BLOOMSBURY PUBLISHING PLC
("Bloomsbury" or "the Company")

Unaudited Preliminary Results for the year ended 29 February 2020

Strong Non-Consumer profit growth and delivery of diversified strategy
Strengthened balance sheet and improved liquidity

Bloomsbury, the leading independent publisher, today announces unaudited results for the year ended 29 February 2020, in line with expectations.

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

"I am pleased to report a year of further progress at Bloomsbury resulting in 9% growth in profit before tax and highlighted items. Our Non-Consumer division delivered an excellent result with profit before tax and highlighted items up by 85% to £6.7 million, including outstanding revenue growth of 32% from Bloomsbury Digital Resources, which moved into profit this year, and the Adult Consumer division achieved 77% growth in profit before tax and highlighted items. These performances demonstrate the underlying strength and resilience of our diversified, international strategy.

Over the past five years, the successful execution of this strategy has delivered Company revenue growth of 32% and profit before tax and highlighted items growth of 21%, with digital revenue as a proportion of total revenue increasing from 10% to 15%.

Since the year end, the coronavirus pandemic has led to significant disruption across all our key markets. The impact may be substantial. Orders for print books, which comprised 79% of the Company's revenue for the year ended 29 February 2020, are being affected in all our markets. Our UK, US and Australia warehouses remain open and continue supply to customers. Our strategy of expanding and leveraging our digital rights and products means that we are well placed to benefit from increased demand for our digital resources, audio and e-books.

There is no immediate certainty around the severity and duration of the impact on our business and therefore the Board is unable to provide guidance for the year ending 28 February 2021 at this time.

In response to the pandemic, the Board has taken swift measures to strengthen Bloomsbury's balance sheet and increase liquidity to ensure we have sufficient working capital to weather the impact of coronavirus and avoid damaging our business in the long-term.

I would like to thank our staff, authors, illustrators and suppliers for their resilience and determination over a challenging period. Their ability to adapt to the rapidly changing conditions, together with the strength of our strategy supported by our solid financial position, gives me confidence that Bloomsbury will emerge stronger from this crisis."

Financial Highlights

- Profit before taxation and highlighted items* grew by 9% to £15.7 million, up from £14.4 million in 2018/19
- Revenues increased to £162.8 million (2018/19: £162.7 million) despite the impact of coronavirus on our Chinese sales in January and February
- Profit before taxation grew by 10% to £13.2 million (2018/19: £12.0 million)
- Diluted earnings per share, excluding highlighted items*, grew by 12% to 16.77p (2018/19: 14.97p)
- Diluted earnings per share grew by 13% to 13.84p (2018/19: 12.25p)
- Net cash of £31.3 million at 29 February 2020, up 14% (2018: £27.6 million)
- Cash conversion of 96% (2018/19: 128%), excluding the acquisition of the rights of Oberon Books Ltd ("Oberon")
- Subject to shareholder approval, proposed bonus issue, in lieu of, and with a value equivalent to, proposed final dividend of 6.89p per share

Operational Highlights

Non-Consumer Division

- Excellent Academic & Professional performance, with profit before taxation and highlighted items* up by 58% to £4.8 million (2018/19: £3.0 million) and revenue up 4%
- Non-Consumer profit before taxation and highlighted items* up by 85% to £6.7 million and revenues grew by 4% to £66.0 million (2018/19: £63.4 million)
- Non-Consumer profit before taxation grew by 159% to £5.0 million (2018/19: £1.9 million)
- Bloomsbury Digital Resources ("BDR") revenues up 32% to £8.3 million and moves into profit
- Digital format sales now comprise 22% of Non-Consumer revenues, a CAGR of 18% over four years
- Acquisition of Oberon's rights in December 2019 completed for £1.2 million, strengthening our digital resources with its high quality drama IP
- BDR partnerships with Human Kinetics launched and Taylor & Francis in development as well as the new National Theatre collection included in Drama Online

Consumer Division

- Profit before taxation and highlighted items* of £8.9 million (2018/19: £10.7 million)
- Consumer revenue of £96.8 million (2018/19: £99.3 million)
- Strong Adult Trade performance, with revenue up 12% to £37.4 million (2018/19: £33.5 million) and profit before taxation and highlighted items* of £1.6 million (2018/19: £0.9 million)
- Children's Trade delivered profit before taxation and highlighted items* of £7.3 million (2018/19: £9.8 million) and revenue of £59.4 million (2018/19: £65.8 million)
- Resilient sales of Harry Potter titles, in line with last year
- Children's revenue affected by the timing of and fewer frontlist titles from Sarah J Maas
- Excellent audio performance from our new Audio division, with an expert team delivering 190% revenue growth by focusing on production of key titles and delivering bestsellers
- Appointment of Paul Baggaley as Editor-In-Chief of Bloomsbury Adult, one of the most highly regarded figures in the industry who joined us from Macmillan in March 2020

Notes

* Highlighted items comprise amortisation of acquired intangible assets and legal, other professional costs and restructuring costs relating to ongoing and completed acquisitions and one-off costs relating to the coronavirus.

For further information, please contact:

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

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References in this announcement to other reports or materials, such as a website address, have been provided to direct the reader to other sources of information on Bloomsbury Publishing Plc which may be of interest. Neither the content of Bloomsbury's website nor any website accessible by hyperlinks from Bloomsbury's website nor any additional materials contained or accessible thereon, are incorporated in, or form part of, this announcement.

Chief Executive's statement

Overview

The year ended 29 February 2020 saw a robust performance by Bloomsbury, particularly given the impact of coronavirus in China in the last two months of the financial year. Group profit before tax and highlighted items increased by 9% to £15.7 million (2018/19: £14.4 million). Group profit before tax increased by 10% to £13.2 million (2018/19: £12.0 million).

Our BDR digital growth strategy continues to perform very well, delivering 32% revenue growth year -on-year and generating profit. This strong growth demonstrated the demand for and quality of our digital content, platforms and infrastructure. There was healthy revenue growth both from increased sales of existing products, as well as new partnerships and new products.

In December 2019 we acquired the drama publisher Oberon for £1.2 million, further strengthening our presence as the leading publisher in drama and the performing arts. Also in December 2019, we entered the domestic Chinese market with Bloomsbury China, a new joint venture with China Youth Publishing Group and Roaring Lion Media. Continuing our international growth is a key part of our strategy, and this partnership enables the business to further accelerate that goal.

Performance was in line with the Board's expectations and so there was no management bonus for the year (2018/19: £2.3 million). The highlighted items of £2.5 million consist of the amortisation of acquired intangible assets of £1.7 million (2018/19: £1.7 million), one-off restructuring costs and legal and other professional fees relating to the acquisitions of £0.6 million (2018/19: £0.6 million) and one-off costs relating to the coronavirus of £0.2 million. The effective rate of tax for the year was 21% (2018/19: 23%). The adjusted effective rate of tax, excluding highlighted items, was 19% (2018/19: 21%). Diluted earnings per share, excluding highlighted items, grew 12% to 16.77 pence (2018/19: 14.97 pence). Including highlighted items, profit before tax was £13.2 million (2018/19: £12.0 million) and diluted earnings per share grew 13% to 13.84 pence (2018/19: 12.25 pence).

Cash and financing

Bloomsbury's cash generation continued to be robust with cash at the year end of £31.3 million, up £3.8 million. During the year we invested £1.8 million of capital expenditure in BDR and the £1.2 million cash consideration for the acquisition of Oberon was paid on completion in December 2019.

The Group has an unsecured revolving credit facility with Lloyds Bank Plc. The facility comprises a committed revolving loan facility of £8 million in the first half and an additional £4 million in the second half, totalling £12 million, to match Bloomsbury's cashflow cycle, and an uncommitted incremental term loan facility of up to £6 million. 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. Subsequent to the year end, the maturity of the facility was extended to May 2022 and the covenants were amended to exclude IFRS 16.

Strategy

Delivering the Bigger Bloomsbury Initiatives

We delivered good results on the eight initiatives announced in May 2019, with highlights including:

- Growing the profits of the Academic & Professional division: Delivered £1.8 million (58%) growth in profit before taxation and highlighted items.

- Maximising the success of Bloomsbury Digital Resources: Moved into profit for the first time and delivered 32% growth in BDR revenue.
- Growing the profits of the Adult division: Delivered £1.6 million profit before taxation and highlighted items, up £0.7 million.
- Reducing our finished goods stock further: Further 1% reduction in inventories on a like-for-like basis.
- Growing the revenues of acquisitions: 49% growth in IB Tauris revenues, acquired in May 2018, contributing to the Non-Consumer growth.
- Increasing the focus on Bloomsbury's nine biggest assets, starting with Harry Potter, Sarah J. Mass and Tom Kerridge: Delivered 23 bestsellers globally.
- Accelerating the growth of Bloomsbury's sales in the USA, Australia and India: International sales 63% of revenue.
- Increasing employee engagement through strategic initiatives: Good progress in engagement and delivery of key initiatives.

Following the success of the Bigger Bloomsbury initiatives, we are now renewing our focus on Bloomsbury's long-term growth strategy which is aimed at diversifying into digital channels and building quality revenues, increasing earnings and building on the strategic success of the last five years. To achieve this, we are focused on a number of long-term strategic objectives, which include:

- ***Non-Consumer***

    - Grow Bloomsbury's portfolio in Non-Consumer publishing. These are characterised by higher, more predictable margins and greater digital and global opportunities: *2019/20: delivered 85% growth in profit before tax and highlighted items and revenue growth of 4%.*

    - Achieve BDR revenue of £15 million and profit of £5 million for 2021/22: *2019/20: delivered £8.3 million revenue, up 32%.*

- ***Consumer***

    - Discover, nurture, champion and retain high quality authors and illustrators in our Consumer division, while looking at new ways to leverage existing title rights. *2019/2020: Sunday Times bestsellers included Such a Fun Age by Kiley Reid, The Anarchy by William Dalrymple, City of Girls by Elizabeth Gilbert, Three Women by Lisa Taddeo and The Dutch House by Ann Patchett*.

    - Grow our key authors through effective publishing across all formats alongside strategic sales and marketing. *2019/2020: Crescent City: House of Earth and Blood by Sarah J. Maas was Number One on the New York Times bestseller list, and we established our Specialist Audio division.*

    - As the originating publisher of J.K. Rowling's Harry Potter, to ensure that new children discover and read it for pleasure every year. *2019/20: Harry Potter and the Philosopher's Stone was the 10th bestselling Children's title on Nielsen BookScan in the UK, 22 years after first publication*

- ***International Expansion***

    - Expand international revenues and reduce reliance on UK market: *2019/20: delivered overseas revenues of 63% of Group revenue; achieved BDR international sales growth of 31% this year.*

- ***Employee Experience and Engagement***

Our colleagues are amongst our most important assets, and our success is driven by their expertise, passion and commitment. We understand the importance of attracting, supporting and engaging colleagues wherever they work.

    - To be an attractive employer for all individuals seeking a career in publishing regardless of background or identity, so adding cultural value to our business operations and performance.
    - Focus on targeted initiatives to create an environment that nurtures talent, stimulates creativity and collaboration, is respectful of difference and supports well-being.
    - *2019/2020 Progress: continuing focus on employee engagement and development initiatives, including Employee Voice Meetings, Management Development Programme, mentoring scheme, formation of Diversity and Inclusion ("D&I") Networks which complement and inform the activities of our D&I Focus Group, and introduction of Core Hours to support flexible working.*

- ***Sustainability***

    - Maximise our use of sustainable resources whilst seeking to reduce carbon emissions. *2019/2020 Progress: Increased use of print-on demand technology to over 20,000 titles, implementation of Sustainability Working Group to promote positive environmental actions and reduced greenhouse gas emissions from fuel and electricity use.*

Underpinning our strategy, our strengthened balance sheet will help to ensure we have sufficient working capital to weather the impact of coronavirus and to ensure we are able to fulfil our long-term growth plans. We have already implemented cost savings while balancing the need to retain our staff and acquire future titles, as Bloomsbury's proven business model is to commission titles one to two years ahead of publication.

Acquisitions

As previously announced, in December 2019, we acquired the rights of drama publisher Oberon Books Limited for £1.2 million, all of which was satisfied in cash on completion. This acquisition further strengthens our presence as the leading publisher in drama and the performing arts.

Also in December 2019, we entered the domestic Chinese market with Bloomsbury China, a new joint venture with China Youth Publishing Group and Roaring Lion Media. The investment is de minimis.

Post year end in March 2020, as previously announced, we acquired certain assets of Zed Books Limited, the London-based academic and non-fiction publisher. The consideration was £1.75 million, of which £0.875 million was satisfied in cash on completion and the remainder to be paid within 12 months. Zed will operate within Bloomsbury's Academic & Professional division.

Dividend

Bloomsbury had intended to declare a final dividend for year of 6.89 pence per share. This would have resulted in a total dividend for the year of 8.17 pence per share, up 3% on the previous year. As previously announced, Bloomsbury has decided in light of coronavirus to conserve cash and therefore will not be paying a cash dividend. It is now proposed, subject to shareholder proposal, that the dividend is instead settled through the issuance of new ordinary shares by way of bonus issue to shareholders, with a value equivalent to the proposed final dividend.

Subject to Shareholder approval at our AGM on 21 July 2020, the bonus issue will be made on 28 August 2020 to Shareholders on the register on the record date of 31 July 2020.

Bloomsbury is proud of its strong track record of 24 years of consecutive dividend growth. Our intention would be to reintroduce cash dividend payments as soon as market conditions allow us to do so.

Non-Consumer Division

The Non-Consumer division consists of Academic & Professional and Special Interest. Revenues in the division increased by 4% to £66.0 million (2018/19: £63.4 million). Within this, Academic & Professional revenues grew by 4% to £43.1 million (2018/19: £41.5 million). Profit before taxation and highlighted items for the Non-Consumer division increased by 85% to £6.7 million (2018/19: £3.6 million). Profit before taxation grew by 159% to £5.0 million (2018/19: £1.9 million). The profit growth reflects improved Academic & Professional and Special Interest profitability and the £0.7 million increase in BDR profit.

In the second half, the Special Interest division took over publishing part of our Content Services division, to generate further synergies following the successful restructure of the Special Interest division. Digital projects, including IZA World of Labor, moved to the Academic & Professional division. Comparatives have been restated to reflect this.

The strategic growth initiative BDR has made Bloomsbury into a leading B2B publisher in the academic and professional information market and significantly accelerated the growth of its digital revenues. Key achievements during the year, which demonstrate the opportunities to further leverage content and market other services on our digital platforms and through the sales infrastructure we have developed, were:

- Launch of five new digital resources during the year as planned;
- Growth of Bloomsbury Collections to over 9,000 front and backlist Bloomsbury Academic titles; over 20% higher than last year. These include titles from IB Tauris, the British Film Institute and our newly expanded frontlist collections;
- Launch of the new content partnership with Human Kinetics, the world's leading sports science publisher;
- Development of our content partnership with Taylor & Francis;
- Launch of our content partnership with the National Theatre in September 2019, further endorsing and significantly expanding the video offering of our award-winning Drama Online platform; and
- Continuing our customer retention rate above 90%.

Within Special Interest, profit before taxation and highlighted items has increased by 227% to £1.9 million (2018/19: £0.6 million) and revenue was 4% higher at £22.9 million (2018/19: £21.9 million).

These results demonstrate the impact of the restructuring under the new Head of Special Interest Publishing, with a clear focus on publishing for key communities and reduced overheads.

Consumer Division

The Consumer division consists of Adult and Children's trade publishing. The Consumer division generated revenue of £96.8 million (2018/19: £99.3 million). Profit before taxation and highlighted items was £8.9 million (2018/19: £10.7 million). Profit before taxation was £8.8 million (2018/19: £10.7 million). The strong performance from the Adult division and resilient Harry Potter sales were tempered by the impact of timing and fewer frontlist titles from Sarah J Maas.

Adult Trade

The Adult division achieved very strong growth with a 12% increase in revenue to £37.4 million (2018/19: £33.5 million) and profit before taxation and highlighted items increasing by 77% to £1.6 million (2018/19: £0.9 million), from success in front and backlist titles, and the continued impact of strategic changes in the division.

Bestsellers in the year included *Dishoom: From Bombay with Love Love* by Shamil Thakrar, Kavi Thakrar and Naved Nasir*,* Tom Kerridge's *Lose Weight & Get Fit*, the global bestseller, *The Anarchy* by William Dalrymple, the number one Sunday Times bestseller *Three Women* by Lisa Taddeo, the *Sunday Times* bestsellers *The Dutch House* by Ann Patchett and *City of Girls* by Elizabeth Gilbert, and the *New York Times* bestsellers *Elderhood* by Louise Aronson and *No Visible Bruises* by Rachel Louise Snyder.

Children's Trade

Children's sales were £59.4 million (2018/19: £65.8 million). Sales of the Harry Potter titles were in line with last year, with the *Harry Potter and the Goblet of Fire Illustrated Edition* by J.K. Rowling and Jim Kay published in October. The standard edition of *Harry Potter and the Philosopher's Stone* was the tenth bestselling children's book of the year on UK Nielsen Bookscan, twenty two years after it was first published – every year these classics reach a new generation of readers.

Sarah J. Maas' new bestselling title, *Crescent City: House of Earth and Blood*, was published at the end of the financial year, compared to two new frontlist hardback titles in the previous year, and total sales for this author were 32% lower than last year. Other highlights on the Children's list included the second in Brigid Kemmerer's Cursebreaker series, *A Heart So Fierce and Broken*, the latest title in the *Fantastically Great Women* series by Kate Pankhurst, and backlist titles *We're Going on an Egg Hunt* by Laura Hughes, *Norse Mythology* by Neil Gaiman, *Holes* by Louis Sachar and *The Explorer* by Katharine Rundell, alongside her new novel *The Good Thieves*.

Audio

Bloomsbury's new Audio division has delivered 190% revenue growth by focusing on production of key titles, distributed through an exclusive deal with Audible. This expert team has enabled us to produce 131 titles to date, launching with the Audible bestseller, *The Madness of Crowds* by Douglas Murray, as well as *The Dutch House* by Ann Patchett and *Three Women* by Lisa Taddeo.

Charitable Initiatives

As part of Bloomsbury's ongoing commitment to the wider communities in which we operate, we are proud to support a wide range of charitable initiatives. Highlights include:

- National Literacy Trust: Our three-year partnership with the National Literacy Trust with a particular focus on Hastings, one of the UK's most deprived local authority areas;
- Publishing Children's books in partnership with three leading UK charities: the RSPB, Royal Botanic Gardens, Kew and The Woodland Trust;
- World Book Day: We are extremely proud to support World Book Day, the most important, inclusive reading initiative in the UK;
- Pathways Project: Aiming to increase the representation of underrepresented groups in children's illustration; Bloomsbury led workshops and mentoring;
- Book Aid International and The Soho Center US: Book donations to these charities;
- EmpathyLab: Working closely with this charity and many of our authors we ensure that children and the books they read support the teaching of empathy;
- In addition, for every copy of *Dishoom: From Bombay with Love* sold, we donate towards the price of a meal for a hungry child to both of Dishoom's chosen charities, Magic Breakfast and The Akshaya Patra Foundation.

IFRS 16

During the year IFRS 16, Leases ("IFRS 16"), was introduced. Adoption of this standard has reduced the amount of rent and lease charges, increased depreciation charges and finance costs and increased the value of assets and liabilities. The net reduction to profit before taxation for the year ended 29 February 2020 was £0.2 million. The impact on EBITDA was an increase of £2.1 million and the impact on operating profit was an increase of £0.3 million.

Throughout this announcement we have used profit before tax and amortisation as this provides the fairest profit comparison between the results to 29 February 2020, which include IFRS 16, and the previous year's results, which have not been restated.

Board Changes

As previously announced, Jonathan Glasspool, Executive Director and Managing Director for the Non-Consumer division, is retiring and will leave Bloomsbury at the end of July 2020, after twenty years' service.

I would like to thank Jonathan for his exceptional contribution to Bloomsbury, building the major Academic & Professional publisher that Bloomsbury sought to add to its trade portfolio. The Academic & Professional division is now an impressive, award-winning business in its own right.

We are delighted that Jenny Ridout, Bloomsbury's Global Head of Academic Publishing, has been promoted to be the new Managing Director of the Non-Consumer division. Jenny's knowledge of digital and academic publishing and her proven commercial abilities, are a very strong basis for achieving the growth expectations we have for this part of the business. Jenny has been with Bloomsbury for over 15 years, since the inception of the division in 2008, and will continue her role as Global Head of Academic Publishing. Jenny also joins Bloomsbury's Executive Committee.

Management Action

People

In response to the coronavirus pandemic, management acted quickly to implement proactive measures to protect our staff and continue working effectively with our authors, illustrators, customers and suppliers. Staff globally are working safely and effectively from home.

Financing

We have extended the maturity of our facilities with Lloyds Bank Plc from May 2021 to May 2022 and amended covenants to exclude IFRS 16.

Cost Savings

Management has also taken the following proactive measures to conserve cash and reduce costs:

- Board taking salary or board fee reductions of 30%, saving £0.03 million per month;
- Salary reductions across the majority of staff, weighted to more senior staff, saving £0.2 million per month;
- Participating in Government schemes in the UK and US to support staff and businesses, saving £0.7 million per month for the first two months and £0.1 million thereafter;
- Recruitment freeze and furloughing 14 staff, with top-up salaries for the majority of those affected, saving £0.03 million per month;
- Reducing discretionary spend to a minimum, including marketing and non-essential capital expenditure, saving an average of £0.9 million per month.

Equity Placing

On 17 April 2020, Bloomsbury announced the successful completion of the non-pre-emptive placing of 5.0% of ordinary shares, raising gross proceeds of £8.4 million. Acting in the long-terms interests of all stakeholders, this placing strengthened our balance sheet to ensure we have sufficient working capital to weather the impact of coronavirus without damaging Bloomsbury's business; being able to retain our staff and acquire future titles is a crucial part of this.

Future Publishing

Our publishing list for 2020/21 includes *Quidditch Through the Ages Illustrated Edition* by J.K. Rowling and Emily Gravett, *Fantastic Beasts and the Wonder of Nature* in association with the Natural History Museum exhibition, Sarah J. Maas' number one *New York Times* bestseller *Crescent City: House of Earth and Blood*, *Humankind* by Rutger Bregman, Susanna Clarke's *Piranesi*, Brigid Kemmerer's *A Vow so Bold and Deadly*, and the authorised History of GCHQ, *Behind the Enigma*, by Professor John Ferris.

Outlook

There is no immediate certainty around the severity and duration of the impact of the coronavirus pandemic on our business and therefore the Board is unable to provide guidance for the year ending 28 February 2021 at this time.

The coronavirus crisis and imposition of government lockdowns and restrictions and retail closures continue to impact all our key markets of the UK, US, Australia and India as well as many other important markets. Orders for print books, which comprised 79% of the Company's revenue for the year ended 29 February 2020, are being affected in all our markets. Our UK, US and Australia warehouses remain open and continue supply to customers. We have positive sales prospects through Amazon, even as they prioritise essential crisis services, with strong growth in demand for e-books.

April 2020 year-to-date revenue is 3% below last year, with print revenues at 87% of last year's sales and academic digital revenues up over 52% year-on-year.

Our strategy of expanding and leveraging our digital rights and products means that we are well placed to benefit from increased demand for our digital resources, audio and e-books as we are with direct supply from Amazon, Bloomsbury.com, Waterstones.com and most internet retailers selling print books. Strong digital growth continues from academic institutional customers as libraries pivot swiftly to digital resources and reduce print purchases to support remote learning for students. However, academic institutions face major uncertainties over student recruitment, particularly international students, and when students will be allowed to return. This could bring financial uncertainty for many of our digital resource customers.

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

- Print revenues are reduced by 60%-65% for the three months of expected global restrictions to July 2020 and gradual recovery through to March 2021;
- Downside assumptions about extended debtor days to the end of 2021;
- In this scenario, we extend the cost reduction measures already implemented, as set out above.

Under this pessimistic downside scenario, we expect our business model to be able to manage these downside assumptions and stay within the headroom of our current banking facilities.

Should a prolonged downside scenario not materialise the equity placing proceeds will be used for future growth opportunities. Bloomsbury has a successful track record of acquisitive growth via 26 strategic acquisitions and we continue to see opportunities in the Academic markets.

Unaudited Consolidated Income Statement

FOR THE YEAR ENDED 29 FEBRUARY 2020

	Notes	**Year ended 29 February 2020 £'000**	Year ended 28 February 2019 £'000
Revenue	2	**162,772**	162,679
Cost of sales		**(74,978)**	(74,922)
Gross profit		**87,794**	87,757
Marketing and distribution costs		**(21,373)**	(22,053)
Administrative expenses		**(52,949)**	(53,735)
Operating profit before highlighted items		**15,947**	14,294
Highlighted items	3	**(2,475)**	(2,325)
Operating profit		**13,472**	11,969
Finance income		**270**	130
Finance costs		**(513)**	(50)
Profit before taxation and highlighted items		**15,704**	14,374
Highlighted items	3	**(2,475)**	(2,325)
Profit before taxation		**13,229**	12,049
Taxation	4	**(2,728)**	(2,802)
Profit for the year attributable to owners of the Company		**10,501**	9,247

Earnings per share attributable to owners of the Company			
Basic earnings per share	6	**14.03p**	12.37p
Diluted earnings per share	6	**13.84p**	12.25p

Unaudited Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 29 FEBRUARY 2020

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Profit for the year	**10,501**	9,247
Other comprehensive income		
Items that may be reclassified to the income statement:		
Exchange differences on translating foreign operations	**856**	964
Items that may not be reclassified to the income statement:		
Remeasurements on the defined benefit pension scheme	**(115)**	(5)
Other comprehensive income for the year net of tax	**741**	959
Total comprehensive income for the year attributable to the owners of the Company	**11,242**	10,206

Items in the statement above are disclosed net of tax.

Unaudited Consolidated Statement of Financial Position

AS AT 29 FEBRUARY 2020

	Notes	**29 February 2020 £'000**	28 February 2019 £'000
Assets			
Goodwill		**45,030**	44,895
Other intangible assets		**21,630**	21,890
Investments		**516**	300
Property, plant and equipment		**1,914**	2,110
Right-of-use assets		**13,343**	–
Deferred tax assets		**2,756**	2,376
Trade and other receivables	7	**1,237**	1,360
Total non-current assets		**86,426**	72,931
Inventories		**27,164**	26,076
Trade and other receivables	7	**84,805**	80,506
Cash and cash equivalents		**31,345**	27,580
Total current assets		**143,314**	134,162
Total assets		**229,740**	207,093
Liabilities			
Retirement benefit obligations		**185**	121
Deferred tax liabilities		**2,347**	2,360
Lease liabilities		**12,945**	–
Provisions		**182**	147
Total non-current liabilities		**15,659**	2,628
Trade and other liabilities		**61,844**	60,644
Lease liabilities		**1,585**	–
Current tax liabilities		**328**	–
Provisions		**651**	83
Total current liabilities		**64,408**	60,727
Total liabilities		**80,067**	63,355
Net assets		**149,673**	143,738
Equity			
Share capital		**942**	942
Share premium		**39,388**	39,388
Translation reserve		**9,507**	8,651
Other reserves		**7,778**	7,118
Retained earnings		**92,058**	87,639
Total equity attributable to owners of the Company		**149,673**	143,738

Unaudited Consolidated Statement of Changes in Equity

AS AT 29 FEBRUARY 2020

	Share capital £'000	Share premium £'000	Translation reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Own shares held by EBT £'000	Retained earnings £'000	Total equity £'000
At 28 February 2018 (restated*)	**942**	**39,388**	**7,687**	**1,803**	**22**	**5,673**	**(1,043)**	**84,034**	**138,506**
Profit for the year	–	–	–	–	–	–	–	9,247	9,247
Other comprehensive income									
Exchange differences on translating foreign operations	–	–	964	–	–	–	–	–	964
Remeasurements on the defined benefit pension scheme	–	–	–	–	–	–	–	(5)	(5)
Total comprehensive income for the year	**–**	**–**	**964**	**–**	**–**	**–**	**–**	**9,242**	**10,206**
Transactions with owners									
Dividends to equity holders of the Company	–	–	–	–	–	–	–	(5,655)	(5,655)
Unclaimed dividends	–	–	–	–	–	–	–	12	12
Share options exercised	–	–	–	–	–	–	241	(27)	214
Deferred tax on share-based payment transactions	–	–	–	–	–	–	–	33	33
Share-based payment transactions	–	–	–	–	–	422	–	–	422
Total transactions with owners of the Company	**–**	**–**	**–**	**–**	**–**	**422**	**241**	**(5,637)**	**(4,974)**
At 28 February 2019	**942**	**39,388**	**8,651**	**1,803**	**22**	**6,095**	**(802)**	**87,639**	**143,738**
Profit for the year	–	–	–	–	–	–	–	10,501	10,501
Other comprehensive income									
Exchange differences on translating foreign operations	–	–	856	–	–	–	–	–	856
Remeasurements on the defined benefit pension scheme	–	–	–	–	–	–	–	(115)	(115)
Total comprehensive income for the year	**–**	**–**	856	**–**	**–**	**–**	**–**	**10,386**	**11,242**
Transactions with owners									
Dividends to equity holders of the Company	–	–	–	–	–	–	–	(6,009)	(6,009)
Share options exercised	–	–	–	–	–	–	31	(4)	27
Deferred tax on share-based payment transactions	–	–	–	–	–	–	–	46	46
Share-based payment transactions	–	–	–	–	–	629	–	–	629
Total transactions with owners of the Company	**–**	**–**	**–**	**–**	**–**	**629**	**31**	**(5,967)**	**(5,307)**
At 28 February 2020	**942**	**39,388**	**9,507**	**1,803**	**22**	**6,724**	**(771)**	**92,058**	**149,673**

* The Group has applied IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' at 1 March 2018. The cumulative impact of adoption has been recognised as a decrease to opening retained earnings as at 28 February 2018.

Unaudited Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 29 FEBRUARY 2020

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Cash flows from operating activities		
Profit for the year	**10,501**	9,247
Adjustments for:		
Depreciation of property, plant and equipment	**502**	470
Depreciation of right-of-use assets	**1,775**	–
Amortisation of intangible assets	**4,301**	4,139
Finance income	**(270)**	(130)
Finance costs	**513**	50
Share of loss of Joint Venture	**7**	–
Share-based payment charges	**761**	498
Tax expense	**2,728**	2,802
	20,818	17,076
(Increase)/decrease in inventories	**(620)**	2,315
(Increase)/decrease in trade and other receivables	**(4,385)**	5,834
Increase/(decrease) in trade and other liabilities	**2,489**	(7,702)
Cash generated from operating activities	**18,302**	17,523
Income taxes paid	**(1,706)**	(2,529)
Net cash generated from operating activities	**16,596**	14,994
Cash flows from investing activities		
Purchase of property, plant and equipment	**(294)**	(456)
Purchase of intangible assets	**(3,137)**	(2,898)
Purchase of business, net of cash acquired	**(310)**	(4,004)
Purchase of rights to assets	**(1,213)**	–
Purchase of joint ventures	**(223)**	–
Interest received	**254**	116
Net cash used in investing activities	**(4,923)**	(7,242)
Cash flows from financing activities		
Equity dividends paid	**(6,009)**	(5,655)
Proceeds from exercise of share options	**27**	214
Repayment of overdraft	**–**	(201)
Repayment of lease liabilities	**(1,531)**	–
Lease liability interest paid	**(492)**	–
Interest paid	**(3)**	(34)
Net cash used in financing activities	**(8,008)**	(5,676)
Net increase in cash and cash equivalents	**3,665**	2,076
Cash and cash equivalents at beginning of year	**27,580**	25,428
Exchange gain on cash and cash equivalents	**100**	76
Cash and cash equivalents at end of year	**31,345**	27,580

NOTES

1. Accounting policies

a) Basis of Preparation

The financial information set out above does not constitute the company's statutory accounts for the years ended 29 February 2020 and 28 February 2019. The financial information for 2019 is derived from the statutory accounts for 2019 which have been delivered to the registrar of companies. The auditor has reported on the 2019 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The statutory accounts for 2020 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the registrar of companies in due course.

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. Except as described below, the accounting policies applied in the year ended 29 February 2020 are consistent with those applied in the financial statements for year ended 28 February 2019 with the exception of a number of new accounting standards and amendments which have not had a material impact on the Group's results.

b) Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence at least 12 months from the date of this preliminary announcement, 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 financial statements.

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

- Print revenues are reduced by 60%-65% for the three months of expected global coronavirus restrictions to July 2020 and gradual recovery through to March 2021;
- Downside assumptions about extended debtor days to the end of 2021;
- Cost reduction measures already implemented including salary reductions and reducing discretionary spend including marketing and non-essential capital expenditure.

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 loan facility of £8 million in the first half and an additional £4 million in the second half, totalling £12 million, to match Bloomsbury's cashflow cycle, and an uncommitted incremental term loan facility of up to £6 million. 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. Subsequent to the year end, the maturity of the facility was extended to May 2022 and the covenants were amended to exclude IFRS 16.

At 29 February 2020, the Group had no draw down of this facility.

c) Change of accounting policy: IFRS 16

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

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

- Reliance on assessment as to whether leases are onerous on 1 March 2019 with no impact identified;
- Exclude leases of low value assets and short term leases of less than 12 months from the application of IFRS 16, with payment for these leases continuing to be expensed directly to the income statement as operating leases;
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- Exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

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

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

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

The impact on the income statement for the year ended 29 February 2020 is as follows:

	Year ended 29 February 2020 £'000
Decrease in administrative expenses	2,055
EBITDA benefit	**2,055**
Increase in depreciation	(1,775)
Operating profit benefit	**280**
Increase in finance costs	(492)
Profit before tax reduction	**(212)**

Prior to the adoption of IFRS 16 rental payments were charged to the income statement on a straight-line basis. Under IFRS 16 rental costs in the income statement are replaced with depreciation on the right-of-use asset and interest charges on the lease liability. The adoption of IFRS 16 gives rise to a net £212,000 charge in the profit before tax for the year ended 29 February 2020. At operating profit, the adoption of IFRS 16 gives a benefit of £280,000. The impact is the same for both the statutory profit before tax and adjusted profit before tax.

There is no overall impact on the Group's cash and cash equivalents although there is a change to the classification of cash flows in the cash flow statement with lease payments previously categorised as net cash used in operations now being split between the principal element (categorised in financing activities) and the interest element (categorised as interest paid in financing activities). The impact on the cash flow statement for the year ended 29 February 2020 is as follows:

	Pre IFRS 16 £'000	Repayment of lease liabilities £'000	Interest paid £'000	Post IFRS 16 £'000
Net cash used in operating activities	14,573	1,531	492	16,596
Net cash used in financing activities	(5,985)	(1,531)	(492)	(8,008)

2. Revenue and segmental analysis

The Group is comprised of two worldwide publishing divisions: Consumer and Non-Consumer, reflecting the core customers for our different operations. The Consumer division is further split out into two operating segments; Children's Trade and Adult Trade, and Non-Consumer is split between two operating segments; Academic & Professional and Special Interest.

Each reportable segment represents a cash-generating unit for the purpose of impairment testing. We have allocated goodwill between reportable segments. These divisions are the basis on which the Group primarily reports its segment information. Segments derive their revenue from book publishing, sale of publishing and distribution rights, management and other publishing services.

The analysis by segment is shown below:

Year ended 29 February 2020	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
External revenue	**59,354**	**37,416**	**96,770**	**43,123**	**22,879**	**66,002**	**–**	**162,772**
Cost of sales	(30,840)	(19,627)	(50,467)	(13,606)	(10,905)	(24,511)	–	(74,978)
Gross profit	**28,514**	**17,789**	**46,303**	**29,517**	**11,974**	**41,491**	**–**	**87,794**
Marketing and distribution costs	(8,269)	(5,619)	(13,888)	(4,636)	(2,849)	(7,485)	–	(21,373)
Contribution before administrative expenses	**20,245**	**12,170**	**32,415**	**24,881**	**9,125**	**34,006**	**–**	**66,421**
Administrative expenses excluding highlighted items	(12,845)	(10,503)	(23,348)	(19,975)	(7,151)	(27,126)	–	(50,474)
Operating profit before highlighted items/ segment results	**7,400**	**1,667**	**9,067**	**4,906**	**1,974**	**6,880**	**–**	**15,947**
Amortisation of acquired intangible assets	–	(18)	(18)	(1,504)	(214)	(1,718)	–	(1,736)
Other highlighted items	–	–	–	–	–	–	(739)	(739)
Operating profit/(loss)	**7,400**	**1,649**	**9,049**	**3,402**	**1,760**	**5,162**	**(739)**	**13,472**
Finance income	–	–	–	116	–	116	154	270
Finance costs	(110)	(94)	(204)	(201)	(88)	(289)	(20)	(513)
Profit before taxation and highlighted items	**7,290**	**1,573**	**8,863**	**4,821**	**1,886**	**6,707**	**134**	**15,704**
Amortisation of acquired intangible assets	–	(18)	(18)	(1,504)	(214)	(1,718)	–	(1,736)
Other highlighted items	–	–	–	–	–	–	(739)	(739)
Profit/(loss) before taxation	**7,290**	**1,555**	**8,845**	**3,317**	**1,672**	**4,989**	**(605)**	**13,229**
Taxation	–	–	–	–	–	–	(2,728)	(2,728)
Profit/(loss) for the year	**7,290**	**1,555**	**8,845**	**3,317**	**1,672**	**4,989**	**(3,333)**	**10,501**
Operating profit before highlighted items/ segment results	**7,400**	**1,667**	**9,067**	**4,906**	**1,974**	**6,880**	**–**	**15,947**
Depreciation	821	515	1,336	626	315	941	–	2,277
Amortisation of internally generated intangibles	360	210	570	1,817	178	1,995	–	2,565
EBITDA before highlighted items	**8,581**	**2,392**	**10,973**	**7,349**	**2,467**	**9,816**	**–**	**20,788**

Year ended 28 February 2019	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional[1] £'000	Special Interest[1] £'000	Non-Consumer £'000	Unallocated £'000	Total £'000
External revenue	**65,800**	**33,454**	**99,254**	**41,514**	**21,911**	**63,425**	**–**	**162,679**
Cost of sales	(32,671)	(16,937)	(49,608)	(14,813)	(10,501)	(25,314)	–	(74,922)
Gross profit	**33,129**	**16,517**	**49,646**	**26,701**	**11,410**	**38,111**	**–**	**87,757**
Marketing and distribution costs	(9,039)	(5,231)	(14,270)	(4,878)	(2,905)	(7,783)	–	(22,053)
Contribution before administrative expenses	**24,090**	**11,286**	**35,376**	**21,823**	**8,505**	**30,328**	**–**	**65,704**
Administrative expenses excluding highlighted items	(14,306)	(10,395)	(24,701)	(18,780)	(7,929)	(26,709)	–	(51,410)
Operating profit before highlighted items/ segment results	**9,784**	**891**	**10,675**	**3,043**	**576**	**3,619**	**–**	**14,294**
Amortisation of acquired intangible assets	–	(18)	(18)	(1,482)	(214)	(1,696)	–	(1,714)
Other highlighted items	–	–	–	–	–	–	(611)	(611)
Operating profit/(loss)	**9,784**	**873**	**10,657**	**1,561**	**362**	**1,923**	**(611)**	**11,969**
Finance income	–	–	–	–	–	–	130	130
Finance costs	–	–	–	–	–	–	(50)	(50)
Profit before taxation and highlighted items	**9,784**	**891**	**10,675**	**3,043**	**576**	**3,619**	**80**	**14,374**
Amortisation of acquired intangible assets	–	(18)	(18)	(1,482)	(214)	(1,696)	–	(1,714)
Other highlighted items	–	–	–	–	–	–	(611)	(611)
Profit/(loss) before taxation	**9,784**	**873**	**10,657**	**1,561**	**362**	**1,923**	**(531)**	**12,049**
Taxation	–	–	–	–	–	–	(2,802)	(2,802)
Profit/(loss) for the year	**9,784**	**873**	**10,657**	**1,561**	**362**	**1,923**	**(3,333)**	**9,247**
Operating profit before highlighted items/ segment results	**9,784**	**891**	**10,675**	**3,043**	**576**	**3,619**	**–**	**14,294**
Depreciation	185	83	268	131	71	202	–	470
Amortisation of internally generated intangibles	373	177	550	1,638	237	1,875	–	2,425
EBITDA before highlighted items	**10,342**	**1,151**	**11,493**	**4,812**	**884**	**5,696**	**–**	**17,189**

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

The reconciliation of operating profit to EBITDA, both before highlighted items, for the year ended 29 February 2020 includes the impact of IFRS 16. The comparative year reconciliation has not been restated for IFRS 16. Note 1b) explains the impact of IFRS 16 on EBITDA for the year ended 29 February 2020.

External revenue by destination

	Source				
	United Kingdom £'000	North America £'000	Australia £'000	India £'000	Total £'000
Destination					
Year ended 29 February 2020					
United Kingdom (country of domicile)	60,724	74	–	–	60,798
North America	15,352	40,064	–	–	55,416
Continental Europe	16,782	1,683	–	–	18,465
Australasia	1,320	–	11,107	–	12,427
Middle East and Asia	7,435	190	–	4,799	12,424
Rest of the world	2,827	404	–	11	3,242
Overseas countries	43,716	42,341	11,107	4,810	101,974
Total	**104,440**	**42,415**	**11,107**	**4,810**	**162,772**
Year ended 28 February 2019					
United Kingdom (country of domicile)	58,407	54	–	–	58,461
North America	13,248	43,478	–	–	56,726
Continental Europe	17,802	1,594	–	–	19,396
Australasia	1,463	–	11,586	–	13,049
Middle East and Asia	7,317	289	–	4,244	11,850
Rest of the world	2,722	431	–	44	3,197
Overseas countries	42,552	45,792	11,586	4,288	104,218
Total	**100,959**	**45,846**	**11,586**	**4,288**	**162,679**

During the year sales to one customer exceeded 10% of Group revenue (2019: one customer). The value of these sales was £43,405,000 (2019: £37,483,000).

External revenue by product type

Year ended 29 February 2020	**Children's Trade £'000**	**Adult Trade £'000**	**Consumer £'000**	**Academic & Professional £000**	**Special Interest £'000**	**Non-Consumer £'000**	**Total £'000**
Print	52,646	29,460	82,106	28,438	18,571	47,009	129,115
Digital	3,029	6,772	9,801	12,099	2,235	14,334	24,135
Rights and Services[1]	3,679	1,184	4,863	2,586	2,073	4,659	9,522
Total	**59,354**	**37,416**	**96,770**	**43,123**	**22,879**	**66,002**	**162,772**

Year ended 28 February 2019	**Children's Trade £'000**	**Adult Trade £'000**	**Consumer £'000**	**Academic & Professional[2] £000**	**Special Interest[2] £'000**	**Non-Consumer £'000**	**Total £'000**
Print	58,288	27,568	85,856	29,087	18,367	47,454	133,310
Digital	4,157	4,887	9,044	10,083	1,746	11,829	20,873
Rights and Services[1]	3,355	999	4,354	2,344	1,798	4,142	8,496
Total	**65,800**	**33,454**	**99,254**	**41,514**	**21,911**	**63,425**	**162,679**

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

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

Total assets

	29 February 2020 £'000	28 February 2019 £'000
Children's Trade	**11,016**	9,939
Adult Trade	**6,747**	7,218
Academic & Professional	**59,128**	58,466
Special Interest	**13,492**	14,328
Unallocated	**139,357**	117,142
Total assets	**229,740**	207,093

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

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

	29 February 2020 £'000	28 February 2019 £'000
United Kingdom (country of domicile)	**75,839**	65,802
North America	**7,638**	4,669
Other	**193**	84
Total	**83,670**	70,555

3. Highlighted items

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Legal and other professional fees	**461**	223
Coronavirus onerous costs	**180**	–
Restructuring costs	**98**	388
Other highlighted items	**739**	611
Amortisation of acquired intangible assets	**1,736**	1,714
Total highlighted items	**2,475**	2,325

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

All highlighted items are included in administrative expenses in the income statement.

For the year ended 29 February 2020 Legal and other professional fees of £461,000 were incurred as a result of the Group's acquisition of rights, primarily that of Oberon Books Limited and the joint venture; Beijing CYP & Gakken Education Development Co., Ltd. Coronavirus onerous costs of £180,000 are irrecoverable costs crystallised in the year associated with book fairs and conferences that have been cancelled due to the coronavirus. Restructuring costs relate to the acquisition of Oberon Books Limited and I.B. Tauris & Co. Limited.

For the year ended 28 February 2019 Legal and other professional fees of £223,000 and restructuring costs of £388,000 were incurred as a result of the Group's acquisition of I.B. Tauris & Co. Limited.

4. 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 19.00% (2019: 19.00%). The reasons for this are explained below:

	Year ended 29 February 2020		Year ended 28 February 2019	
	£'000	**%**	£'000	%
Profit before taxation	**13,229**	**100.0**	12,049	100.0
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	**2,514**	**19.0**	2,289	19.0
Effects of:				
Non-deductible revenue expenditure	**153**	**1.1**	117	1.0
Movement in unrecognised temporary differences	**47**	**0.4**	132	1.1
Different rates of tax in foreign jurisdictions	**142**	**1.1**	308	2.6
Tax losses utilised	**(124)**	**(0.9)**	(36)	(0.3)
Adjustment to tax charge in respect of prior years				
Current tax	**(33)**	**(0.3)**	(21)	(0.2)
Deferred tax	**(57)**	**(0.4)**	(24)	(0.2)
Tax charge for the year before disallowable costs on highlighted items	**2,642**	**20.0**	2,765	23.0
Highlighted items:				
Disallowable costs	**86**	**0.6**	37	0.3
Tax charge for the year	**2,728**	**20.6**	2,802	23.3

Non-deductible revenue expenditure mainly relates to disallowable foreign exchange and entertainment expenses. Different rates of tax in foreign jurisdictions is where we are paying tax at higher rates in the US and Australia as well as paying state taxes in the US.

Adjustments to prior periods primarily arise where an outcome is obtained on certain tax matters which differs from expectations held when the related provision was made. Where the outcome is more favourable than the provision made, the difference is released, lowering the current year tax charge. Where the outcome is less favourable than our provision, an additional charge to current year tax will occur.

We are not aware of any significant unprovided exposures that are considered likely to materialise.

5. Dividends

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Amounts paid in the year		
Prior period final 6.75p dividend per share (2019: 6.36p)	**5,051**	4,749
Interim 1.28p dividend per share (2019: 1.21p)	**958**	906
Total dividend payments in the year	**6,009**	5,655
Amounts arising in respect of the year		
Interim 1.28p dividend per share for the year (2019: 1.21p)	**958**	906
Proposed final dividend per share for the year (2019: 6.75p)	**–**	5,051
Total dividend 1.28p per share for the year (2019: 7.96p)	**958**	5,957

Absent of coronavirus, Bloomsbury would have declared a final cash dividend for the year to 29 February 2020 of 6.89 pence per share, which would have resulted in a total dividend for the year of 8.17 pence per share, up 3% on the previous year. As previously announced, Bloomsbury has decided in view of coronavirus to prioritise cash conservation at the current time and therefore will not be paying a cash dividend. Bloomsbury will instead, subject to shareholder approval at the Annual General Meeting, be making a bonus issue to shareholders in lieu of, and with a value equivalent to, its proposed final dividend. This bonus issue will be provided on 28 August 2020 to Shareholders on the register on the record date of 31 July 2020.

6. Earnings per share

The basic earnings per share for the year ended 29 February 2020 is calculated using a weighted average number of Ordinary shares in issue of 74,830,714 (2019: 74,741,083) after deducting shares held by the Employee Benefit Trust.

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

	Year ended 29 February 2020 Number	Year ended 28 February 2019 Number
Weighted average shares in issue	**74,830,714**	74,741,083
Dilution	**1,026,939**	756,547
Diluted weighted average shares in issue	**75,857,653**	75,497,630

	£'000	£'000
Profit after tax attributable to owners of the Company	**10,501**	9,247
Basic earnings per share	**14.03p**	12.37p
Diluted earnings per share	**13.84p**	12.25p

	£'000	£'000
Adjusted profit attributable to owners of the Company	**12,720**	11,299
Adjusted basic earnings per share	**17.00p**	15.12p
Adjusted diluted earnings per share	**16.77p**	14.97p

Adjusted profit is derived as follows:

	Year ended 29 February 2020 £'000	Year ended 28 February 2019 £'000
Profit before taxation	**13,229**	12,049
Amortisation of acquired intangible assets	**1,736**	1,714
Other highlighted items	**739**	611
Adjusted profit before tax	**15,704**	14,374
Tax expense	**2,728**	2,802
Deferred tax movements on goodwill and acquired intangible assets	**202**	194
Tax expense on other highlighted items	**54**	79
Adjusted tax	**2,984**	3,075
Adjusted profit	**12,720**	11,299

7. Trade and other receivables

	29 February 2020 £'000	29 February 2019 £'000
Non-current		
Prepayments and accrued income	**1,237**	1,360
Current		
Gross trade receivables	**54,252**	52,115
Less: provision for impairment of receivables	**(1,832)**	(2,102)
Net trade receivables	**52,420**	50,013
Income tax recoverable	**481**	1,340
Other receivables	**1,510**	1,803
Prepayments and accrued income	**5,551**	4,683
Royalty advances	**24,843**	22,667
Total current trade and other receivables	**84,805**	80,506
Total trade and other receivables	**86,042**	81,866

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 title advances which may not be fully earned down by anticipated future sales. As at 29 February 2020, £5,604,000 (2019: £5,434,000) of royalty advances are expected to be recovered after more than 12 months.

8. Annual General Meeting

The Annual General Meeting will be held on 21 July 2020.

9. 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.