	4,658	(54)	13,072
Depreciation	405	229	634	274	125	399	-	1,033
Amortisation of internally generated intangibles	217	228	445	1,556	128	1,684	-	2,129
EBITDA before highlighted items	7,751	1,796	9,547	5,777	964	6,741	(54)	16,234

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
Year ended 28 February 2022								
Operating profit/(loss) before highlighted items	15,962	2,048	18,010	9,141	78	9,219	(117)	27,112
Depreciation	914	632	1,546	604	251	855	-	2,401
Amortisation of internally generated intangibles	455	508	963	3,405	302	3,707	-	4,670
EBITDA before highlighted items	17,331	3,188	20,519	13,150	631	13,781	(117)	34,183

External revenue by product type

	Six months ended 31 August 2022 £'000	Six months ended 31 August 2021 £'000	Year ended 28 February 2022 £'000
Print	85,709	74,635	170,383
Digital	32,529	22,239	50,526
Rights and services	4,672	3,782	9,201
Total	122,910	100,656	230,110

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

Total assets	31 August 2022 £'000	31 August 2021 £'000	28 February 2022 £'000
Children's Trade	21,337	16,247	13,633
Adult Trade	15,061	14,469	13,513
Academic & Professional	80,141	60,463	78,096
Special Interest	13,267	13,383	13,170
Unallocated	182,793	165,878	170,825
Total assets	312,599	270,440	289,237

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

4. Highlighted items

	Six months ended 31 August 2022 £'000	Six months ended 31 August 2021 £'000	Year ended 28 February 2022 £'000
Legal and other professional fees	111	566	1,317
Integration and restructuring costs	205	278	398
Other highlighted items	316	844	1,715
Amortisation of acquired intangible assets	2,663	985	2,835
Total highlighted items	2,979	1,829	4,550

Highlighted items charged to operating profit comprise significant non-cash charges and major one-off initiatives, which are highlighted in the income statement because, in the opinion of the Directors, separate disclosure is helpful in understanding the underlying performance and future profitability of the business.

For the six months ended 31 August 2022 legal and other professional fees of £111,000 were incurred as a result of the acquisition of certain assets of Red Globe Press and the ABC-CLIO, LLC acquisition. For

the six months ended 31 August 2021 integration and restructuring costs of £205,000 were incurred as a result of the integration of the above acquisitions and the Head of Zeus Limited acquisition.

For the six months ended 31 August 2021 legal and other professional fees of £566,000 were incurred as a result of the Red Globe Press and Head of Zeus Limited acquisitions. For the six months ended 31 August 2021 restructuring costs of £278,000 were incurred as a result of acquisitions and restructuring in both divisions.

For the year ended 28 February 2022, legal and other professional fees of £1,317,000 were incurred as a result of the Group's acquisitions, including ABC-CLIO, LLC, Head of Zeus Limited and certain assets of Red Globe Press. Integration and restructuring costs primarily relate to the integration of the above acquisitions including restructuring and other restructuring in both divisions.

5. Dividends

	Six months ended 31 August 2022 £'000	Six months ended 31 August 2021 £'000	Year ended 28 February 2022 £'000
Amounts paid in the period			
Prior period final dividend	7,604	6,141	6,141
Prior period special dividend	-	7,923	7,923
Interim dividend	-	-	1,093
Total dividend payments in the period	7,604	14,064	15,157
Amounts arising in respect of the period			
Interim dividend for the period	1,147	1,093	1,093
Final dividend for the year	-	-	7,671
Total dividend for the period	1,147	1,093	8,764

The proposed interim dividend of 1.41 pence per ordinary share will be paid to the equity Shareholders on 2 December 2022 to Shareholders registered at close of business on 4 November 2022.

6. Earnings per share

The basic earnings per share for the six months ended 31 August 2022 is calculated using a weighted average number of Ordinary Shares in issue of 80,921,019 (31 August 2021: 81,492,631 and 28 February 2022: 81,532,620) 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 2022 Number	6 months ended 31 August 2021 Number	Year ended 28 February 2022 Number
Weighted average shares in issue	80,921,019	81,492,631	81,532,620
Dilution	1,314,336	976,492	1,530,573
Diluted weighted average shares in issue	82,235,355	82,469,123	83,063,193
	£'000	£'000	£'000
Profit after tax attributable to owners of the Company	10,111	8,588	16,890
Basic earnings per share	12.49p	10.54p	20.72p
Diluted earnings per share	12.30p	10.41p	20.33p
Adjusted profit attributable to owners of the Company	12,579	10,572	21,548
Adjusted basic earnings per share	15.54p	12.97p	26.43p
Adjusted diluted earnings per share	15.30p	12.82p	25.94p
Adjusted profit is derived as follows:			
Profit before tax	12,945	11,083	22,181
Amortisation of acquired intangible assets	2,663	985	2,835
Other highlighted items	316	844	1,715
Adjusted profit before tax	15,924	12,912	26,731
Tax expense	2,834	2,495	5,291
Deferred tax movements on goodwill and acquired intangible assets	484	(208)	(207)
Tax expense on other highlighted items	27	53	99
Adjusted tax	3,345	2,340	5,183
Adjusted profit	12,579	10,572	21,548

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. Business combinations

There have been no acquisitions in the 6 months to 31 August 2022.

On 2 June 2021 the Group acquired the issued share capital of Head of Zeus Limited. The consideration, net of pre-existing loans is £7.0 million, of which £5.5 million was satisfied in cash at completion, with £1.1 million paid in cash post completion, and £0.4 million of deferred consideration payable in cash subject to achievement of Netflix release targets. The latter element is discounted.

On 15 December 2021 the Group acquired the members' interest of ABC – CLIO, LLC ("ABC-CLIO"). The consideration, is £16.7 million, of which £16.6 million was satisfied in cash at completion, with £0.1 million payable in cash post completion, subject to working capital and other considerations.

The table below summarises the fair values to the Group included in the consolidated financial statements of the major categories of assets and liabilities of these acquisitions at the date of acquisition. Amounts are provisional for ABC-CLIO as management finalise reviews of the asset valuation.

	Fair value to the Group		
	6 months ended 31 August 2022 £'000	6 months ended 31 August 2021 £'000	12 months ended 28 February 2022 £'000
Net assets acquired			
Assets			
Other intangible assets	-	2,800	19,372
Property, plant and equipment	-	52	336
Right-of-use assets	-	275	632
Deferred tax assets	-	130	1,092
Total non-current assets	-	3,257	21,432
Inventories	-	2,202	2,754
Trade and other receivables	-	6,654	10,008
Cash and cash equivalents	-	37	379
Total current assets	-	8,893	13,141
Total assets	-	12,150	34,573
Liabilities			
Deferred tax liabilities	-	(700)	(700)
Lease liabilities	-	(137)	(321)
Total non-current liabilities	-	(837)	(1,021)
Trade and other liabilities	-	(3,578)	(11,,142)
Borrowings	-	(1,097)	(1,097)
Lease liabilities	-	(165)	(338)
Current tax liabilities	-	(51)	(305)
Total current liabilities	-	(4,891)	(12,882)
Total liabilities	-	(5,728)	(13,903)
Identifiable net assets	-	6,422	20,670
Goodwill	-	579	3,076

Total	-	7,001	23,746
Satisfied by:			
Cash consideration	-	5,775	22,448
Deferred consideration	-	1,226	1,298
Total consideration	-	7,001	23,746

8. Rights to Assets

On 23 April 2021, the Group announced the acquisition of certain assets of Red Globe Press (“RGP”), the academic imprint, from Macmillan Education Limited, a part of Springer Nature Group. The transaction completed on 1 June 2021. The consideration was £3.2 million, of which £1.8 million was satisfied in cash at completion and £1.3 million was satisfied in cash post completion, with an expected further £0.1 million to be satisfied post-completion subject to assignment of certain contracts. The Group has taken on Inventories, Advances and intangible assets associated with taking on the titles and digital products. No cash or trade receivables transferred as part of the acquisition.

9. Trade and other receivables

	31 August 2022	31 August 2021	28 February 2022
	£'000	£'000	£'000
Non-current			
Accrued income	1,008	934	923
Current			
Gross trade receivables	75,666	65,145	68,764
Less: loss allowance	(3,463)	(3,414)	(3,551)
Net trade receivables	72,203	61,731	65,213
Income tax recoverable	1,967	1,039	1,392
Other receivables	2,645	2,228	2,431
Prepayments	2,469	1,896	2,672
Accrued income	3,992	3,859	4,494
Royalty advances	31,645	29,399	28,677
Total current trade and other receivables	114,921	100,152	104,879
Total trade and other receivables	115,929	101,086	105,802

Non-current receivables relate to accrued income on long-term rights deals.

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

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 2022 £8,909,000 (31 August 2021 £7,700,000 and 28 February 2022 £7,145,000) of royalty advances are expected to be recovered after more than 12 months.

10. 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 Chair of the Nomination Committee
Nigel Newton	Chief Executive
Leslie-Ann Reed	Senior Independent Director Chair of the Audit Committee
John Bason	Independent Non-Executive Director Chair of the Remuneration Committee
Baroness Lola Young of Hornsey	Independent Non-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 UK-adopted International Accounting Standard 34 'Interim Financial Reporting'.
- 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

26 October 2022

Principal risks and uncertainties

Bloomsbury has a systematic and embedded risk management process for identifying, evaluating and managing risk, with the goal of supporting the Group in meeting its strategic and operational objectives.

The principal risks for the Group's business are summarised as follows:

- Market: including market volatility, post pandemic consumer behaviour, impact of economic instability, increased dependence on internet retailing, open access, sales of used books and rental of textbooks;
- Importance of digital publishing: BDR revenues and profit;
- Acquisitions: return on investment;
- Title acquisition (Consumer publishing): Commercial viability;
- Information and technology systems: Cybersecurity and malware attack, and internal access controls or security measures;
- Financial valuations: Judgemental valuation of assets and provisions;
- Intellectual property: Erosion of copyright and infringement of Group IP by third parties;
- Reliance on key counterparties: Failure of key counterparties or breakdown in key counterparty relationships;
- Talent management: Failure to attract and retain key talent and create an inclusive and supportive environment in which the Group's employees can thrive;
- Legal and compliance: Breach of key contracts by the Group and failure to comply with applicable regulations;
- Reputation: Investor confidence; and
- Inflation: Print supply costs.

Further information about the principal risks and risk management is included in the 2022 Annual Report and Accounts.