

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

Audited Preliminary Results for the year ended 28 February 2022

Highest ever sales and profit

Bloomsbury, the leading independent publisher, today announces audited results for the year ended 28 February 2022.

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

"Bloomsbury achieved its highest ever results with sales up 24% to £230.1 million and profits up 40% to £26.7 million. Sales were up 41% and profits up 70% from two years ago. Both the Consumer and Non-Consumer divisions gave outstanding and resilient performances, highlighting Bloomsbury's unique strength in combining general and academic publishing.

The question on all of our minds was: would the pandemic surge in reading continue? We now know the answer: reading has become a reacquired habit and continues to thrive. The pandemic made us all re-evaluate how we spend our time and this has resulted in an increase in sales of books that enable us to explore our hobbies and personal interests such as cooking, fitness, history and reading novels for enlightenment and escape. Our Academic sales have benefitted from the structural shift to online learning. Our success continues to this date with good sales for Bloomsbury's first quarter. The surge in reading, which seemed to be one of the only rays of light in the darkest days of the pandemic is perhaps now being revealed as permanent, with the simple act of reading shedding light and giving joy to millions of people.

The Consumer division revenue grew by 25%, continuing the momentum of last year, and achieved a 25% increase in profit before tax and highlighted items¹ to £17.8 million. The Non-Consumer division saw 23% revenue growth and a 68% increase in profit before tax and highlighted items¹ to £9.1 million. Consumer revenue was 53% higher and Non-Consumer revenue 24% higher than two years ago. Bloomsbury Digital Resources ("BDR") outperformed the target set six years ago of £15 million of sales and £5 million of profit, with sales of £18.6 million, up 50% on last year, and profit of £6.8 million, up £3.9 million on last year. Following this success, we have set ambitious new growth targets for BDR.

Supporting our strong organic growth, we made three acquisitions during the year of ABC-CLIO LLC, the Red Globe Press list and Head of Zeus Limited.

In recognition of our strong performance and in line with our progressive dividend policy, the Board proposes a 24% increase in our final dividend to 9.40 pence per share.

Trading for 2022/23 has started in line with the Board's expectations. Bloomsbury plans to invest robustly in continued organic growth and further acquisitions based on our strong financial position and proven strategy."

Financial Highlights

	2021/22	2020/21	2019/20	Growth 2021/22 vs 2020/21	Growth 2021/22 vs 2019/20
Revenue	£230.1 million	£185.1 million	£162.8 million	24%	41%
Organic revenue ²	£212.7 million	£185.1 million	£162.8 million	15%	31%
Profit before taxation and highlighted items ¹	£26.7 million	£19.2 million	£15.7 million	40%	70%
Profit before taxation	£22.2 million	£17.3 million	£13.2 million	28%	68%
Adjusted diluted earnings per share	25.94 pence	18.68 pence	16.23 pence	39%	60%
Diluted earnings per share	20.33 pence	16.71 pence	13.40 pence	22%	52%
Net cash	£41.2 million	£54.5 million	£31.3 million	(24)%	32%
Final dividend	9.40 pence per share	7.58 pence per share	Bonus issue, value equivalent to 6.89 pence per share	24%	36%

Operational Highlights

Consumer Division

- Consumer revenue growth of 25% to £148.2 million (2020/21: £118.3 million)
- Consumer profit before taxation and highlighted items¹ increased by 25% to £17.8 million (2020/21: £14.2 million)
- Organic revenue growth was 18% and organic profit growth was 24%
- Adult Trade revenue up 26% to £55.2 million (2020/21: £43.7 million) and profit before taxation and highlighted items¹ of £2.0 million (2020/21: £3.9 million)
- Children's Trade revenue growth of 25% to £93.0 million (2020/21: £74.6 million) and profit before taxation and highlighted items¹ up 52% to £15.8 million (2020/21: £10.4 million)
- Sales growth of Sarah J. Maas' titles of 86%; Harry Potter sales still growing by 5% as the 25th anniversary approaches
- Acquisition of Head of Zeus Ltd ("HoZ") in June 2021, providing a strong addition to the Consumer division. HoZ contributed £9.0 million revenue and £0.1 million profit before taxation and highlighted items¹ to Adult Trade in the nine months since acquisition

Non-Consumer Division

- Non-Consumer revenue growth of 23% to £81.9 million (2020/21: £66.8 million)
- Non-Consumer profit before taxation and highlighted items¹ increased by 68% to £9.1 million (2020/21: £5.4 million)

- Organic revenue growth was 10% and organic profit growth was 40%
- Academic & Professional revenue growth of 34% to £59.3 million (2020/21: £44.3 million) and profit before taxation and highlighted items¹ up 111% to £9.1 million (2020/21: £4.3 million)
- Bloomsbury Digital Resources (“BDR”) revenue growth of 50% to £18.6 million (2020/21: £12.4 million) and profit of £6.8 million (2020/21: £2.9 million)
- BDR performance beat the target, set six years ago, of £15 million of revenue and £5 million of profit by the end of 2021/22
- Acquisition of ABC-CLIO, LLC (“ABC-CLIO”) in December 2021 for £16.7 million, further strengthening BDR and significantly accelerating Bloomsbury’s academic publishing in North America, growing international revenues
- Acquisition of the assets of Red Globe Press (“RGP”) completed in June 2021 for £3.2 million, accelerating our digital growth and our significant presence in humanities and social sciences academic publishing
- RGP contributed £6.2 million revenue and £1.0 million profit before taxation and highlighted items¹ and ABC-CLIO, contributed £2.2 million revenue and £0.6 million profit before taxation and highlighted items¹ to Academic & Professional

Notes

¹ Highlighted items comprise amortisation of acquired intangible assets and legal and other professional costs relating to ongoing and completed acquisitions and restructuring costs. (2020/21 also included a grant under the US Government Paycheck Protection Program.)

² Organic revenue for 2021/22 is defined as total revenue of £230.1m less revenue attributable to the acquisitions of HoZ, RGP and ABC-CLIO in the year. Organic profit for 2021/22 is defined as total profit before taxation and highlighted items of £26.7 million less profit attributable to the acquisitions of HoZ, RGP and ABC-CLIO in the year.

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The Company does not undertake any obligation to update or keep current the information contained in this announcement, including any forward-looking statements, or to correct any inaccuracies which may become apparent and any opinions expressed in it are subject to change without notice.

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

Chief Executive's statement

Overview

Bloomsbury achieved its highest ever performance in the year ended 28 February 2022, with revenue growth of 24% £230.1 million (2020/21: £185.1 million) and a 40% increase in profit before taxation and highlighted items to £26.7 million (2020/21: £19.2 million). Profit before taxation increased by 28% to £22.2 million (2020/21: £17.3 million).

Growth in organic revenue was 15%, with the three strategic acquisitions, ABC-CLIO, RGP and HoZ, contributing revenue of £17.4 million. Growth in organic profit before taxation and highlighted items was 28%, with ABC-CLIO, RGP and HoZ contributing £1.7 million.

The strength of demand for Bloomsbury titles and the excellent sales of our digital products, demonstrate the strength of our long-term growth strategy, the publishing judgement of our editors and the strength of our sales and marketing. During the year, Bloomsbury authors have won three of the most important prizes in the literary world - The Nobel Prize in Literature, the Pulitzer Prize in Biography and The Women's Prize – which were won by Abdulrazak Gurnah, Winfred Rembert and Erin I. Kelly and Susanna Clarke respectively. We are immensely proud to publish them.

We achieved the major milestone for Bloomsbury Digital Resources ("BDR") of significantly exceeding the target announced six years ago of £15 million of sales and £5 million of profit by the year ending 28 February 2022. We beat this target with sales of £18.6 million and profit of £6.8 million (2020/21: £2.9 million). Achieving this goal of building high margin, quality revenues, demonstrates the strength and successful execution of our digital strategy. We saw growth due to the shift to digital learning, excellent digital products, platforms and infrastructure, with an 18% increase in the number of customers year-on-year. We have strengthened BDR with the acquisitions of RGP and ABC-CLIO.

The highlighted items of £4.6 million (2020/21: £1.8 million) consist of the amortisation of acquired intangible assets of £2.8 million (2020/21: £1.8 million), one-off legal and other professional fees relating to the three acquisitions and restructuring costs of £1.8 million (2020/21: £1.3 million) and, in 2020/21 only, a one-off US Government grant under the Paycheck Protection Program of £1.3 million. The effective rate of tax for the year was 24% (2020/21: 21%). The adjusted effective rate of tax, excluding highlighted items, was 19% (2020/21: 20%). Diluted earnings per share, excluding highlighted items, grew 39% to 25.94 pence (2020/21: 18.68 pence). Including highlighted items, profit before tax was £22.2 million (2020/21: £17.3 million) and diluted earnings per share grew 22% to 20.33 pence (2020/21: 16.71 pence).

Strategy

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

- **Non-Consumer Publishing and BDR**
 - Grow Bloomsbury's portfolio in Non-Consumer publishing. Non-Consumer publishing is characterised by higher, more predictable margins, is less reliant on retailers and presents greater digital and global opportunities.

2021/22: delivered 23% growth in Non-Consumer revenue.
 - Achieve BDR target of £15 million of sales revenue and £5 million of profit by 2021/22.

2021/22: delivered £18.6 million revenue, up 50%, and profit of £6.8 million, up £3.9 million.

- New BDR target is to achieve further 50% organic growth and 30% margin over the five years from 2022/23.

- **Consumer**

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

2021/22: Bestsellers included *Piranesi* by Susanna Clarke, *The Priory of the Orange Tree* by Samantha Shannon, Tom Kerridge's *Outdoor Cooking*, and *The Song of Achilles* and *Circe*, both by Madeline Miller.

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

2021/22: 86% growth in sales of Sarah J. Maas title sales, with her new title: *Crescent City: House of Sky and Breath* reaching Number 1 on the *New York Times* bestseller list. Winner of the 2022 IPG Bookseller Marketing Award.

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

2021/22: 5% growth in Harry Potter title sales, 24 years after first publication. *Harry Potter and the Philosopher's Stone* was the 6th bestselling children's book of the year on UK Nielsen Bookscan.

- **International Expansion**

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

2021/22: increased overseas revenues to 66% of Group revenue; 78% of Academic BDR sales are international. US revenues increased to 30% of Group revenue. Acquisition of ABC-CLIO significantly accelerates Bloomsbury's academic publishing in North America, further growing international revenues.

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

- Our success is driven by the expertise, passion and commitment of our employees, highlighting the importance of attracting, supporting and engaging our colleagues. We value diversity of thought, perspectives and experience in shaping our culture and strategy, driving our long-term success and informing the ways in which we fulfil our social purpose.
- Be an attractive employer for individuals seeking a career in publishing, regardless of background or identity, adding cultural value to our business operations and performance.

- Focus on initiatives to create an environment that promotes diversity, nurtures talent, stimulates creativity and collaboration, supports well-being and is inclusive and respectful of difference.
- Implement Bloomsbury's Diversity, Equity and Inclusion Action Plan (DEIAP).

2021/22:

- Developed our employee bonus scheme, ensuring the rewards of our financial success are fairly shared across all of our employees.
- Increased focused resource with the appointment of our Diversity and Inclusion and Training Administration Manager, with training pilots across the Company and a Leadership and Management Diploma for UK staff.
- Launched and begun implementation of our DEIAP, focusing on recruitment, retention, training and development, education, engagement and inclusion, publishing and communication.
- Became an official partner of the 'Lit in Colour' initiative with The Runnymede Trust and Penguin Random House.
- Winner of two major industry diversity awards, the Inclusivity in Publishing Award at the 2022 London Book Fair International Excellence Awards and Winner of the Diversity Award at the 2022 IPG Awards.

- **Sustainability**

- Maximise our use of sustainable resources while seeking to reduce carbon emissions in line with our science-based targets. We recognise our responsibility to conserve the Earth's resources and we are committed to monitoring and improving the environmental impact of our operations.

2021/22:

- Set science-based targets, validated by the Science Based Targets Initiative (SBTi), to reduce carbon emissions in line with the goals of the Paris Agreement.
- Committed to a 46% reduction in our Scope 1 and 2 emissions by 2030; this reduction is aligned with pursuing efforts to limit global warming to 1.5° C. We have achieved a 40% reduction since 2019/20.
- Our Scope 3 target is a 20% reduction in emissions by 2035. This reduction is in line keeping global temperature increase below 2° C.
- Completed qualitative analysis of climate-related risks and opportunities for our business and operations and progressed adoption of the Task Force on Climate-Related Financial Disclosures (TCFD).

Consumer Division

The Consumer division consists of Adult and Children's trade publishing. The Consumer division generated revenue growth of 25% to £148.2 million (2020/21: £118.3 million). Organic revenue growth was 18%. Profit before taxation and highlighted items increased by 25% to £17.8 million (2020/21: £14.2 million). Profit before taxation increased to £17.5 million (2020/21: £14.2 million). The excellent performance was from both the Adult and Children's divisions, across front and backlist titles, and includes £9.0 million revenue and £0.1 million profit before taxation and highlighted items from HoZ, for the nine months since June 2021.

Adult Trade

The Adult division achieved a 26% increase in revenue to £55.2 million (2020/21: £43.7 million) and profit before taxation and highlighted items of £2.0 million (2020/21: £3.9 million). Profit before taxation was £1.7 million (2020/21: £3.8 million). This was driven by bestsellers from our front and backlist, and includes the revenue and profit generated by the acquisition of HoZ.

UK bestsellers in the year included *Piranesi* by Susanna Clarke, Tom Kerridge's *Outdoor Cooking*, *Animal* by Lisa Taddeo, *The Song of Achilles* and *Circe*, by Madeline Miller, *Gino's Italian Family Adventure* by Gino D'Acampo, *Humankind* by Rutger Bregman and *The Wolf Den* by Elodie Harper. US bestsellers in the year included *The Priory of the Orange Tree* by Samantha Shannon. *This Is How They Tell Me The World Ends* by Nicole Perlroth won the FT & McKinsey Business Book of the Year.

We are proud that Bloomsbury authors have won three of the most important prizes in the literary world – The Nobel Prize for Literature, the Pulitzer Prize in Biography and The Women's Prize - which were won by Abdulrazak Gurnah, Winfred Rembert and Erin I. Kelly and Susanna Clarke respectively. We congratulate them all.

Children's Trade

Children's sales saw growth of 25% to £93.0 million (2020/21: £74.6 million). Profit before taxation and highlighted items increased by 52% to £15.8 million (2020/21: £10.4 million). Profit before taxation was £15.8 million (2020/21: £10.4 million). High demand continued the momentum from last year, with excellent sales of Sarah J. Maas' new and backlist titles.

Sales of the Harry Potter titles increased by 5%. *Harry Potter and the Philosopher's Stone* was the 6th bestselling children's book of the year on UK Nielsen Bookscan, twenty-four years after it first began, showing the enduring appeal of this classic series.

Sarah J. Maas' sales grew by 86% compared to last year, with *Crescent City: House of Sky and Breath*, published in February 2022, reaching number one on the *New York Times* and *Sunday Times* bestseller lists, and strong backlist sales.

Sarah J. Maas is the bestselling author of the *Crescent City*, *Court of Thorns and Roses* and *Throne of Glass* series, with all of her 15 titles published by Bloomsbury, since her first novel, *Throne of Glass*, in 2012. Hulu is developing a television adaptation of the *Court of Thorns and Roses* series for its streaming service.

Non-Consumer Division

The Non-Consumer division consists of Academic & Professional, including Bloomsbury Digital Resources, and Special Interest. Revenues in the division increased by 23% to £81.9 million (2020/21: £66.8 million). Profit before taxation and highlighted items for the Non-Consumer division increased by 68% to £9.1 million (2020/21: £5.4 million). Profit before taxation increased by 81% to £6.6 million (2020/21: £3.6 million). Organic revenue growth was 10% and organic profit growth was 55%, with

RGP and ABC-CLIO contributing £8.4 million revenue and £1.6 million profit before taxation and highlighted items.

Academic & Professional revenues increased by 34% to £59.3 million (2020/21: £44.3 million) and profit before taxation and highlighted items increased by 111% to £9.1 million (2020/21: £4.3 million). Profit before taxation was £6.7 million (2020/21: £2.7 million). Strong demand for our digital products delivered 50% growth in BDR revenue and print sales recovered well from last year, up 29%.

We are focused on achieving BDR growth by accelerating our most successful products, including Drama Online, leveraging platforms and content from acquisitions, building partnerships and launching new products. We achieved an 18% increase in the number of customers in the year, and maintained our existing customer retention rate at over 90%. We have further strengthened our portfolio of products with the acquisition of ABC-CLIO's 32 digital databases and RGP's three digital platforms.

In recognition of these achievements, we were voted Academic Publisher of the Year at the 2021 British Book Awards and Education Publisher of the Year at the 2022 IPG Awards.

Special Interest revenue grew by 1% to £22.6 million (2020/21: £22.5 million), and broke even before taxation and highlighted items (2020/21: £1.1 million profit), with resilient demand for wildlife titles, Wisden and Osprey Games during the year.

Acquisitions

In June 2021, we achieved another key step in the delivery of our growth strategy for our Non-Consumer business, with the completion of the acquisition of certain assets of RGP, the academic imprint, from Springer Nature Group as previously announced. These RGP titles are a good strategic fit, strengthen Bloomsbury's existing academic publishing, and establish new areas of academic publishing in Business and Management, Study Skills and Psychology. RGP's digital product Cite them Right has been migrated to BDR's own platform with further digital product migrations to follow. RGP's relevant content will also be added to Bloomsbury Collections. The consideration was £3.2 million, of which £1.8 million was satisfied in cash on completion in June 2021 and £1.3 million was satisfied in cash post completion during the year, with an expected further £0.1 million to be satisfied post completion and post year end subject to assignment of certain contracts. The integration of RGP is going well and contributing as projected.

In June 2021, we completed the acquisition of the issued share capital of HoZ, the independent trade publisher, as previously announced. This acquisition provides a strong addition to Bloomsbury's Consumer division and support our long-term Consumer growth strategy, with new high-quality authors and effective publishing across all formats, including ebook and audio. The consideration, net of pre-existing loans, was £7.0 million, of which £5.5 million was satisfied in cash at completion, with £1.1 million paid in cash post completion, and £0.4 million of deferred consideration payable in cash subject to achievement of Netflix release targets. HoZ won Publisher of the Year at the CWA Daggers Awards and *The Wolf Den* by Elodie Harper was a number one *Times* bestseller. Popular writers from HoZ include Dan Jones, Cixin Liu, Nadine Dorries, Victoria Hislop and Lesley Thomson. Cixin Liu's bestselling science trilogy, *The Three-Body Problem*, is currently being filmed for Netflix by David Benioff and D.B. Weiss, creators of HBO's *Game of Thrones*. HoZ is contributing as planned.

In December 2021, we completed the purchase of the members' interests of ABC-CLIO, as previously announced. ABC-CLIO is an established academic publisher of reference, non-fiction, online curriculum and professional development materials in both print and digital formats for schools, academic libraries and public libraries, primarily in the USA. Founded in 1955, ABC-CLIO is based in Santa Barbara, California. ABC-CLIO has four imprints and 32 databases that provide curriculum-

aligned content and lesson plans, professional development support and student activities to US schools and academic institutions. It has more than 23,000 titles in its portfolio. The consideration was £16.7 million, of which £16.6 million was satisfied in cash on completion and up to £0.1 million will be satisfied in cash post completion.

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

Cash and Financing

Bloomsbury's cash generation was strong with cash at the year end of £41.2 million (2021: £54.5 million) and cash conversion of 194% (2020/21: 142%). During the year we invested £26.6 million in cash consideration net of cash acquired for the acquisitions of ABC-CLIO (£16.3 million), HoZ (£6.6 million) and RGP (£3.1 million) and £1.0 million of capital expenditure in BDR. We also paid £7.9 million for the 2020/21 special dividend.

The Group has an unsecured revolving credit facility with Lloyds Bank Plc. The facility comprises a committed revolving loan facility of £10.0 million and an uncommitted incremental term loan facility of up to £6.0 million. At 28 February 2022, the Group had no draw down (2021: £nil) of this facility.

Dividend

The Group has a progressive dividend policy aiming to keep dividend earnings cover in excess of two times, supported by strong cash cover. The Board is recommending a final dividend of 9.40 pence per share, totalling £7.7 million. Together with the interim dividend, this makes a total dividend for the year ended 28 February 2022 of 10.74 pence per share, a 21% increase on the 8.86 pence value of the dividend for the year ended 28 February 2021.

Subject to Shareholder approval at our AGM on 20 July 2022, the final dividend will be paid on 26 August 2022 to Shareholders on the register on the record date of 29 July 2022.

Including the proposed 2021/22 final dividend, over the past ten years, the dividend has increased at a compound annual growth rate of 8%.

Board Changes

As announced in March 2022, John Bason joined the Board as a Non-Executive Director on 1 April 2022. John also became a member of the Remuneration, Nomination and Audit Committees. We welcome John to the Board.

Steven Hall will step down from the Board at the conclusion of Bloomsbury's 2022 AGM taking place on 20 July 2022. Steven joined the Board in 2017 and is the Chair of the Remuneration Committee. It is intended that Steven will be succeeded by John Bason as Chair of the Remuneration Committee.

Sir Richard Lambert, Chairman of Bloomsbury, said: "Steve Hall joined the Bloomsbury Board five years ago, and his deep knowledge of the world of academic and professional publishing has been an invaluable support to the Company as it has built its presence in this sector. He has been a rigorous Chair of the Remuneration Committee, and a lively contributor to Board discussion. We owe him a big vote of thanks."

Future Publishing

Our strong Consumer publishing list for 2022/23 includes the Illustrated edition of the fifth Harry Potter title, *Harry Potter and the Order of the Phoenix*, Paul Hollywood's *Bake*, *A Visible Man* by Edward Enninful, *This Wicked Fate* by Kalynn Bayron, *The House of Fortune* by Jessie Burton, *A Life in Light* by Mary Pipher and *Essex Dogs* by Dan Jones. The next new Sarah J. Maas novel, the third in the Crescent City series, will be published in 2023/24.

2022 is the 25th anniversary of the original publication of the first Harry Potter, with a special anniversary edition publishing in June 2022 and a series of exciting marketing activities to celebrate this milestone.

Our BDR strategic initiatives include bringing ABC-CLIO's 32 databases into Bloomsbury Digital Resources, enabling Bloomsbury to scale ABC-CLIO's digital offering globally. In addition, we will expand Bloomsbury Collections to include the RGP titles and migrate RGP's digital products to BDR's own platform.

Outlook

Trading for 2022/23 has started in line with the Board's expectations.

Bloomsbury aims to deliver continued success, given the strength and resilience of our proven strategy, combined with our strong financial position, which enables us to invest in continued organic growth and further acquisition opportunities. Digital sales continue to materially increase and are a growing proportion of both revenue and profits.

Audited Consolidated Income Statement

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	Year ended 28 February 2022 £'000	Year ended 28 February 2021 £'000
Revenue	2	230,110	185,136
Cost of sales		(107,948)	(85,533)
Gross profit		122,162	99,603
Marketing and distribution costs		(29,808)	(23,393)
Administrative expenses		(69,675)	(58,267)
Share of result of joint venture		(117)	(110)
Operating profit before highlighted items		27,112	19,637
Highlighted items	3	(4,550)	(1,804)
Operating profit		22,562	17,833
Finance income		105	120
Finance costs		(486)	(604)
Profit before taxation and highlighted items		26,731	19,153
Highlighted items	3	(4,550)	(1,804)
Profit before taxation		22,181	17,349
Taxation	4	(5,291)	(3,652)
Profit for the year attributable to owners of the Company		16,890	13,697
Earnings per share attributable to owners of the Company			
Basic earnings per share	6	20.72p	16.94p
Diluted earnings per share	6	20.33p	16.71p

Audited Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Year ended 28 February 2022 £'000	Year ended 28 February 2021 £'000
Profit for the year	16,890	13,697
Other comprehensive income		
<i>Items that may be reclassified to the income statement:</i>		
Exchange differences on translating foreign operations	1,497	(2,877)
<i>Items that may not be reclassified to the income statement:</i>		
Remeasurements on the defined benefit pension scheme	(10)	89
Other comprehensive income for the year net of tax	1,487	(2,788)
Total comprehensive income for the year attributable to the owners of the Company	18,377	10,909

Items in the statement above are disclosed net of tax.

Audited Consolidated Statement of Financial Position

AS AT 28 FEBRUARY 2022

	Notes	28 February 2022 £'000	28 February 2021 £'000
Assets			
Goodwill		47,910	44,688
Other intangible assets		40,323	21,337
Investments		45	162
Property, plant and equipment		2,319	1,846
Right-of-use assets		10,628	11,433
Deferred tax assets		7,168	3,904
Trade and other receivables	9	923	1,005
Total non-current assets		109,316	84,375
Inventories		33,816	26,774
Trade and other receivables	9	104,879	93,542
Cash and cash equivalents		41,226	54,466
Total current assets		179,921	174,782
Total assets		289,237	259,157
Liabilities			
Retirement benefit obligations		–	14
Deferred tax liabilities		3,696	2,386
Lease liabilities		9,961	11,135
Provisions		297	232
Total non-current liabilities		13,954	13,767
Trade and other liabilities		103,028	74,341
Lease liabilities		2,265	1,808
Current tax liabilities		433	456
Provisions		588	536
Total current liabilities		106,314	77,141
Total liabilities		120,268	90,908
Net assets		168,969	168,249
Equity			
Share capital		1,020	1,020
Share premium		47,319	47,319
Translation reserve		8,127	6,630
Other reserves		8,765	9,623
Retained earnings		103,738	103,657
Total equity attributable to owners of the Company		168,969	168,249

Audited Consolidated Statement of Changes in Equity

AS AT 28 FEBRUARY 2022

	Share capital £'000	Share premium £'000	Translation reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Own shares held by EBT £'000	Retained earnings £'000	Total equity £'000
At 29 February 2020	942	39,388	9,507	1,803	22	6,724	(771)	92,058	149,673
Profit for the year	–	–	–	–	–	–	–	13,697	13,697
Other comprehensive income									
Exchange differences on translating foreign operations	–	–	(2,877)	–	–	–	–	–	(2,877)
Remeasurements on the defined benefit pension scheme	–	–	–	–	–	–	–	89	89
Total comprehensive income for the year	–	–	(2,877)	–	–	–	–	13,786	10,909
Transactions with owners									
Issue of share capital	47	7,931	–	–	–	–	–	–	7,978
Bonus issue of share capital	31	–	–	–	–	–	–	(31)	–
Dividends to equity holders of the Company	–	–	–	–	–	–	–	(1,045)	(1,045)
Purchase of shares by the Employee Benefit Trust	–	–	–	–	–	–	(674)	–	(674)
Share options exercised	–	–	–	–	–	–	1,298	(1,114)	184
Deferred tax on share-based payment transactions	–	–	–	–	–	–	–	3	3
Share-based payment transactions	–	–	–	–	–	1,221	–	–	1,221
Total transactions with owners of the Company	78	7,931	–	–	–	1,221	624	(2,187)	7,667
At 28 February 2021	1,020	47,319	6,630	1,803	22	7,945	(147)	103,657	168,249
Profit for the year	–	–	–	–	–	–	–	16,890	16,890
Other comprehensive income									
Exchange differences on translating foreign operations	–	–	1,497	–	–	–	–	–	1,497
Remeasurements on the defined benefit pension scheme	–	–	–	–	–	–	–	(10)	(10)
Total comprehensive income for the year	–	–	1,497	–	–	–	–	16,880	18,377
Transactions with owners									
Dividends to equity holders of the Company	–	–	–	–	–	–	–	(15,157)	(15,157)
Purchase of shares by the Employee Benefit Trust	–	–	–	–	–	–	(4,489)	–	(4,489)
Share options exercised	–	–	–	–	–	–	2,084	(2,050)	34
Deferred tax on share-based payment transactions	–	–	–	–	–	–	–	408	408
Share-based payment transactions	–	–	–	–	–	1,547	–	–	1,547
Total transactions with owners of the Company	–	–	–	–	–	1,547	(2,405)	(16,799)	(17,657)
At 28 February 2022	1,020	47,319	8,127	1,803	22	9,492	(2,552)	103,738	168,969

Audited Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Year ended 28 February 2022 £'000	Year ended 28 February 2021 £'000
Cash flows from operating activities		
Profit for the year	16,890	13,697
Adjustments for:		
Depreciation of property, plant and equipment	512	473
Depreciation of right-of-use assets	1,889	1,806
Amortisation of intangible assets	7,505	5,485
Impairment of investments	–	300
Loss on disposal on intangible assets	65	–
Finance income	(105)	(120)
Finance costs	486	604
Share of loss of joint venture	117	110
Share-based payment charges	2,054	1,416
Tax expense	5,291	3,652
	34,704	27,423
Increase in inventories	(2,745)	(357)
Decrease/(increase) in trade and other receivables	1,205	(11,281)
Increase in trade and other liabilities	14,572	13,789
Cash generated from operating activities	47,736	29,574
Income taxes paid	(7,927)	(4,406)
Net cash generated from operating activities	39,809	25,168
Cash flows from investing activities		
Purchase of property, plant and equipment	(644)	(422)
Purchase of intangible assets	(3,693)	(3,804)
Purchase of business, net of cash acquired	(22,913)	–
Purchase of rights to assets	(3,650)	(1,547)
Purchase of share in a joint venture	–	(56)
Interest received	92	110
Net cash used in investing activities	(30,808)	(5,719)
Cash flows from financing activities		
Equity dividends paid	(15,157)	(1,045)
Purchase of shares by the Employee Benefit Trust	(4,489)	(674)
Proceeds from exercise of share options	34	184
Proceeds from share issue	–	7,978
Repayment of borrowing	(1,097)	–
Repayment of lease liabilities	(1,862)	(1,451)
Lease liabilities interest paid	(419)	(442)
Other interest paid	(55)	(149)
Net cash (used in)/generated from financing activities	(23,045)	4,401
Net (decrease)/increase in cash and cash equivalents	(14,044)	23,850
Cash and cash equivalents at beginning of year	54,466	31,345
Exchange gain/(loss) on cash and cash equivalents	804	(729)
Cash and cash equivalents at end of year	41,226	54,466

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 28 February 2022 or 28 February 2021 but is derived from those accounts. Statutory accounts for 2021 have been delivered to the registrar of companies, and those for 2022 will be delivered in due course. The auditor has reported on those accounts; their reports were (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 Group financial statements were prepared in accordance with UK-adopted international accounting standards ("UK-adopted IFRS") and the requirements of the Companies Act 2006. Except as described below, the accounting policies applied in the year ended 28 February 2022 are consistent with those applied in the financial statements for year ended 28 February 2021 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. This assumes:

- Print revenues are reduced by 20% during 2022/2023, with recovery during 2023/2024;
- Digital revenues are reduced by 20% during 2022/2023, with recovery during 2023/2024;
- Print costs are increased by 15% from 2022/2023 and staff costs are increased by 5% from 2023/2024;
- Downside assumptions about extended debtor days during 2022/2023, with recovery during 2023/2024;
- Cash preservation measures implemented and variable costs reduced.

At 28 February 2022, the Group had available liquidity of £51.2m, comprising central cash balances and its undrawn £10.0m Revolving Credit Facility (RCF). The RCF agreement is to October 2024. Under the severe but plausible downside scenario, the Group would maintain sufficient liquidity headroom even before modelling the mitigating effect of actions that management would take in the event that these downside risks were to crystallise.

The Group has an unsecured revolving credit facility with Lloyds Bank Plc. At 28 February 2022, the Group had £nil draw down (2021: £nil) of this facility with £10.0 million of undrawn borrowing facilities (2021: £8.0 million) available.

The facility comprises a committed revolving credit facility of £10 million, and an uncommitted incremental term loan facility of up to £6 million. The facilities are subject to two covenants, being a maximum net debt to EBITDA ratio of 2.5x and a minimum interest cover covenant of 4x.

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 split into two operating segments: Children's Trade and Adult Trade, and Non-Consumer is split into two operating segments: Academic & Professional and Special Interest.

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

The analysis by segment is shown below:

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
Year ended 28 February 2022								
External revenue	93,039	55,157	148,196	59,328	22,586	81,914	–	230,110
Cost of sales	(46,759)	(29,106)	(75,865)	(20,945)	(11,138)	(32,083)	–	(107,948)
Gross profit	46,280	26,051	72,331	38,383	11,448	49,831	–	122,162
Marketing and distribution costs	(12,812)	(8,271)	(21,083)	(5,335)	(3,390)	(8,725)	–	(29,808)
Contribution before administrative expenses	33,468	17,780	51,248	33,048	8,058	41,106	–	92,354
Administrative expenses excluding highlighted items	(17,506)	(15,732)	(33,238)	(23,907)	(7,980)	(31,887)	–	(65,125)
Share of result of joint venture	–	–	–	–	–	–	(117)	(117)
Operating profit/(loss) before highlighted items/segment results	15,962	2,048	18,010	9,141	78	9,219	(117)	27,112
Amortisation of acquired intangible assets	–	(272)	(272)	(2,349)	(214)	(2,563)	–	(2,835)
Other highlighted items	–	–	–	–	–	–	(1,715)	(1,715)
Operating profit/(loss)	15,962	1,776	17,738	6,792	(136)	6,656	(1,832)	22,562
Finance income	–	–	–	62	–	62	43	105
Finance costs	(162)	(94)	(256)	(115)	(48)	(163)	(67)	(486)
Profit/(loss) before taxation and highlighted items	15,800	1,954	17,754	9,088	30	9,118	(141)	26,731
Amortisation of acquired intangible assets	–	(272)	(272)	(2,349)	(214)	(2,563)	–	(2,835)
Other highlighted items	–	–	–	–	–	–	(1,715)	(1,715)
Profit/(loss) before taxation	15,800	1,682	17,482	6,739	(184)	6,555	(1,856)	22,181
Taxation	–	–	–	–	–	–	(5,291)	(5,291)
Profit/(loss) for the year	15,800	1,682	17,482	6,739	(184)	6,555	(7,147)	16,890
Operating profit/(loss) before highlighted items/segment results	15,962	2,048	18,010	9,141	78	9,219	(117)	27,112
Depreciation	914	632	1,546	604	251	855	–	2,401
Amortisation of internally generated intangibles	455	508	963	3,405	302	3,707	–	4,670
EBITDA before highlighted items	17,331	3,188	20,519	13,150	631	13,781	(117)	34,183

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
Year ended 28 February 2021								
External revenue	74,599	43,761	118,360	44,307	22,469	66,776	–	185,136
Cost of sales	(37,128)	(20,812)	(57,940)	(16,767)	(10,826)	(27,593)	–	(85,533)
Gross profit	37,471	22,949	60,420	27,540	11,643	39,183	–	99,603
Marketing and distribution costs	(9,386)	(6,278)	(15,664)	(4,678)	(3,051)	(7,729)	–	(23,393)
Contribution before administrative expenses	28,085	16,671	44,756	22,862	8,592	31,454	–	76,210
Administrative expenses excluding highlighted items	(17,543)	(12,706)	(30,249)	(18,494)	(7,420)	(25,914)	(300)	(56,463)
Share of result of joint venture	–	–	–	–	–	–	(110)	(110)
Operating profit/(loss) before highlighted items/ segment results	10,542	3,965	14,507	4,368	1,172	5,540	(410)	19,637
Amortisation of acquired intangible assets	–	(17)	(17)	(1,578)	(214)	(1,792)	–	(1,809)
Other highlighted items	–	–	–	–	–	–	5	5
Operating profit/(loss)	10,542	3,948	14,490	2,790	958	3,748	(405)	17,833
Finance income	–	–	–	51	–	51	69	120
Finance costs	(161)	(105)	(266)	(117)	(59)	(176)	(162)	(604)
Profit/(loss) before taxation and highlighted items	10,381	3,860	14,241	4,302	1,113	5,415	(503)	19,153
Amortisation of acquired intangible assets	–	(17)	(17)	(1,578)	(214)	(1,792)	–	(1,809)
Other highlighted items	–	–	–	–	–	–	5	5
Profit/(loss) before taxation	10,381	3,843	14,224	2,724	899	3,623	(498)	17,349
Taxation	–	–	–	–	–	–	(3,652)	(3,652)
Profit/(loss) for the year	10,381	3,843	14,224	2,724	899	3,623	(4,150)	13,697
Operating profit/(loss) before highlighted items/ segment results	10,542	3,965	14,507	4,368	1,172	5,540	(410)	19,637
Depreciation	912	528	1,440	556	283	839	–	2,279
Amortisation of internally generated intangibles	446	383	829	2,586	261	2,847	–	3,676
EBITDA before highlighted items	11,900	4,876	16,776	7,510	1,716	9,226	(410)	25,592

External revenue by source

	United Kingdom £'000	North America £'000	Australia £'000	India £'000	Total £'000
Year ended 28 February 2022	143,192	69,651	13,133	4,134	230,110
Year ended 28 February 2021	117,429	53,872	11,084	2,751	185,136

During the year sales to one customer exceeded 10% of Group revenue (2021: one customer). The value of these sales was £67,811,000 (2021: £68,597,000).

External revenue by product type

Year ended 28 February 2022	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non-Consumer £'000	Total £'000
Print	79,053	42,702	121,755	29,996	18,632	48,628	170,383
Digital	10,511	10,511	21,022	27,150	2,354	29,504	50,526
Rights and Services ¹	3,475	1,944	5,419	2,182	1,600	3,782	9,201
Total	93,039	55,157	148,196	59,328	22,586	81,914	230,110

Year ended 28 February 2021	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non-Consumer £'000	Total £'000
Print	63,708	34,644	98,352	23,267	18,200	41,467	139,819
Digital	7,636	8,298	15,934	19,015	2,730	21,745	37,679
Rights and Services ¹	3,255	819	4,074	2,025	1,539	3,564	7,638
Total	74,599	43,761	118,360	44,307	22,469	66,776	185,136

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

Total assets

	28 February 2022 £'000	28 February 2021 £'000
Children's Trade	13,633	10,361
Adult Trade	13,513	7,495
Academic & Professional	78,096	58,527
Special Interest	13,170	12,773
Unallocated	170,825	170,001
Total assets	289,237	259,157

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

	28 February 2022 £'000	28 February 2021 £'000
United Kingdom (country of domicile)	79,708	73,711
North America	22,196	6,633
Other	244	127
Total	102,148	80,471

3. Highlighted items

	Year ended 28 February 2022 £'000	Year ended 28 February 2021 £'000
Legal and other professional fees	1,317	203
Integration and restructuring costs	398	1,076
Paycheck Protection Program grant	–	(1,284)
Other highlighted items	1,715	(5)
Amortisation of acquired intangible assets	2,835	1,809
Total highlighted items	4,550	1,804

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

For the year ended 28 February 2021, legal and other professional fees of £203,000 were incurred as a result of the Group's ongoing and completed acquisitions, including certain assets of Red Globe Press and Zed Books Limited. Restructuring costs primarily relate to restructuring in both divisions. The Paycheck Protection Program grant was received from the US Government's Small Business Administration.

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% (2021: 19.00%). The reasons for this are explained below:

	Year ended 28 February 2022		Year ended 28 February 2021	
	£'000	%	£'000	%
Profit before taxation	22,181	100.0	17,349	100.0
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	4,214	19.0	3,296	19.0
Effects of:				
Non-deductible revenue expenditure	16	0.1	80	0.5
Non-taxable income	(383)	(1.7)	(131)	(0.8)
Movement in unrecognised temporary differences	–	–	(52)	(0.3)
Different rates of tax in foreign jurisdictions	946	4.3	444	2.6
Tax losses	(212)	(1.0)	217	1.2
Movement in deferred tax rate	144	0.7	132	0.8
Adjustment to tax charge in respect of prior years				
Current tax	(173)	(0.8)	289	1.7
Deferred tax	512	2.3	(391)	(2.3)
Tax charge for the year before disallowable costs on highlighted items	5,064	22.9	3,884	22.4
Highlighted items:				
Disallowable costs	227	1.0	38	0.2
Disallowable credits	–	–	(270)	(1.6)
Tax charge for the year	5,291	23.9	3,652	21.0

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.

Tax losses relate to the recognition of previously unrecognised tax losses or losses in the year that have not been recognised as deferred tax assets.

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.

For the year ended 28 February 2021 the disallowable credits relate to the US Government Paycheck Protection Program grant.

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

5. Dividends

	Year ended 28 February 2022 £'000	Year ended 28 February 2021 £'000
Amounts paid in the year		
Prior period 7.58p final dividend per share (2021: –p)	6,141	–
Prior period 9.78p special dividend per share for the year (2021: –p)	7,923	–
Interim 1.34p dividend per share (2021: 1.28p)	1,093	1,045
Total dividend payments in the year	15,157	1,045
Amounts arising in respect of the year		
Interim 1.34p dividend per share for the year (2021: 1.28p)	1,093	1,045
Proposed 9.40p final dividend per share for the year (2021: 7.58p)	7,671	6,182
Proposed –p special dividend per share for the year (2021: 9.78p)	–	7,976
Total dividend 10.74p per share for the year (2021: 18.64p)	8,764	15,203

The Directors are recommending a final dividend of 9.40 pence per share, which, subject to Shareholder approval at the Annual General Meeting, will be paid on 26 August 2022 to Shareholders on the register at close of business on 29 July 2022.

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

6. Earnings per share

The basic earnings per share for the year ended 28 February 2022 is calculated using a weighted average number of Ordinary shares in issue of 81,532,620 (2021: 80,867,938) 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 28 February 2022 Number	Year ended 28 February 2021 Number
Weighted average shares in issue	81,532,620	80,867,938
Dilution	1,530,573	1,082,577
Diluted weighted average shares in issue	83,063,193	81,950,515
	£'000	£'000
Profit after tax attributable to owners of the Company	16,890	13,697
Basic earnings per share	20.72p	16.94p
Diluted earnings per share	20.33p	16.71p
	£'000	£'000
Adjusted profit attributable to owners of the Company	21,548	15,310
Adjusted basic earnings per share	26.43p	18.93p
Adjusted diluted earnings per share	25.94p	18.68p

Adjusted profit is derived as follows:

	Year ended 28 February 2022 £'000	Year ended 28 February 2021 £'000
Profit before taxation	22,181	17,349
Amortisation of acquired intangible assets	2,835	1,809
Other highlighted items	1,715	(5)
Adjusted profit before tax	26,731	19,153
Tax expense	5,291	3,652
Deferred tax movements on goodwill and acquired intangible assets	(207)	(41)
Tax expense on other highlighted items	99	232
Adjusted tax	5,183	3,843
Adjusted earnings	21,548	15,310

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

7. Business combinations

Head of Zeus Limited

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

HoZ is an independent publisher of genre fiction and narrative non-fiction and children's books, based in London. It has published many bestsellers, won literary prizes and industry awards. The business will operate within Bloomsbury's Consumer division.

The table below summarises the provisional fair values to the Group included in the consolidated financial statements of the major categories of assets and liabilities of HoZ at the date of acquisition.

Net assets acquired	Fair value to the Group £'000
Assets	
Other intangible assets	2,800
Property, plant and equipment	52
Right-of-use assets	275
Deferred tax assets	130
Total non-current assets	3,257
Inventories	2,202
Trade and other receivables	6,654
Cash and cash equivalents	37
Total current assets	8,893
Total assets	12,150
Liabilities	
Deferred tax liabilities	700
Lease liabilities	137
Total non-current liabilities	837
Trade and other liabilities	3,578
Borrowings	1,097
Lease liabilities	165
Current tax liabilities	51
Total current liabilities	4,891
Total liabilities	5,728
Identifiable net assets	6,422
Goodwill	579
Total	7,001

Identifiable intangible assets of £2,800,000 consist of publishing rights and imprints. The publishing rights have a useful life of 8 years and imprints have a useful life of 8 years. The goodwill arising of £579,000 is attributable to the expected profitability of the acquired business and the synergies expected to arise after the acquisition.

The gross contractual trade and other receivables at acquisition is £6,691,000 of which, as at the acquisition date, £37,000 is the best estimate of the contractual cash flows that are not expected to be collected.

Transaction costs of £242,000 have been expensed in the year within administrative expenses.

From 2 June 2021, revenue of £9.0 million and profit attributable to owners of the Company of £0.1 million have been included in the consolidated income statement for the period ended 28 February 2022 in relation to HoZ.

If the acquisition had occurred on 1 March 2021 the revenue and profit attributable to shareholders of the combined entity for the current period would have been £11.5 million and £0.2 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.

ABC - CLIO, LLC

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

ABC-CLIO is an established academic publisher of reference, nonfiction, online curriculum and professional development materials in both print and digital formats for schools, academic libraries and public libraries, primarily in the USA. This acquisition further strengthens Bloomsbury Digital Resources and significantly accelerates Bloomsbury's academic publishing in North America, growing international revenues. ABC-CLIO will operate within Bloomsbury's Academic & Professional division.

The table below summarises the provisional fair values to the Group included in the consolidated financial statements of the major categories of assets and liabilities of ABC-CLIO at the date of acquisition.

	Provisional fair value to the Group £'000
Net assets acquired	
Assets	
Other intangible assets	16,572
Property, plant and equipment	284
Right-of-use assets	357
Deferred tax assets	962
Total non-current assets	18,175
Inventories	552
Trade and other receivables	3,354
Cash and cash equivalents	342
Total current assets	4,248
Total assets	22,423
Liabilities	
Lease liabilities	184
Total non-current liabilities	184
Trade and other liabilities	7,564
Lease liabilities	173
Current tax liabilities	254
Total current liabilities	7,991
Total liabilities	8,175
Identifiable net assets	14,248
Goodwill	2,497
Total	16,745

Identifiable intangible assets of £16,572,000 consist of publishing rights, imprints and product development. The publishing rights have a useful life of 6-7 years, imprints have a useful life of 7 years and product development have a useful life of 10 years. The goodwill arising of £2,497,000 is attributable to the expected profitability of the acquired business and the synergies expected to arise after the acquisition.

The gross contractual trade and other receivables at acquisition is £3,445,000 of which, as at the acquisition date, £91,000 is the best estimate of the contractual cash flows that are not expected to be collected.

Transaction costs of £630,000 have been expensed in the year within administrative expenses.

From 16 December 2021, revenue of £2.2 million and profit attributable to owners of the Company of £0.4 million have been included in the consolidated income statement for the period ended 28 February 2022 in relation to ABC-CLIO.

If the acquisition had occurred on 1 March 2021 the revenue and profit attributable to shareholders of the combined entity for the current period would have been £10.9 million and £1.3 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. Rights to Assets

Red Globe Press

On 23 April 2021, the Group announced the acquisition of certain assets of Red Globe Press ("RGP"), the academic imprint, from Macmillan Education Limited, a part of Springer Nature Group. The transaction completed on 1 June 2021. The consideration was £3.2 million, of which £1.8 million was satisfied in cash at completion and £1.3 million was satisfied in cash post completion during the year, with an expected further £0.1 million to be satisfied post-year end subject to assignment of certain contracts.

RGP specialises in high-quality publishing for Higher Education students globally in Humanities and Social Sciences, Business and Management, and Study Skills. RGP has a backlist of more than 7,000 titles and publishes more than 100 new titles per year, with content including digital platforms, textbooks, research-driven materials and general academic publishing. The acquired RGP titles are a good strategic fit, strengthen Bloomsbury's existing academic publishing, and establish new areas of academic publishing in Business and Management, Study Skills and Psychology. RGP's three digital products will be migrated to Bloomsbury Digital Resources' own platform and its content added to Bloomsbury Collections. The assets will operate within Bloomsbury's Academic & Professional division. There are opportunities for profit enhancements following the integration of the assets into Bloomsbury.

The Group has taken on Inventories, Advances and intangible assets associated with taking on the titles and digital products. No cash or trade receivables transferred as part of the acquisition.

9. Trade and other receivables

	28 February 2022 £'000	28 February 2021 £'000
Non-current		
Accrued income	923	1,005
Current		
Gross trade receivables	68,764	61,897
Less: loss allowance	(3,551)	(3,230)
Net trade receivables	65,213	58,667
Income tax recoverable	1,392	171
Other receivables	2,431	3,623
Prepayments	2,672	1,072
Accrued income	4,494	5,219
Royalty advances	28,677	24,790

Total current trade and other receivables	104,879	93,542
Total trade and other receivables	105,802	94,547

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 28 February 2022, £7,145,000 (2021: £7,260,000) of royalty advances are expected to be recovered after more than 12 months.

10. Annual General Meeting

The Annual General Meeting will be held on 20 July 2022.

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.