

BLOOMSBURY PUBLISHING PLC

(“Bloomsbury” or the “Group”)

DELIVERING ON OUR STRATEGY

Unaudited Preliminary Results for the year ended 28 February 2015

Bloomsbury today announces unaudited results for the year ended 28 February 2015.

Financial highlights

- Revenues grew to £111.1 million (2014: £109.5 million)
- Profit before taxation and highlighted items** of £12.1 million (2014*: £12.0 million)
- Profit before taxation £9.6 million (2014*: £9.5 million)
- Final dividend of 5.08p per share (2014: 4.84p) making a total dividend of 6.10p per share for the year (2014: 5.82p per share)
- Diluted earnings per share, excluding highlighted items, were 14.73p (2014*: 12.80p)
- Diluted earnings per share were 11.90p (2014: 10.43p)

Operating highlights

- **Academic & Professional**
 - Revenues for the year were up by 12% to £36.0 million (2014: £32.1 million)
 - Digital title sales grew by 35% year on year to £4.2 million, more than double overall industry growth
 - The division contributed to excellent Group rights and services sales compared to 2014, up to £14.1 million (2014: £8.5 million) more in line with previous years (2013: £11.5 million, 2012: £12.6 million)
 - Law publisher Hart, which was acquired in September 2013, contributed £3.7 million of revenue (2014: £1.8 million) and £1.2 million of operating profit (2014: £0.5 million) before central recharges and excluding highlighted items
 - Bloomsbury is established as the foremost global academic visual arts publisher with the launch of www.bloomsburyfashioncentral.com
- **Adult division**
 - Revenue for the year was £44.7 million (2014: £49.9 million) reflecting the huge success of *And the Mountains Echoed* by Khaled Hosseini in the prior year
 - Key titles in the year included Lucie Whitehouse’s *Before We Met* and Samantha Shannon’s *The Mime Order*
 - Acquisition of Osprey in December 2014 increased presence in the specialist niche areas
 - Cookery list continued to perform strongly with books by Tom Kerridge, Hugh Fearnley-Whittingstall, Heston Blumenthal, Raymond Blanc and Paul Hollywood among others

- Launch of www.cooked.com, which complements successful cookery book publishing
- Winner of numerous industry awards including the IMPAC Dublin Literary Award, the inaugural Folio Prize and the Windham-Campbell Prize for Fiction
- **Children’s & Educational**
 - Revenue for the year was £26.6 million (2014: £23.6 million)
 - Operating profit before highlighted items was £2.9 million (2014*: £1.9 million)
 - Sales of Harry Potter titles in the year grew by 29% due to the reissue of the Harry Potter novels by J. K. Rowling in August 2014 with new covers by Jonny Duddle
 - Picture books and Activity books sales grew by 15% year on year and now account for 13% of the division’s sales
 - Star performers were *Paper Towns* by John Green and *The Sleeper and the Spindle* by Neil Gaiman
- **Bloomsbury Information**
 - Operating profit before highlighted items was £1.1 million (2014*: £1.1 million)
 - Partnership with Lloyds Bank providing insight, business thought leadership and best practice to its SME business customers with more Bloomsbury content being provided in 2015
 - Management services agreement with Qatar Foundation was extended in 2014
 - IZA World of Labor launched in May 2014, has published 150 evidence-based articles on issues in labor economics, making it the ultimate resource for policy and decision makers in this field across the globe
- **Strong list for the year ahead**
 - *Sweet Caress* by William Boyd
 - *Big Magic* by Elizabeth Gilbert
 - *The Sunlit Night* by Rebecca Dinerstein
 - *The Heart Goes Last* by Margaret Atwood
 - Illustrated edition of *Harry Potter and the Philosopher’s Stone*
 - New cookery titles from Tom Kerridge, Paul Hollywood, Frances Quinn, Hugh Fearnley-Whittingstall and Russell Norman amongst others
 - Books with TV tie-ins include *Jonathan Strange & Mr Norrell* by Susanna Clarke and the second Grantchester Mysteries novel, *Sidney Chambers and the Perils of the Night* by James Runcie
 - *Paper Towns* by John Green with film tie-in

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

“This has been a good year for Bloomsbury. It was characterised by a consistent development of the strategic aims of the business – in short, digital investment, a greater proportion of business generated from academic and professional publishing, a greater proportion of sales from non-traditional book retailers and a focus on marketing to discrete communities of interest.

Our focus remains on growing academic, professional, special interest and educational revenues to reduce the overall exposure of the business to the traditional book market. During the coming year we will also continue the building of our digital presence, launching the new online portals Bloomsbury Fashion Central and the Fashion Photography Archive.

We have started the new year well with some notable successes in our Adult and Children's & Educational divisions, including this week's New York Times Bestseller *A Court of Thorns and Roses* by Sarah J. Maas and the highly rated BBC1 tie-in to *Jonathan Strange & Mr Norrell* by Susanna Clarke."

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Notes:

*** Highlighted items comprise amortisation of acquired intangible assets, acquisition related legal and other professional fees and restructuring costs.*

** Results for 2013/14 year have been adjusted for the change in policy, announced in July 2014, for the treatment of amortisation of internally generated intangible assets.*

Forward-looking statements

Statements contained in this Annual Results Announcement are based on the knowledge and information available to the Company's directors at the date it was prepared and therefore the facts stated and views expressed may change after that date. By their nature, the statements concerning the risks and uncertainties facing the Company in this Annual Results Announcement involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. To the extent that this Annual Results Announcement contains any statement dealing with any time after the date of its preparation such statement is merely predictive and speculative as it relates to events and circumstances which are yet to occur. The Company undertakes no obligation to update these forward-looking statements.

Chief Executive's Review

It has been a good year for Bloomsbury and we are pleased with the Group's performance. The spirit of intense focus on performance combined with entrepreneurial drive saw us deliver an impressive result against a backdrop of change in our industry.

The year was characterised by the consistent development of the strategic aims of the business – in short, digital investment, a greater proportion of business generated from academic and professional publishing, a greater proportion of sales from non-traditional book retailers and a focus on marketing to discrete communities of interest.

Revenues grew 1.5% year on year to £111.1 million. Profit before tax and highlighted items** of £12.1 million was up 1% year on year* from £12.0 million. Profit before tax was £9.6 million (2014*: £9.5 million).

There were excellent performances in the Children's & Educational division, including strong growth from Harry Potter titles, and in the Academic & Professional division, with strong digital and UK rights revenues mitigating lower print sales. In the Adult division revenues were reduced against a tough comparator which included Khaled Hosseini's *And the Mountains Echoed*, but this was a solid performance in a year with fewer major bestsellers. Bloomsbury Information revenues and profits were flat year on year.

The majority of our revenue comprises title sales, which dipped by 4% year on year to £97.0 million, with digital sales, within this total, reduced by 4% to £11.7 million. Digital sales make up 12.1% of title sales (2014: 12.1%). Higher margin rights and services revenues grew by £5.6 million to £14.1 million and formed 13% of total group revenues compared to last year's weaker performance of 8%, and previous years of 12% in 2013 and 13% in 2012.

The operating profit margin before highlighted items for the Group was maintained year on year at 11%. Operating profits before tax and highlighted items in the UK business were up by 5% to £11.3 million. In the US profits fell by 7% to £0.7 million reflecting a reduction in academic print title sales. Australia saw another significant growth in profits by £0.2 million to £0.3 million. In its second full year of operation, our Indian publishing business generated revenues of £1.6 million and start-up losses of £0.2 million before the allocation of Group costs, with a particularly encouraging performance from local publishing.

In December 2014, Bloomsbury completed the acquisition of Osprey Publishing, the Oxford-based military, heritage and natural history publisher, which now operates within our Adult division. The consideration of £4.6 million was satisfied by the payment of £3.2 million in cash on completion and the issue of 869,054 new Bloomsbury Ordinary shares, which constitute approximately 1.2% of Bloomsbury's outstanding share capital. Osprey had approximately £0.3 million of cash at the time of acquisition. The acquisition, which was immediately earnings enhancing, contributed £1.2 million of revenue and £0.1 million of operating profit before highlighted items to Bloomsbury in the year ending 28 February 2015. This acquisition highlights our strategy of reducing our exposure to the traditional book market. Over the last few years many countries have seen retail bookshop closures and increasing discount pressure from retailers. Although, on the positive side, trade return levels from retailers continue to fall and we continue to see the benefits from reduced print costs and better service levels. Profits from the consumer book market made up 44% of total Bloomsbury operating profit in the 2015 year (2014: 53%).

In response to the evolving digital marketplace, the development of online knowledge hubs and intellectual property platforms have become a core part of our business. In light of this, our investment in online platforms, which was previously relatively small, has been increasing. In a statement in July 2014 we announced that we had therefore decided to change the treatment in our financial statements of the amortisation of product and systems development assets, our internally generated intangibles. Previously this amortisation was included within highlighted items, it is now included within profit before tax and highlighted items. The change has no effect on profit before tax or cash. The prior period results for the year ended 28 February 2014 have been represented accordingly, with profit before tax and highlighted items reduced by £1.1 million. In the current year there was £1.4 million of amortisation of internally generated intangibles.

The acquisition of Osprey Publishing, related restructuring and other strategic initiatives have resulted in £0.7 million of costs which, together with amortisation of acquired intangibles, are highlighted separately in the financial statements.

The effective rate of tax for the year was 8.9% compared to 18.7% for the year ended 28 February 2014. The rate reduction reflects the recognition of additional deferred tax assets, including more UK tax losses.

Diluted earnings per share, excluding highlighted items, were 14.73p, up 15% from 12.80p in 2014, reflecting the reduction in effective rate of tax. Total diluted earnings per share for the year were 11.90p compared to 10.43p in 2014.

The Group's cash balance net of borrowing drawdowns was £7.5 million at 28 February 2015 (2014: £10.0 million). Cash outflows in the year included £5.3 million for acquisition investment net of cash acquired.

During the year we published 2,415 new titles compared to 2,189 in 2014. 55% of these were in the Academic & Professional division (2014: 49%).

We continue to reduce costs in the business through volume-based tender processes. Having reviewed mono and colour print, prepress, image licensing and conversion costs over the past two years we will be assessing freight costs and editorial services in the forthcoming year.

There will be continued emphasis on our shift to an XML-based workflow which ensures that all Bloomsbury intellectual property has a standard underlying structure, ready for export to all known formats, including print, as well as providing a large degree of 'future-proofing' for any not-yet-known formats that the evolving digital marketplace may demand.

Divisional Review

Academic and Professional

Revenues for the year were up by 12% to £36.0 million (2014: £32.1 million). Digital title sales grew by 35% year on year to £4.2 million, more than double the overall industry growth rate in 2014. They now represent 12% of total revenues in the division (2014: 10%). However, against the backdrop of a challenging market for print, total title sales were down 4% year on year to £29.7 million, and were down in each territory except India, which is still in its start-up phase. The print title sales decline was exacerbated by a higher level of returns following de-stocking decisions by some major distributors in the US. The growth in digital sales, together with strong rights sales in the UK, meant

that the division's revenues as a whole grew. Copyright licence revenues included two deals worth in excess of £1.5 million each. Licence revenue has above average margins.

Operating profit before highlighted items was £5.1 million (2014*: £3.9 million) and included a £0.5 million one-off stock write-down in Fairchild Books.

Hart Publishing, which was acquired in September 2013, contributed £3.7 million of revenue (2014: £1.8 million) and £1.2 million of operating profit (2014: £0.5 million) before central recharges and excluding highlighted items.

Following back-to-back wins of the Bookseller Academic, Educational & Professional Publisher of the Year Award in 2013 and 2014, the division was shortlisted again for this award in 2015. It is the first time that an academic publisher has won the award in two consecutive years. The division was also shortlisted for a third time in a row for the 2015 IPG Frankfurt Book Fair Academic Publisher of the Year and Ingram Digital Publisher of the Year.

Bloomsbury Academic's digital strategy reflects the changing needs of scholars, students and librarians. In September 2014 we successfully launched a new e-book platform, Bloomsbury Collections, which delivers unique online collections of scholarly e-books for the institutional market on a subscription and perpetual-access basis. 54% of the orders to date have come from outside the UK, demonstrating the potential to grow international digital revenues. This new service will respond to the growing demand for e-books from academic libraries worldwide, offering them direct as an attractive alternative to e-book aggregators: smaller, subject-based collections at a lower cost per book, and a DRM-free, mobile-optimised interface designed around the content. It offers new opportunities for users which include scholars, students and researchers to discover more easily and make the most of the full wealth of Bloomsbury's academic publishing portfolio. Already the site has approximately 4,000 titles, bringing together innovative current research publications alongside more than a century's worth of authoritative scholarship from the backlists of imprints such as Hart, T&T Clark, Bristol Classical Press, Continuum, Berg and the Arden Shakespeare. New collections in further subject areas will follow in future releases, and all newly published academic monographs will go directly on to the Bloomsbury Collections site in digital form.

In February 2015, Bloomsbury launched the instructor part of its major new platform www.bloomsburyfashioncentral.com, which will cater for the needs of fashion educators, students and professionals. From July this year, more than 140 Fairchild Books fashion textbooks will be available in a digital library subscription, for instant e-rental, or to purchase in digital or print, along with online materials to complement courses. This product sits alongside The Fashion Photography Archive, which will include over 600,000 images, and the existing Berg Fashion Library. Fairchild Books continues to be the leader in higher education textbooks for Fashion and Interior Design. Its largest frontlist ever in 2014 included revisions of classic books such as *Who's Who in Fashion*, *Swatch Reference Guide for Fashion Fabrics*, *Textiles for Residential and Commercial Interiors*, *Design Management*, *The Layout Book*, *Shaping Interior Space*, and new entries such as *Design Genius*, *Surface Design for Fabric*, *Designing Sustainable Residential and Commercial Interiors*, *Apparel Quality* and *Designing: An Introduction*. We are now the foremost global academic visual arts publisher.

Our partnership with Faber and Faber, www.dramaonlinelibrary.com, received a number of accolades in 2014: it was shortlisted for the IPG Digital Publishing Award 2014 and the Innovation Excellence Award from the Stationer's Livery Company. It has also received "Highly Commended" at the ALPSP Awards for Publishing Innovation.

Continuing the tradition of innovative partnerships, and venturing into multi-media, Drama Online announced 300 titles coming from Nick Hern Publishing and an audio collection from LA Theatre Works. Further collections are being added in 2015 and 2016 to make this the pre-eminent online worldwide collection for performing arts. These new collections will double the size of the resource.

In January 2015 we launched www.churchillcentral.com, the online offering for the 50th anniversary of Churchill's death. The website is a hub that allows Churchill-related organisations to collaborate by contributing and sharing content that will extend the Churchill world. Making 800,000 documents available digitally for the first time, the Churchill Archive stands as a digital library of modern international history. The Churchill Archive for Schools will be made available free for every secondary school in the UK, US and Canada from May 2015.

To support the growth in digital subscription products, in 2014 we invested in a worldwide in-house institutional sales team. This allows us to maintain control of the sales, customer service, marketing functions and data. It also affords opportunities in the cross-selling of other Bloomsbury products.

Bloomsbury Professional has 24 online services, with 191 titles included, and a further seven services in development for 2015. Online revenues grew by over 30% year on year. The continuing growth in online services is reflected in the increase in documents viewed online from 475,000 in 2012 to 1,400,000 in 2014. During 2014 Bloomsbury launched the first online services covering Scottish tax law. Our Financial Reporting and Irish online services both achieved 100% renewal rates in the year. PricewaterhouseCoopers extended its contract with us to publish its Financial Reporting information in both print and online.

Adult

Revenue for the year was £44.7 million (2014: £49.9 million). Operating profit before highlighted items was £3.0 million (2014*: £5.1 million). Year on year comparisons are distorted by the huge success of *And the Mountains Echoed* by Khaled Hosseini in the prior year. His book sales this year continue strongly but naturally not at the same level.

We continue to develop our strategy of global publishing through the acquisition of global rights wherever possible. Many of our top-selling titles were successes in multiple markets, including Roz Chast's *Can't We Talk About Something More Pleasant?* which won three prizes in the US, James Runcie's wonderful 'Grantchester' series being shown on both BBC in the UK and PBS in the US, Simon Singh's *The Simpsons and Their Mathematical Secrets* and Charles Spencer's *Killers of the King*.

Whilst e-book sales are down year on year, also reflecting the success of Khaled Hosseini's books last year, opportunities for growth continue in many territories and the advent of new devices and new business models such as subscriptions will continue to expand the market. We are beginning to see material sales in India, parts of Europe and the Far East.

Apart from Khaled Hosseini, our fiction offering was led by Lucie Whitehouse's *Before We Met*, Samantha Shannon's *The Mime Order* and continuing sales of *The Bone Season*, Daniel Handler's *We Are Pirates*, Stella Rimington's Liz Carlyle titles, Sheila Hancock's *Miss Carter's War*, Kamila Shamsie's *A God in Every Stone* – which has been shortlisted for the Baileys Women's Prize for Fiction 2015, Richard Ford's *Let Me Be Frank With You* and Esther Freud's *Mr Mac and Me*.

Non-fiction was dominated by our international chefs including Tom Kerridge, Hugh Fearnley-Whittingstall, Heston Blumenthal, Raymond Blanc, Paul Hollywood, Ollie Dabbous, Atul Kochar, Russell Norman and Jason Atherton. This list is now complemented by the launch in March of the

cookery subscription site, www.cooked.com. Absolute Press, one of our cookery imprints, was awarded Specialist Consumer Publisher of the Year 2014 at the Independent Publishing Guild Awards.

Literary prizes awarded to our adult titles in the year included the inaugural Folio Prize, awarded to *Tenth of December* by George Saunders, the IMPAC Dublin Literary Award, awarded to *The Sound of Things Falling* by Juan Gabriel Vasquez (translated by Anne McLean) and a Windham-Campbell Prize for Fiction, awarded to Aminatta Forna.

Two of our paperbacks, *And the Mountains Echoed* by Khaled Hosseini and *Before We Met* by Lucie Whitehouse, were selected for the Richard & Judy Summer Book Club, with *And the Mountains Echoed* being chosen by readers as their favourite of all the titles.

We had bestsellers in *Sod 70*, Muir Gray's guide to living well in later life, as well as two titles shortlisted for the William Hill Sports Book of the Year award – *Alone* by Bill Jones and *Floodlights and Touchlines*, an all-encompassing history of spectator sport. The acquisition in September 2014 of the highly respected Conway list of over 200 titles from maritime and military history is a wonderful complement to our nautical and military publishing, and *The Cutty Sark* and *The Wipers Times*, the facsimile trench newspaper from the First World War, are already making their mark.

The launch of River Cottage Australia has boosted our sales and market position, confirming Bloomsbury Australia as a significant force there.

Bloomsbury India was delighted to continue the development of Shiv Kherra's self-improvement books and we sold nearly 200,000 copies in the year.

Our acquisition of Osprey in December 2014 increased our presence in niche special interest markets, including sport, natural history and cookery, as part of our strategy to reduce exposure to the traditional book trade. Its list is complementary to the existing Bloomsbury military and natural history lists. Osprey is the world's best known military history brand, publishing trademark series in both print and e-book formats, titles with international appeal, covering history from ancient times to the modern day. The Military division is the largest part of Osprey with a significant subscriber database. British Wildlife Publishing publishes high quality books and the British Wildlife magazine for lovers of the natural world. Over 50% of Osprey's revenue is generated outside the UK, principally in the US, thereby increasing Bloomsbury's exposure to the global book market.

Children's & Educational

Revenue for the year was £26.6 million (2014: £23.6 million). Operating profit before highlighted items was £2.9 million (2014*: £1.9 million). There was good revenue growth in each of our territories.

The excellent result in this division reflects the success of our three-year strategy and has reshaped the team with focused commercial acquisition, targeted and strategic marketing, brand management together with the launch of a new imprint Bloomsbury Activity Books and the Bloomsbury Picture Books list. Our strategy is working and our pipeline of titles is strong. Our UK educational strategy is to support our publishing imprints with digital innovation for today's teachers and curriculum. Our publishing is high quality and our ambition is to sell our authors' and illustrators' books to as wide an audience as possible, while ensuring children learn to read and develop a love of reading for pleasure.

Our sales of Harry Potter titles in the year grew by 29% due to the reissue of our Harry Potter novels by J. K. Rowling in August 2014, with striking new covers by Jonny Duddle.

Other publishing highlights were *Paper Towns* by John Green, which was rejacketed in January and sold over 150,000 copies, *The Sleeper and the Spindle* by Neil Gaiman and Chris Riddell, which was published with exceptionally beautiful artwork, *The Imaginary* by A. F. Harrold, illustrated by Emily Gravett and *The Wall* by William Sutcliffe, which was shortlisted for the Carnegie Medal with the judges calling it “an outstanding narrative adventure”. *Paper Towns* is due to be released as a film by 20th Century Fox in August 2015.

Picture books and Activity books sales grew by 15% year on year and now account for 13% of the division’s sales. Stars on the Picture Book list were *There’s a Lion in my Cornflakes* by Michelle Robinson and Jim Field which won the Sainsbury’s Picture Book Award and Yasmeen Ismail’s *Time for Bed Fred* which won the V&A Book Illustration Award and was named a *New York Times* Best Illustrated Book.

The education team launched its first subscription product, *Music Express Online*. It is a dynamic, visually appealing website that enables primary classroom teachers to teach the music curriculum even if they cannot read or play music themselves. Our objective is to see this product used in every primary school in the UK – whether purchased by individuals, schools or music hubs. It was shortlisted for the Future-book Award for Best Consumer Facing Website, the BETT award for Best Whole Course Curriculum Content award and the Educational Resource Award for Whole Curriculum Resource.

Bloomsbury Spark, our digital first e-book list for the young adult market, celebrated its first anniversary. We have published 18 titles from a range of authors from debut to bestselling. Our Christmas e-novella *Mistletoe and Mr Right* by Lyra Payne will be the first title to move across into print.

Digital sales in the division moved from 4.9% of revenue in the UK last financial year to 4.5%, mainly reflecting the fact that sales of Harry Potter print titles made up a larger proportion of total sales and Bloomsbury does not sell Harry Potter e-books; and in the US digital sales moved from 16% to 14% of revenue mainly because the biggest selling title, *I Love You Night and Day*, was a picture book. The digital market for children’s titles is still predominantly led by young adult fiction.

Bloomsbury Information

The core activities of Bloomsbury Information are the development of IP-rich knowledge hubs in cooperation with external partners; the provision of publishing, management and consultancy services; and the publication of business, management, finance and reference titles in print and digital formats.

Revenue was flat year on year at £3.9 million with rights and services making up 90% of that total (2014: 89%). Operating profit before highlighted items was £1.1 million (2014*: £1.1 million).

Bloomsbury content went live on the Lloyds Bank website aimed at their SME business customers during the year, following our three year content licence agreement concluded in the last financial year. Lloyds will continue to launch more Bloomsbury content during 2015 which will provide business thought leadership, insight and best practice to its business customers.

Our management services agreement with Qatar Foundation has been extended on the same terms to December 2015, and the intention of the parties is to enter into a longer term renewal shortly.

Both the book and journals sides of that operation performed well in the year. QScience.com, the Open Access journals publishing portal, grew strongly in the year with a joint marketing agreement reached with Nature Publishing Group. Titles published by Bloomsbury Qatar Foundation Publishing in the year included two English translations of novels which won the prestigious International Prize for Arabic Fiction, *Throwing Sparks* by Abdo Khal and *The Arch and The Butterfly* by Mohammed Achaari. *The Hidden Light of Objects* by Kuwaiti author Mai Al-Nakib, who was discovered by BQFP, won the 2014 First Book Award from the Edinburgh International Book Festival.

IZA World of Labor (wol.iza.org) went fully live on 1 May 2014, International Workers' Day, with a launch in Washington DC which was followed by further events aimed at the site's target market of policy-makers in labour economics in Lima, Peru, in London (in partnership with the LSE), and with the OECD in Paris. Visitors to the site have come from 189 countries. Press coverage included the *Washington Post* and the *Daily Telegraph*. The site publishes two articles per week on topics of current interest such as migration, minimum wage, development and education. One recent article, extolling the benefits of companies offering employee share schemes has been particularly well received.

On the books list, *The Methodological School of Management* was shortlisted for the Chartered Management Institute Management Book of the Year Awards. We concluded a joint publishing agreement with the Ashridge Business School and the first book, *Capitalism's Toxic Assumptions* by Eve Poole, was published in the year.

New content licensing agreements concluded during the year included an arrangement with Stephens Inc. in the US to provide business and financial content for their website. After the end of the licence term to the QFCA, QFinance content is now available at financepractitioner.com.

The market for which Bloomsbury Information supplies solutions remains complex, but the division continues to be well positioned to exploit digital, management and publishing services and other innovative business opportunities for the Group.

Dividend

The Group has a progressive dividend policy with the aim of keeping dividend cover in excess of two times. In line with this policy the Directors are recommending a final dividend of 5.08p per share which, subject to shareholder approval at our Annual General Meeting on 23 July 2015, will be paid on 23 September 2015 to shareholders on the register at the close of business on 28 August 2015. Together with the interim dividend, this makes a total dividend for the year ended 28 February 2015 of 6.10p per share, a 4.8% increase on the 5.82p dividend for the year ended 28 February 2014. Over the past ten years the dividend has increased at a compound annual growth rate in excess of 7%.

Board

Ian Cormack stands down as a Non-Executive Director following the Annual General Meeting. Ian has chaired the Audit Committee with great authority and has made a major contribution to the operation of the Board. We will miss him. After an extensive search process, we are delighted to announce our intention for John Warren to join the Board following the Annual General Meeting. He will succeed Ian Cormack as an Independent Non-executive Director and Audit Committee Chair. John is a Chartered Accountant with a wealth of experience gained as audit committee chair of various businesses including Welsh Water, Greencore Group Plc, 4Imprint Plc, Bovis Homes Plc, Spectris Plc and others. He also was Finance Director of WH Smith Plc and United

Biscuits Plc. We look forward to working with him. We will announce further information in accordance with the listing rules upon John's appointment.

Outlook

Since the year end, trading has been good across all divisions, with the UK and US showing particular strength, with such titles as Celia Imrie's *Not Quite Nice*, *Children of the Stone* by Sandy Tolan, the Harry Potter box set and the re-jacketed *Harry Potter and the Philosopher's Stone* by J. K. Rowling. Bloomsbury's excellent publishing programme for 2015/16 includes *Sweet Caress* by William Boyd, *Big Magic* by Elizabeth Gilbert, *The Heart Goes Last* by Margaret Atwood, *The Sunlit Night* by Rebecca Dinerstein, the illustrated edition of *Harry Potter and the Philosopher's Stone* and new cookery titles from Tom Kerridge, Paul Hollywood, Frances Quinn, Hugh Fearnley-Whittingstall and Russell Norman among others. Books with TV tie-ins include *Jonathan Strange & Mr Norrell* by Susanna Clarke and the second Grantchester Mysteries novel, *Sidney Chambers and the Perils of the Night* by James Runcie.

Bloomsbury continues its strategy of growing academic, professional, special interest and educational revenues to reduce the overall exposure of the business to the traditional book market. During 2015/16 we will also continue our focus on digital publishing, launching the new online portals Bloomsbury Fashion Central and the Fashion Photography Archive.

We look forward to delivering continued success.

Unaudited Consolidated Income Statement

FOR THE YEAR ENDED 28 FEBRUARY 2015

	Notes	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Revenue	3	111,125	109,496
Cost of sales		(47,800)	(47,183)
Gross profit		63,325	62,313
Marketing and distribution costs		(15,519)	(14,890)
Administrative expenses		(38,154)	(37,913)
Operating profit before highlighted items		12,127	11,985
Highlighted items*	4	(2,475)	(2,475)
Operating profit		9,652	9,510
Finance income		46	49
Finance costs		(94)	(80)
Profit before taxation and highlighted items		12,079	11,954
Highlighted items*	4	(2,475)	(2,475)
Profit before taxation		9,604	9,479
Taxation	5	(856)	(1,776)
Profit for the year attributable to owners of the Company		8,748	7,703
Earnings per share attributable to owners of the Company			
Basic earnings per share	8	11.94p	10.57p
Diluted earnings per share	8	11.90p	10.43p

* See note 2

Unaudited Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 28 FEBRUARY 2015

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Profit for the year	8,748	7,703
Other comprehensive income		
<i>Items that may be reclassified to the income statement:</i>		
Currency translation differences on foreign operations	1,954	(3,169)
<i>Items that may not be reclassified to the income statement:</i>		
Remeasurements on the defined benefit pension scheme	(106)	(13)
Other comprehensive income/(expense) for the year net of tax	1,848	(3,182)
Total comprehensive income for the year attributable to the owners of the Company	10,596	4,521

Unaudited Consolidated Statement of Financial Position

AS AT 28 FEBRUARY 2015

	Notes	28 February 2015 £'000	28 February 2014 £'000
Assets			
Goodwill		41,508	39,511
Other intangible assets		22,578	21,310
Property, plant and equipment		2,833	3,145
Deferred tax assets		3,607	2,095
Total non-current assets		70,526	66,061
Inventories		29,235	25,203
Trade and other receivables	9	61,700	56,783
Cash and cash equivalents		10,021	10,037
Total current assets		100,956	92,023
Total assets		171,482	158,084
Liabilities			
Retirement benefit obligations		227	124
Deferred tax liabilities		3,119	3,177
Other payables		886	566
Provisions		482	420
Total non-current liabilities		4,714	4,287
Trade and other payables		37,250	35,226
Loans and borrowing		2,500	-
Current tax liabilities		2,841	2,012
Provisions		23	523
Total current liabilities		42,614	37,761
Total liabilities		47,328	42,048
Net assets		124,154	116,036
Equity			
Share capital		938	924
Share premium		39,388	39,388
Translation reserve		3,829	1,875
Other reserves		6,056	3,402
Retained earnings		73,943	70,447
Total equity attributable to owners of the Company		124,154	116,036

Unaudited Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Translation reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Share- based payment reserve £'000	Own shares held by EBT £'000	Retained earnings £'000	Total equity £'000
At 28 February 2013	924	39,388	5,044	-	22	3,985	(1,693)	67,138	114,808
Profit for the year	-	-	-	-	-	-	-	7,703	7,703
Other comprehensive income									
Exchange differences on translating foreign operations	-	-	(3,169)	-	-	-	-	-	(3,169)
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	(13)	(13)
Total comprehensive income for the year	-	-	(3,169)	-	-	-	-	7,690	4,521
Transactions with owners									
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(4,041)	(4,041)
Share options exercised	-	-	-	-	-	-	491	(491)	-
Deferred tax on share- based payment transactions	-	-	-	-	-	-	-	151	151
Share-based payment transactions	-	-	-	-	-	597	-	-	597
Total transactions with owners of the Company	-	-	-	-	-	597	491	(4,381)	(3,293)
At 28 February 2014	924	39,388	1,875	-	22	4,582	(1,202)	70,447	116,036
Profit for the year	-	-	-	-	-	-	-	8,748	8,748
Other comprehensive income									
Exchange differences on translating foreign operations	-	-	1,954	-	-	-	-	-	1,954
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	(106)	(106)
Total comprehensive income for the year	-	-	1,954	-	-	-	-	8,642	10,596
Transactions with owners									
Issue of shares	14	-	-	1,386	-	-	-	(3)	1,397
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(4,276)	(4,276)
Share options exercised	-	-	-	-	-	-	864	(749)	115
Deferred tax on share- based payment transactions	-	-	-	-	-	-	-	(118)	(118)
Share-based payment transactions	-	-	-	-	-	404	-	-	404
Total transactions with owners of the Company	14	-	-	1,386	-	404	864	(5,146)	(2,478)
At 28 February 2015	938	39,388	3,829	1,386	22	4,986	(338)	73,943	124,154

Unaudited Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 28 FEBRUARY 2015

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Cash flows from operating activities		
Profit before taxation	9,604	9,479
Finance income	(46)	(49)
Finance costs	94	80
Operating profit	9,652	9,510
Adjustments for:		
Depreciation of property, plant and equipment	660	624
Amortisation of intangible assets	3,259	2,764
Loss on sale of property, plant and equipment	8	39
Share-based payment charges	496	686
	14,075	13,623
Increase in inventories	(2,443)	(303)
(Decrease)/increase in trade and other receivables	272	(4,759)
(Decrease)/increase in trade and other payables	(246)	4,815
Cash generated from operating activities	11,658	13,376
Income taxes paid	(1,410)	(2,264)
Net cash generated from operating activities	10,248	11,112
Cash flows from investing activities		
Purchase of property, plant and equipment	(274)	(839)
Purchase of businesses, net of cash acquired	(5,325)	(8,507)
Purchases of intangible assets	(3,562)	(1,684)
Proceeds from sale of property, plant and equipment	6	-
Interest received	26	24
Net cash used in investing activities	(9,129)	(11,006)
Cash flows from financing activities		
Equity dividends paid	(4,276)	(4,041)
Proceeds from exercise of share options	115	-
Drawdown of borrowings	2,500	-
Interest paid	(68)	(55)
Net cash used in financing activities	(1,729)	(4,096)
Net decrease in cash and cash equivalents	(610)	(3,990)
Cash and cash equivalents at beginning of year	10,037	14,625
Exchange gain/(loss) on cash and cash equivalents	594	(598)
Cash and cash equivalents at end of year	10,021	10,037

NOTES

1. Accounting policies

The above unaudited financial information does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. The above figures for the year ended 28 February 2015 are an abridged version of the Group's financial statements which will be reported on by the Group's auditors before dispatch to the shareholders and filing with the Registrar of Companies and as such do not contain full disclosures under International Financial Reporting Standards ("IFRS"). The preliminary announcement was approved by the Board and authorised for issue on 19 May 2015.

The Group's financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations adopted by the European Union ("EU") at the time of preparing the Group's financial statements and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies applied in the year ended 28 February 2015 are consistent with those applied in the financial statements for year ended 28 February 2014 with the exception of a number of new accounting standards which have not had a material impact on the Group's results.

The Group's statutory financial statements for the year ended 28 February 2014 have been lodged with the Registrar of Companies. These financial statements received an audit report which was unqualified and did not include any reference to matters to which the auditors drew attention by way of emphasis without qualifying their report or a statement under section 498(2) or section 498(3) of the Companies Act 2006.

2. Representation of highlighted items

An operating profit before highlighted items figure has been disclosed because in the view of the Directors this gives a fairer reflection of the core business performance. The basis for inclusion within highlighted items has changed in the year to more accurately reflect this and the 28 February 2014 comparator has been restated accordingly.

In response to the evolving digital marketplace the development of online knowledge hubs is now a core part of our business. In the light of this, our investment in online platforms, which was previously relatively small, has been increasing. We have therefore decided to change the treatment in our financial statements of the amortisation of product and systems development assets, our internally generated intangibles.

Amortisation within highlighted items now only includes amortisation of acquired intangible assets. Internally generated intangible asset amortisation has been removed from highlighted items as it is considered to be a recurring and standard cost of the business.

Internally generated intangible asset amortisation of £1,054,000 for the year ended 28 February 2014 has been removed from highlighted items.

Adjusted profit is profit stated before highlighted items. The adjusted profit figure used in the calculation of adjusted earnings per share has been restated to remove the internally generated intangible asset amortisation from highlighted items. The effect is to decrease the adjusted profit.

The operating segment comparative information has been amended to reflect this change. Product and system development amortisation is now allocated to divisions in the operating results reviewed by the Chief Operating Decision Maker. The comparative information has been amended to reflect this change.

3. Segmental analysis

The Group is comprised of four worldwide publishing divisions: Adult, Children's & Educational, Academic & Professional and Information. These divisions are the basis on which the Group reports its primary segment information. Segments derive their revenue from book publishing, sale of publishing and distribution rights, management and other publishing services.

The analysis by segment for continuing operations is shown below:

	Adult	Children's & Educational	Academic & Professional	Information	Unallocated	Total
Year ended 28 February 2015	£'000	£'000	£'000	£'000	£'000	£'000
External revenue	44,669	26,635	35,959	3,862	-	111,125
Cost of sales	(21,556)	(11,844)	(13,489)	(911)	-	(47,800)
Gross profit	23,113	14,791	22,470	2,951	-	63,325
Marketing and distribution costs	(6,393)	(4,422)	(4,605)	(99)	-	(15,519)
Contribution before administrative expenses	16,720	10,369	17,865	2,852	-	47,806
Administrative expenses excluding highlighted items	(13,672)	(7,510)	(12,774)	(1,723)	-	(35,679)
Operating profit before highlighted items / segment result	3,048	2,859	5,091	1,129	-	12,127
Amortisation of acquired intangible assets	(109)	(214)	(1,497)	(5)	-	(1,825)
Other highlighted items	-	-	-	-	(650)	(650)
Operating profit / (loss)	2,939	2,645	3,594	1,124	(650)	9,652
Finance income	-	-	-	-	46	46
Finance costs	-	-	-	-	(94)	(94)
Profit / (loss) before taxation	2,939	2,645	3,594	1,124	(698)	9,604
Taxation	-	-	-	-	(856)	(856)
Profit / (loss) for the year	2,939	2,645	3,594	1,124	(1,554)	8,748
Operating profit before highlighted items / segment results	3,048	2,859	5,091	1,129	-	12,127
Depreciation	266	156	212	26	-	660
Amortisation of internally generated intangibles	419	172	822	21	-	1,434
EBITDA before highlighted items	3,733	3,187	6,125	1,176	-	14,221
Year ended 28 February 2014 *	Adult	Children's & Educational	Academic & Professional	Information	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000
External revenue	49,907	23,617	32,096	3,876	-	109,496
Cost of sales	(24,288)	(10,791)	(11,459)	(645)	-	(47,183)
Gross profit	25,619	12,826	20,637	3,231	-	62,313
Marketing and distribution costs	(6,848)	(3,585)	(4,404)	(53)	-	(14,890)
Contribution before administrative expenses	18,771	9,241	16,233	3,178	-	47,423
Administrative expenses excluding highlighted items	(13,645)	(7,359)	(12,310)	(2,124)	-	(35,438)
Operating profit before highlighted items / segment result	5,126	1,882	3,923	1,054	-	11,985
Amortisation of acquired intangible assets	(179)	(218)	(1,308)	(5)	-	(1,710)
Other highlighted items	-	-	-	-	(765)	(765)
Operating profit / (loss)	4,947	1,664	2,615	1,049	(765)	9,510
Finance income	-	-	-	-	49	49
Finance costs	-	-	-	-	(80)	(80)
Profit / (loss) before taxation	4,947	1,664	2,615	1,049	(796)	9,479
Taxation	-	-	-	-	(1,776)	(1,776)
Profit / (loss) for the year	4,947	1,664	2,615	1,049	(2,572)	7,703
Operating profit before highlighted items / segment results	5,126	1,882	3,923	1,054	-	11,985
Depreciation	289	135	173	27	-	624
Amortisation of internally generated intangibles	307	103	613	31	-	1,054
EBITDA before highlighted items	5,722	2,120	4,709	1,112	-	13,663

*See note 2

Total assets

	28 February 2015 £'000	28 February 2014 £'000
Adult	22,402	16,372
Children's & Educational	11,473	11,478
Academic & Professional	56,756	55,940
Information	384	261
Unallocated	80,467	74,033
Total assets	171,482	158,084

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

External revenue by destination

	<i>Source</i>				Total £'000
	United Kingdom £'000	North America £'000	Australia £'000	India £'000	
Destination					
Year ended 28 February 2015					
United Kingdom (country of domicile)	53,815	-	-	-	53,815
North America	4,438	29,038	-	-	33,476
Continental Europe	8,897	1	-	-	8,898
Australasia	444	-	6,025	-	6,469
Middle East and Asia	3,555	-	-	1,589	5,144
Rest of the world	3,206	117	-	-	3,323
Overseas countries	20,540	29,156	6,025	1,589	57,310
Total	74,355	29,156	6,025	1,589	111,125
Year ended 28 February 2014					
United Kingdom (country of domicile)	45,925	884	-	-	46,809
North America	4,370	28,687	-	-	33,057
Continental Europe	12,240	46	-	-	12,286
Australasia	170	97	6,365	-	6,632
Middle East and Asia	4,057	-	-	1,477	5,534
Rest of the world	4,907	271	-	-	5,178
Overseas countries	25,744	29,101	6,365	1,477	62,687
Total	71,669	29,985	6,365	1,477	109,496

During the year sales to one customer exceeded 10% of Group revenue (2014: one customer). The value of these sales was £21,986,000 (2014: £21,507,000).

External continuing revenue by product type

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Print	85,301	88,860
Digital	11,748	12,175
Rights and services ¹	14,076	8,461
Total	111,125	109,496

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

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

	28 February 2015 £'000	28 February 2014 £'000
United Kingdom (country of domicile)	61,837	58,934
North America	5,027	4,962
Other	55	70
Total	66,919	63,966

4. Highlighted items

	Year ended 28 February 2015 £'000	Year ended 28 February 2014* £'000
Legal and other professional fees	215	218
Restructuring costs	435	547
Other highlighted items	650	765
Amortisation of acquired intangible assets	1,825	1,710
Total highlighted items	2,475	2,475

See note 2)

Highlighted items charged to operating profit comprise significant non-cash charges and non-recurring items 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.

Legal and other professional fees of £215,000 arose mainly on the acquisition of the Osprey Publishing Group, see note 7 (year ended 28 February 2014: £218,000 was incurred in relation to the acquisition of Hart Publishing Limited and the trade and assets of New Holland).

Restructuring costs of £435,000 were incurred as a result of the Group's acquisition activities and the One Global Bloomsbury strategic reorganisation (year ended 28 February 2014: £547,000).

5. Taxation

Factors affecting tax charge for the year

The tax on the Group's profit before tax differs from the standard rate of corporation tax in the United Kingdom of 21.17% (2014: 23.08%). The reasons for this are explained below:

	Year ended 28 February 2015		Year ended 28 February 2014	
	£'000	%	£'000	%
Profit before taxation	9,604	100.00	9,479	100.00
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.17% (2014: 23.08%)	2,033	21.17	2,188	23.08
Effects of:				
Non-deductible revenue expenditure	23	0.24	(42)	(0.44)
Non-qualifying depreciation	18	0.19	21	0.22
Share-based payment transactions	-	-	22	0.23
Movement in unrecognised temporary differences	38	0.40	53	0.56
Different rates of tax in foreign jurisdictions	71	0.74	318	3.35
Tax losses utilised	(583)	(6.08)	(260)	(2.74)
Movement in deferred tax rate	-	-	(268)	(2.83)
Adjustment to tax charge in respect of prior years				
Current tax	5	0.05	(484)	(5.11)
Deferred tax	(795)	(8.27)	191	2.02
Tax charge for the year before disallowable costs on highlighted and other non-recurring items	810	8.44	1,739	18.34
Highlighted and other non-recurring items:				
Disallowable costs incurred on acquisitions	46	0.48	37	0.39
Tax charge for the year	856	8.92	1,776	18.73

The £795,000 deferred tax adjustment in respect of prior years relates to increased certainty over the recoverability of temporary differences in the US.

6. Dividends

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Amounts paid in the year		
Prior period final 4.84p dividend per share (2014: 4.56p)	3,531	3,326
Interim 1.02p dividend per share (2014: 0.98p)	745	715
Total dividend payments in the year	4,276	4,041
Amounts arising in respect of the year		
Interim 1.02p dividend per share for the year (2014: 0.98p)	745	715
Proposed 5.08p final dividend per share for the year (2014: 4.84p)	3,797	3,531
Total dividend 6.10p per share for the year (2014: 5.82p)	4,542	4,246

The Directors are recommending a final dividend of 5.08 pence per share, which, subject to shareholder approval at the Annual General Meeting, will be paid on 23 September 2015 to shareholders on the register at close of business on 28 August 2015. The ex-dividend date is 26 August 2015.

7. Acquisitions

Osprey Publishing Group

On 22 December 2014 the Group acquired the issued share capital of Osprey Publishing Limited ('Osprey'), the Oxford-based military and natural history publisher, from private equity ownership, principally The Third Alcuin Fund LP, a fund managed by Alcuin Capital Partners LLP. The consideration of £4.6 million was satisfied by the payment of £3.2 million in cash on completion and the issue of 869,054 new Bloomsbury Ordinary shares to the value of £1.4 million.

The acquisition of Osprey increases our presence in niche special interest markets. It is complementary to, and will substantially enhance, our existing lists; in particular increasing the division's expertise in natural history and military history publishing, as well as international sales. Over 50% of Osprey's revenue is generated outside the UK, thereby increasing Bloomsbury's benefit from the global book market.

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 Osprey at the date of acquisition.

	Total fair value to the Group £'000
Net assets acquired	
Identifiable intangible assets	1,583
Property, plant and equipment	44
Inventories	1,848
Trade and other receivables	1,537
Cash and cash equivalents	309
Deferred tax liability	(234)
Payables and provisions	(2,022)
Total net assets acquired	3,065
Goodwill	1,581
Total	4,646
Satisfied by:	
Cash consideration	3,250
Share consideration	1,396
Total consideration	4,646

Identifiable intangible assets of £1,583,000 consist of publishing rights of £719,000, imprint of £782,000, customer relationships of £74,000 and software of £8,000. The publishing rights and customer relationships have a useful life of 12 years and imprint 20 years. The goodwill arising of £1,581,000 is attributable to the expected profitability of the acquired business and the synergies expected to arise after the acquisition.

The gross contractual trade receivable at acquisition is £1,644,000 of which £46,000 is the best estimate of the contractual cash flows that are not expected to be collected.

Transaction costs of £210,000 have been expensed in the year within administrative expenses.

From 23 December 2014 revenue of £1,195,000 and profit before tax attributable to owners of the Company of £26,000 has been included in the consolidated income statement in relation to Osprey.

If the acquisition had occurred on 1 March 2014 the revenue and profit attributable to shareholders of the combined entity for the current year would have been £117.0 million and £8.3 million respectively. These pro forma amounts do not include any possible synergies from the acquisition. The pro forma information

is provided for comparative purposes only and does not necessarily reflect the actual results that would have occurred, nor is it necessarily indicative of future results of operations of the combined companies.

8. Earnings per share

The basic earnings per share for the year ended 28 February 2015 is calculated using a weighted average number of Ordinary shares in issue of 73,250,139 (2014: 72,852,467) after deducting 268,293 (2014: 898,244) shares held by the Employee Benefit Trust.

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

	Year ended 28 February 2015 Number	Year ended 28 February 2014 Number
Weighted average shares in issue	73,250,139	72,852,467
Dilution	262,644	1,009,084
Diluted weighted average shares in issue	73,512,783	73,861,551
	£'000	£'000
Profit after tax attributable to owners of the Company	8,748	7,703
Basic earnings per share	11.94p	10.57p
Diluted earnings per share	11.90p	10.43p

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 £'000
Adjusted profit attributable to owners of the Company¹	10,826	9,456
Adjusted basic earnings per share	14.78p	12.98p
Adjusted diluted earnings per share	14.73p	12.80p

Adjusted profit is derived as follows:

	Year ended 28 February 2015 £'000	Year ended 28 February 2014 (restated) ¹ £'000
Profit before tax	9,604	9,479
Amortisation of acquired intangible assets ¹	1,825	1,710
Other highlighted items	650	765
Adjusted profit before tax¹	12,079	11,954
Tax expense	856	1,776
Deferred tax movements on goodwill and acquired intangible assets	305	582
Tax expense on other highlighted items	92	140
Adjusted tax	1,253	2,498
Adjusted profit¹	10,826	9,456

¹Adjusted profit has been restated for the year ended 28 February 2014, see note 2).

9. Trade and other receivables

	28 February 2015 £'000	28 February 2014 £'000
Gross trade receivables	38,489	32,133
Less: provision for impairment of receivables	(627)	(498)
Less: provision for returns	(6,057)	(4,749)
Net trade receivables	31,805	26,886
Income tax recoverable	4	584
Other receivables	2,637	1,464
Prepayments and accrued income	27,254	27,849
Total trade and other receivables	61,700	56,783

As at 28 February 2015 £5,154,000 (2014: £5,120,000) of net advances are expected to be recovered after more than 12 months.

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

A provision for the return of books by customers is made with reference to the historic rate of returns.

Prepayments and accrued income include net advances. 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.

10. Annual General Meeting

The Annual General Meeting will be held at on 23 July 2015.

11. Report and Accounts

Copies of the Annual Report and Financial Statements will be circulated to shareholders in July and can be viewed after the posting date on the Bloomsbury website.