

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

**Audited Preliminary Results for the year ended 28 February 2021**

**Excellent revenue and profit performance**  
**Third profit upgrade**  
**Special dividend declared**

Bloomsbury, the leading independent publisher, today announces audited results for the year ended 28 February 2021, ahead of expectations.

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

"The popularity of reading has been a ray of sunshine in an otherwise very dark year. In an outstanding year for Bloomsbury, we delivered record results with sales up 14% to £185.1 million compared to the industry which was up 2%<sup>1</sup>. Our profit before tax and highlighted items<sup>4</sup> of £19.2 million showed an increase of 22% over the prior year. These results are ahead of expectations and represent our third upgrade this year. These performances demonstrate the strength and resilience of our strategy of publishing for both the general and academic market.

Our Consumer division delivered a stellar performance, with profit before tax and highlighted items<sup>4</sup> up by 61% to £14.2 million, including excellent revenue growth of 22% across the Adult and Children's divisions. Our diverse Consumer portfolio included backlist titles which really struck a chord with readers throughout the pandemic on themes such as humanity, social inclusion, escapism, fantasy, cookery and baking.

In our Non-Consumer division, Bloomsbury Digital Resources achieved phenomenal growth of 49%, with £12.4 million revenue. Our academic digital growth also significantly outperformed the UK market, with our digital resource strategy, conceived six years ago, ahead of and benefitting from the structural shift to online learning.

In light of our strong financial position and cash generation, and the importance of delivering attractive shareholder returns in accordance with our dividend policy, the Board proposes an increase of 10% to our final dividend<sup>2</sup>. The Board greatly appreciates the support of our shareholders during such unprecedented circumstances last year, and we are also proposing a special dividend of 9.78 pence per share.

Since the year end, we have achieved another key step in the delivery of our long term growth strategy expanding our Non-Consumer business, with the acquisition of the Red Globe Press list. Acquiring these complementary lists accelerates our digital growth and our significant presence in humanities and social sciences academic publishing.

Considering the ongoing momentum and strength of our business, Bloomsbury expects revenue to be ahead and profit to be comfortably ahead of market expectations for the year ended 28 February 2022<sup>3</sup>.

I would like to express my thanks to our staff, authors, illustrators, printers, distributors and suppliers for their outstanding work and profound resilience over the last year. Our ability to adapt to the rapidly changing conditions, together with the strength of our strategy supported by our strong financial position, has enabled Bloomsbury to emerge even stronger from this crisis and deliver this excellent performance."

## Financial Highlights

- Revenues increased by 14% to £185.1 million (2019/20: £162.8 million)
- Profit before taxation and highlighted items<sup>4</sup> grew by 22% to £19.2 million, up from £15.7 million in 2019/20
- Profit before taxation grew by 31% to £17.3 million (2019/20: £13.2 million)
- Diluted earnings per share, excluding highlighted items<sup>4</sup>, grew by 15% to 18.68 pence (2019/20: 16.23 pence)<sup>5</sup>
- Diluted earnings per share grew by 25% to 16.71 pence (2019/20: 13.40 pence)<sup>5</sup>
- Net cash of £54.5 million at 28 February 2021, up 74% (2020: £31.3 million)
- Cash conversion of 142% (2019/20: 111%)
- Final dividend of 7.58 pence per share (2020: bonus issue with a value equivalent to 6.89 pence per share<sup>2</sup>)
- Special dividend of 9.78 pence per share

## Operational Highlights

### *Consumer Division*

- Outstanding Consumer revenue growth of 22% to £118.3 million (2019/20: £96.8 million)
- Consumer profit before taxation and highlighted items<sup>4</sup> increased by 61% to £14.2 million (2019/20: £8.9 million)
- Very strong Adult Trade performance, with revenue up 17% to £43.7 million (2019/20: £37.4 million) and profit before taxation and highlighted items<sup>4</sup> up 145% to £3.9 million (2019/20: £1.6 million)
- Excellent Children's Trade performance, with revenue growth of 26% to £74.6 million (2019/20: £59.4 million) and profit before taxation and highlighted items<sup>3</sup> up 42% to £10.4 million (2019/20: £7.3 million)
- Sales of Sarah J. Maas' titles grew by 129% and Harry Potter sales grew by 7%
- Appointment of Ian Hudson as Managing Director, Consumer Publishing, and Paul Baggaley, Editor-in-Chief, Adult Consumer Publishing; an industry leading team to drive our ambitious growth plans

### *Non-Consumer Division*

- Resilient Non-Consumer performance, with revenue growth of 1% to £66.8 million (2019/20: £66.0 million)
- Non-Consumer profit before taxation and highlighted items<sup>4</sup> of £5.4 million (2019/20: £6.7 million)
- Bloomsbury Digital Resources ("BDR") revenues growth of 49% to £12.4 million (2019/20: £8.3 million) and profit of £2.9 million (2019/20: £0.7 million)
- Digital format sales now comprise 33% of Non-Consumer revenues, a CAGR of 31% over four years
- Good Academic & Professional performance, with revenue growth of 3% to £44.3 million (2019/20: £43.1 million) and profit before taxation and highlighted items<sup>4</sup> of £4.3 million (2019/20: £4.8 million)
- Acquisition of Red Globe Press' assets in April 2021 for £3.7 million, accelerating our digital growth and our significant presence in humanities and social sciences academic publishing
- Voted Academic Publisher of the Year at the 2021 British Book Awards

- BDR partnerships with Taylor & Francis and Human Kinetics launched and new partnerships with Yale University Press, Liverpool University Press and the Stratford Festival

## Notes

<sup>1</sup> Publishers Association: 2020 UK market up 2% year-on-year.

<sup>2</sup> 2019/20: bonus issue in lieu of, and with a value equivalent to, proposed final dividend of 6.89 pence per share.

<sup>3</sup> The Board considers current consensus market expectation for the year ending 28 February 2022 to be revenue of £177.5 million and profit before taxation and highlighted items of £17.4 million.

<sup>4</sup> Highlighted items comprise amortisation of acquired intangible assets, legal and other professional costs relating to ongoing and completed acquisitions and restructuring costs, and a grant under the US Government Paycheck Protection Program.

<sup>5</sup> Restatement of earnings per share due to bonus issue of shares in the year.

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Certain statements, statistics and projections in this announcement are or may be forward looking. By their nature, forward-looking statements involve a number of risks, uncertainties or assumptions that may or may not occur and actual results or events may differ materially from those expressed or implied by the forward-looking statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Accordingly, forward-looking statements contained in this announcement regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. You should not place undue reliance on forward-looking statements, which are based on the knowledge and information available only at the date of this announcement's preparation.

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

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

## Chief Executive's statement

### Overview

The popularity of reading has been a ray of sunshine in an otherwise very dark year. The year ended 28 February 2021 saw an outstanding performance by Bloomsbury, with 14% revenue growth to £185.1 million (2019/20: £162.8 million) and a 22% increase in profit before taxation and highlighted items to £19.2 million (2019/20: £15.7 million). Profit before taxation increased by 31% to £17.3 million (2019/20: £13.2 million).

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

Our Bloomsbury Digital Resources ("BDR") strategy positioned us well to deliver further growth from the accelerated shift to digital learning, with a 73% increase in the number of Academic customers during the year. BDR delivered 49% revenue growth year-on-year and generated profit of £2.9 million (2019/20: £0.7 million).

The highlighted items of £1.8 million (2019/20: £2.5 million) consist of the amortisation of acquired intangible assets of £1.8 million (2019/20: £1.7 million), one-off legal and other professional fees relating to the acquisitions and restructuring costs of £1.3 million (2019/20: £0.6 million) and a one-off US government grant under the Paycheck Protection Program of (£1.3 million). The effective rate of tax for the year was 21% (2019/20: 21%). The adjusted effective rate of tax, excluding highlighted items, was 20% (2019/20: 19%). Diluted earnings per share, excluding highlighted items, grew 15% to 18.68 pence (2019/20: 16.23 pence). Including highlighted items, profit before tax was £17.3 million (2019/20: £13.2 million) and diluted earnings per share grew 25% to 16.71 pence (2019/20: 13.40 pence).

### Strategy

Bloomsbury's long-term growth strategy is aimed at diversifying into digital channels and building quality revenues, increasing earnings and building on the success of the last six 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. Non-Consumer publishing is characterised by higher, more predictable margins and greater digital and global opportunities. 2020/21: delivered 52% growth in Non-Consumer digital.
  - Achieve BDR revenue of £15 million and profit of £5 million for 2021/22. 2020/21: delivered £12.4 million revenue, up 49%, and profit of £2.9 million, up £2.2 million.
- **Consumer**
  - Discover, nurture, champion and retain high-quality authors and illustrators, while looking at new ways to leverage existing title rights. 2020/21: Bestsellers included *Why I'm No Longer Talking to White People About Race* by Reni Eddo-Lodge, *Such a Fun Age* by Kiley Reid, *Piranesi* by Susanna Clarke and *Humankind* by Rutger Bregman.
  - Grow our key authors through effective publishing across all formats alongside strategic sales and marketing. 2020/21: 129% growth in sales of Sarah J. Maas title

sales, with both new titles: *Crescent City: House of Earth and Blood* and *A Court of Silver Flames* reaching Number One on the *New York Times* bestseller list.

- As the originating publisher of J.K. Rowling's Harry Potter, to ensure that new children discover and read it for pleasure every year. 2020/21: 7% growth in Harry Potter title sales, 23 years after first publication.

- **International Expansion**

- Expand international revenues and reduce reliance on UK market: 2020/21: increased overseas revenues to 64% of Group revenue; 81% of Academic BDR sales are international.

- **Employee Experience and Engagement**

Our success is driven by our colleagues' expertise, passion and commitment. We understand the importance of attracting, supporting and engaging colleagues wherever they work.

- To be an attractive employer for all individuals seeking a career in publishing regardless of background or identity;
- Focus on targeted initiatives to create an environment that promotes diversity, nurtures talent, stimulates creativity and collaboration, supports well-being and is respectful of difference.
- 2020/21: Expanded our Diversity and Inclusion ("D&I") Working Groups, supported by our nine employee-led network groups;
- Appointed Baroness Young to the Board to help Bloomsbury improve our D&I practices;
- With our staff, we are working on recruitment, staff engagement, training and our networks;
- With our publishing, we seek to publish diverse voices. We intend to monitor our publishing so we can ensure our list balance is representative of the societies we live in, and partner with organisations that can help us achieve these aims;
- Continued focus on employee engagement and development initiatives, including Employee Voice Meetings, monthly online Town Halls and our apprenticeship and mentoring schemes; and
- Increased flexible working to support employees.

- **Sustainability**

- Continue to switch to renewable energy across all sites, with the goal of Net Zero emissions in line with the Paris Agreement.
- 2020/2021: Measured scope 1 and 2 emissions, our operational footprint, and set reduction targets in line with the Paris Agreement. Measured scope 3 emissions for the first time and set targets; we are committed to working with our suppliers to make further significant emissions reductions across our supply chain. Our scope 1, 2 and 3 targets have been submitted to the SBTi for validation;
- Bloomsbury was recognised by the *Financial Times* 'Europe's Climate Leaders 2021' – the 300 companies that achieved the greatest reduction in their greenhouse gas emissions intensity between 2014 and 2019, aligned with revenue growth;
- Supporting the Woodland Trust and Reforest'Action for three years.

## Consumer Division

The Consumer division consists of Adult and Children's trade publishing. The Consumer division generated outstanding revenue growth of 22% to £118.3 million (2019/20: £96.8 million). Profit before taxation and highlighted items increased by 61% to £14.2 million (2019/20: £8.9 million). Profit before taxation increased to £14.2 million (2019/20: £8.8 million). The excellent performance was from both the Adult and Children's divisions, across front and backlist titles.

Bloomsbury's Consumer growth outperformed the rest of the UK market, in both print and digital formats; the Publishers Association reported Consumer growth of 7% for 2020.

### Adult Trade

The Adult division achieved very strong growth with a 17% increase in revenue to £43.7 million (2019/20: £37.4 million) and profit before taxation and highlighted items increasing by 145% to £3.9 million (2019/20: £1.6 million). This was driven by bestsellers from our front and backlist.

Bestsellers in the year from our backlist included the *Sunday Times* and *New York Times* bestseller *Why I'm No Longer Talking to White People About Race* by Reni Eddo-Lodge, the *Sunday Times* bestsellers *Such a Fun Age* by Kiley Reid, *Lose Weight and Get Fit* by Tom Kerridge and *Three Women* by Lisa Taddeo. *New York Times* bestsellers included *White Rage* by Carol Anderson and *Women Rowing North* by Mary Pipher. Further backlist bestsellers included *Dishoom: From Bombay with Love* by Shamil Thakrar, Kavi Thakrar and Naved Nasir and *The Song of Achilles* by Madeline Miller.

Frontlist success came from new titles including *Humankind* by Rutger Bregman, the *New York Times* bestsellers *Piranesi* by Susanna Clarke and *Outlawed* by Anna North, *The Book of Trespass* by Nick Hayes, *We Are Bellingcat* by Eliot Higgins and *The Mask Falling* by Samantha Shannon.

### Children's Trade

Children's sales also delivered excellent growth, with a 26% increase to £74.6 million (2019/20: £59.4 million). Profit before taxation and highlighted items increased by 42% to £10.4 million (2019/20: £7.3 million). Sales of the Harry Potter titles were 7% ahead of last year. *Harry Potter and the Philosopher's Stone* was the third bestselling children's book of the year on UK Nielsen Bookscan. *Harry Potter and the Philosopher's Stone*, *Harry Potter and the Chamber of Secrets* and *Harry Potter and the Half-Blood Prince* were all *Sunday Times* bestsellers in the year, showing the reach of this classic series, twenty three years after it first began.

Sarah J. Maas' sales grew by 129% compared to last year, with two new *New York Times* and *Sunday Times* bestselling titles published during the year: *Crescent City: House of Earth and Blood*, in March 2020, and *A Court of Silver Flames*, in February 2021, and strong backlist sales. Other highlights on the Children's list included the third in Brigid Kemmerer's Cursebreaker trilogy, *A Vow So Bold and Deadly*, *Skysteppers* by Katherine Rundell, *Cinderella is Dead* by Kaylynn Bayron, *The World Made a Rainbow* by Michelle Robinson, illustrated by Emily Hamilton, and *Ways to Make Sunshine* and *Love is a Revolution* by Renee Watson.

### Non-Consumer Division

The Non-Consumer division consists of Academic & Professional, including Bloomsbury Digital Resources, and Special Interest. Revenues in the division increased by 1% to £66.8 million (2019/20: £66.0 million). Profit before taxation and highlighted items for the Non-Consumer division was £5.4 million (2019/20: £6.7 million). Profit before taxation was £3.6 million (2019/20: £5.0 million).

Academic & Professional revenues increased by 3% to £44.3 million (2019/20: £43.1 million) and profit before taxation and highlighted items was £4.3 million (2019/20: £4.8 million). The accelerated demand for digital products and swift adoption of digital learning by academic institutions helped drive excellent performance of BDR and accelerated demand for e-books, which offset reduced print sales. Our Academic digital growth outperformed the rest of the UK market, with our BDR digital strategy, conceived six years ago, ahead of and benefitting from the market changes. Our achievements were recognised at the 2021 British Book Awards, winning Academic Publisher of the Year.

We are focused on delivering further digital growth from accelerating our established and most successful digital products, including the award-winning Drama Online, building partnerships and launching new products. Key achievements during the year, demonstrating the opportunities to further leverage our digital platforms and content, were:

- 73% increase in the number of Academic customers during the year;
- Maintaining our customer renewal rate above 90%;
- Growth of Bloomsbury Collections to over 13,000 front and backlist Bloomsbury Academic titles; over 40% higher than last year. These include titles from our acquisitions of Oberon and Zed;
- Launch of the new content partnerships with Taylor & Francis and Human Kinetics;
- New partnerships with Yale University Press, Liverpool University Press and the Stratford Festival.

Special Interest revenue was £22.5 million (2019/20: £22.9 million), and profit before taxation and highlighted items was £1.1 million (2019/20: £1.9 million), with resilient demand for wildlife titles, Wisden and Osprey games during the year.

## **Acquisitions**

In March 2020, we acquired certain assets of Zed Books Limited, the academic and non-fiction publisher. The consideration was £1.7 million, of which £1.5 million was satisfied in cash on completion and during the year and the remainder paid in March 2021. Zed has been integrated into Bloomsbury's Academic & Professional division.

During the year we also integrated Oberon Books Ltd (“Oberon”), acquired in December 2019, into the Academic & Professional division, and included its key titles in Drama Online.

Since the year end, in April 2021, we have achieved another key step in the delivery of our strategic growth strategy and driving our Non-Consumer business, with the acquisition of certain assets of Red Globe Press (“RGP”), the academic imprint, from Springer Nature Group as previously announced. The consideration was £3.7 million, £1.8 million of which was satisfied in cash on completion in June 2021. 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 BDR’s own platform and its content added to Bloomsbury Collections.

Bloomsbury has a strong and successful track record in strategic acquisitions, with 17 acquisitions 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 £54.5 million, up £23.1 million, and cash conversion of 142% (2019/20: 111%). During the year we invested £1.1 million of capital

expenditure in BDR and £1.5 million of the £1.7 million cash consideration for the acquisition of Zed Books Limited.

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. At 28 February 2021, the Group had no draw down (2020: £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 7.58 pence per share, totalling £6.2 million. Together with the interim dividend, this makes a total dividend for the year ended 28 February 2021 of 8.86 pence per share, an 8% increase on the 8.17 pence value of the dividend for the year ended 29 February 2020.

The Board greatly appreciates the support of our shareholders during such unprecedented circumstances last year and we are also proposing a special dividend of 9.78 pence per share, totalling £8.0 million.

Subject to Shareholder approval at our AGM on 21 July 2021, the final and special dividend will be paid on 27 August 2021 to Shareholders on the register on the record date of 30 July 2021.

Including the proposed 2020/21 final dividend, over the past ten years, the dividend has increased at a compound annual growth rate of 6.5%.

## **Social Initiatives**

As part of Bloomsbury's ongoing commitment to our wider communities, and in addition to our focus on promoting literature, literacy and education, we actively support numerous organisations worldwide. We published *The Book of Hopes: Words and Picture to Comfort, Inspire and Entertain Children*, edited by Katherine Rundell, with contributions from more than 110 children's writers and illustrators. A donation from the sale of each book is made to NHS Charities Together. We also published *The World Made a Rainbow*, by Michelle Robinson and Emily Hamilton, with a donation from the sale of each book being made to Save the Children. In addition to our donation to Black Lives Matter, in partnership with Waterstones in July 2020, we donated 10% of profits of sales of Reni Eddo-Lodge's *Why I'm No Longer Talking to White People About Race* to BTEG and Inquest.

We also supported the Society of Authors emergency appeal fund and The Trussell Trust's network of foodbanks. These initiatives are in addition to our three-year partnership with the National Literacy Trust, which included our financial support for their emergency appeal to help support children, parents, teachers and schools through the pandemic, our educational resources and activity ideas made available through their website and donation of over 60,000 books. 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.

## **Coronavirus Victims**

We also share the sad news of the loss of two colleagues in India from coronavirus. Yogesh Sharma, Senior Vice President for Sales and Marketing, who passed away in May, was a founding member of Bloomsbury India and his contribution to the growth of the company was vital. Aravind Murthy, Bloomsbury's India's Regional Sales Manager-South, passed away in April. Aravind was an amazing



sales manager, very dependable, hardworking, focused, and passionate about his work. We will miss them deeply and send our sympathy and support to the families of Aravind and Yogesh and to our colleagues in India.

## **Board Changes**

As announced in December 2020, Baroness Lola Young of Hornsey joined the Board as a Non-Executive Director on 1 January 2021. Baroness Young also became a member of the Nomination Committee.

In addition, John Warren will step down from the Board at the conclusion of Bloomsbury's 2021 AGM taking place on 21 July 2021. John joined the Board in 2015 and is the Senior Independent Director and Chair of the Audit Committee. It is intended that John will be succeeded by Leslie-Ann Reed as Chair of the Audit Committee and Senior Independent Director.

Sir Richard Lambert, Chairman of Bloomsbury, said: "On behalf of myself, the Chief Executive, Nigel Newton, and the Board, I would like to thank John for his tremendous contribution to Bloomsbury during his six-year tenure. John has been a wonderful colleague – rigorous, shrewd and good humoured. He will be much missed."

## **Future Publishing**

Our BDR strategic initiatives include the launch of a new Drama Online collection from the market-leading US drama publisher Theatre Communications Group, expanding Bloomsbury Collections to include more than 7,000 Red Globe Press titles and the migration of Red Globe Press' three digital products to BDR's own platform.

Our strong Consumer publishing list for 2021/22 includes *Tom Kerridge's Outdoor Cooking: The Ultimate Modern Barbeque Bible*, *Lost Focus* by Johan Hari, *Gino's Italian Family Adventure* by Gino D'Acampo and *Animal* by Lisa Taddeo.

We will be publishing the Sarah J. Maas' second *Crescent City* title, *House of Sky and Breath*, in January 2022. Our Children's frontlist for 2021/22 includes *Harry Potter – A Magical Year: The Illustrations of Jim Kay*, a beautiful new gift book with a moment for every day of the year, *Defy the Night*, the much-anticipated new series from Brigid Kemmerer, and Renée Watson's new book *Ways To Grow Love*.

## **Outlook**

The start of our 2021/22 has seen a continuation of strong trading. Whilst the Board remains mindful of the external environment, the outstanding performance in 2020/21 increases our confidence in the strength of the business and long-term strategy.

At this early stage of the new financial year, and considering the ongoing momentum and strength of our business, Bloomsbury expects revenue to be ahead and profit to be comfortably ahead of market expectations for the year ended 28 February 2022.\*

\* The Board considers current consensus market expectation for the year ending 28 February 2022 to be revenue of £177.5 million and profit before taxation and highlighted items of £17.4 million.

# Audited Consolidated Income Statement

FOR THE YEAR ENDED 28 FEBRUARY 2021

	Notes	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Revenue	2	185,136	162,772
Cost of sales		(85,533)	(74,978)
<b>Gross profit</b>		<b>99,603</b>	87,794
Marketing and distribution costs		(23,393)	(21,373)
Administrative expenses		(58,267)	(52,949)
Share of result of joint venture		(110)	–
<b>Operating profit before highlighted items</b>		<b>19,637</b>	15,947
Highlighted items	3	(1,804)	(2,475)
<b>Operating profit</b>		<b>17,833</b>	13,472
Finance income		120	270
Finance costs		(604)	(513)
<b>Profit before taxation and highlighted items</b>		<b>19,153</b>	15,704
Highlighted items	3	(1,804)	(2,475)
<b>Profit before taxation</b>		<b>17,349</b>	13,229
Taxation	4	(3,652)	(2,728)
<b>Profit for the year attributable to owners of the Company</b>		<b>13,697</b>	10,501
<b>Earnings per share attributable to owners of the Company</b>			
Basic earnings per share	6	16.94p	13.58p
Diluted earnings per share	6	16.71p	13.40p

# Audited Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 28 FEBRUARY 2021

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
<b>Profit for the year</b>	<b>13,697</b>	10,501
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to the income statement:</i>		
Exchange differences on translating foreign operations	<b>(2,877)</b>	856
<i>Items that may not be reclassified to the income statement:</i>		
Remeasurements on the defined benefit pension scheme	<b>89</b>	(115)
Other comprehensive income for the year net of tax	<b>(2,788)</b>	741
<b>Total comprehensive income for the year attributable to the owners of the Company</b>	<b>10,909</b>	11,242

Items in the statement above are disclosed net of tax.

# Audited Consolidated Statement of Financial Position

AS AT 28 FEBRUARY 2021

	Notes	28 February 2021 £'000	29 February 2020 £'000
<b>Assets</b>			
Goodwill		44,688	45,030
Other intangible assets		21,337	21,630
Investments		162	516
Property, plant and equipment		1,846	1,914
Right-of-use assets		11,433	13,343
Deferred tax assets		3,904	2,756
Trade and other receivables	7	1,005	1,237
<b>Total non-current assets</b>		<b>84,375</b>	<b>86,426</b>
Inventories		26,774	27,164
Trade and other receivables	7	93,542	84,805
Cash and cash equivalents		54,466	31,345
<b>Total current assets</b>		<b>174,782</b>	<b>143,314</b>
<b>Total assets</b>		<b>259,157</b>	<b>229,740</b>
<b>Liabilities</b>			
Retirement benefit obligations		14	185
Deferred tax liabilities		2,386	2,347
Lease liabilities		11,135	12,945
Provisions		232	182
<b>Total non-current liabilities</b>		<b>13,767</b>	<b>15,659</b>
Trade and other liabilities		74,341	61,844
Lease liabilities		1,808	1,585
Current tax liabilities		456	328
Provisions		536	651
<b>Total current liabilities</b>		<b>77,141</b>	<b>64,408</b>
<b>Total liabilities</b>		<b>90,908</b>	<b>80,067</b>
<b>Net assets</b>		<b>168,249</b>	<b>149,673</b>
<b>Equity</b>			
Share capital		1,020	942
Share premium		47,319	39,388
Translation reserve		6,630	9,507
Other reserves		9,623	7,778
Retained earnings		103,657	92,058
<b>Total equity attributable to owners of the Company</b>		<b>168,249</b>	<b>149,673</b>

# Audited Consolidated Statement of Changes in Equity

AS AT 28 FEBRUARY 2021

	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
<b>At 28 February 2019</b>	<b>942</b>	<b>39,388</b>	<b>8,651</b>	<b>1,803</b>	<b>22</b>	<b>6,095</b>	<b>(802)</b>	<b>87,639</b>	<b>143,738</b>
Profit for the year	–	–	–	–	–	–	–	10,501	10,501
<b>Other comprehensive income</b>									
Exchange differences on translating foreign operations	–	–	856	–	–	–	–	–	856
Remeasurements on the defined benefit pension scheme	–	–	–	–	–	–	–	(115)	(115)
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>856</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10,386</b>	<b>11,242</b>
<b>Transactions with owners</b>									
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
<b>Total transactions with owners of the Company</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>629</b>	<b>31</b>	<b>(5,967)</b>	<b>(5,307)</b>
<b>At 29 February 2020</b>	<b>942</b>	<b>39,388</b>	<b>9,507</b>	<b>1,803</b>	<b>22</b>	<b>6,724</b>	<b>(771)</b>	<b>92,058</b>	<b>149,673</b>
Profit for the year	–	–	–	–	–	–	–	13,697	13,697
<b>Other comprehensive income</b>									
Exchange differences on translating foreign operations	–	–	(2,877)	–	–	–	–	–	(2,877)
Remeasurements on the defined benefit pension scheme	–	–	–	–	–	–	–	89	89
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>(2,877)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>13,786</b>	<b>10,909</b>
<b>Transactions with owners</b>									
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
<b>Total transactions with owners of the Company</b>	<b>78</b>	<b>7,931</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,221</b>	<b>624</b>	<b>(2,187)</b>	<b>7,667</b>
<b>At 28 February 2021</b>	<b>1,020</b>	<b>47,319</b>	<b>6,630</b>	<b>1,803</b>	<b>22</b>	<b>7,945</b>	<b>(147)</b>	<b>103,657</b>	<b>168,249</b>

# Audited Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 28 FEBRUARY 2021

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
<b>Cash flows from operating activities</b>		
Profit for the year	13,697	10,501
Adjustments for:		
Depreciation of property, plant and equipment	473	502
Depreciation of right-of-use assets	1,806	1,775
Amortisation of intangible assets	5,485	4,301
Impairment of investments	300	–
Finance income	(120)	(270)
Finance costs	604	513
Share of loss of Joint Venture	110	7
Share-based payment charges	1,416	761
Tax expense	3,652	2,728
	27,423	20,818
Increase in inventories	(357)	(620)
Increase in trade and other receivables	(11,281)	(4,385)
Increase in trade and other liabilities	13,789	2,489
<b>Cash generated from operating activities</b>	29,574	18,302
Income taxes paid	(4,406)	(1,706)
<b>Net cash generated from operating activities</b>	25,168	16,596
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(422)	(294)
Purchase of intangible assets	(3,804)	(3,137)
Purchase of business, net of cash acquired	–	(310)
Purchase of rights to assets	(1,547)	(1,213)
Purchase of joint ventures	(56)	(223)
Interest received	110	254
<b>Net cash used in investing activities</b>	(5,719)	(4,923)
<b>Cash flows from financing activities</b>		
Equity dividends paid	(1,045)	(6,009)
Purchase of shares by the Employee Benefit Trust	(674)	–
Proceeds from exercise of share options	184	27
Proceeds from share issue	7,978	–
Repayment of lease liabilities	(1,451)	(1,531)
Lease liability interest paid	(442)	(492)
Interest paid	(149)	(3)
<b>Net cash from/ (used) in financing activities</b>	4,401	(8,008)
<b>Net increase in cash and cash equivalents</b>	23,850	3,665
Cash and cash equivalents at beginning of year	31,345	27,580
Exchange (loss)/gain on cash and cash equivalents	(729)	100
<b>Cash and cash equivalents at end of year</b>	54,466	31,345

## 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 2021 or 29 February 2020 but is derived from those accounts. Statutory accounts for 2020 have been delivered to the registrar of companies, and those for 2021 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and the Group financial statements were also prepared in accordance with international financial reporting standards ("IFRS") adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. Except as described below, the accounting policies applied in the year ended 28 February 2021 are consistent with those applied in the financial statements for year ended 29 February 2020 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 25% - 50% during 2021/22, with recovery during 2022/23;
- Downside assumptions about extended debtor days during 2021/22, with recovery during 2022/23;
- Cash preservation measures implemented and variable costs reduced.

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

The Group has an unsecured revolving credit facility with Lloyds Bank Plc. The facility comprises a committed revolving 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. The agreement is to May 2022.

At 28 February 2021, the Group had no draw down of this facility.

## **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
<b>Year ended 28 February 2021</b>								
<b>External revenue</b>	<b>74,599</b>	<b>43,761</b>	<b>118,360</b>	<b>44,307</b>	<b>22,469</b>	<b>66,776</b>	–	<b>185,136</b>
Cost of sales	(37,128)	(20,812)	(57,940)	(16,767)	(10,826)	(27,593)	–	(85,533)
<b>Gross profit</b>	<b>37,471</b>	<b>22,949</b>	<b>60,420</b>	<b>27,540</b>	<b>11,643</b>	<b>39,183</b>	–	<b>99,603</b>
Marketing and distribution costs	(9,386)	(6,278)	(15,664)	(4,678)	(3,051)	(7,729)	–	(23,393)
<b>Contribution before administrative expenses</b>	<b>28,085</b>	<b>16,671</b>	<b>44,756</b>	<b>22,862</b>	<b>8,592</b>	<b>31,454</b>	–	<b>76,210</b>
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)
<b>Operating profit/(loss) before highlighted items/ segment results</b>	<b>10,542</b>	<b>3,965</b>	<b>14,507</b>	<b>4,368</b>	<b>1,172</b>	<b>5,540</b>	<b>(410)</b>	<b>19,637</b>
Amortisation of acquired intangible assets	–	(17)	(17)	(1,578)	(214)	(1,792)	–	(1,809)
Other highlighted items	–	–	–	–	–	–	5	5
<b>Operating profit/(loss)</b>	<b>10,542</b>	<b>3,948</b>	<b>14,490</b>	<b>2,790</b>	<b>958</b>	<b>3,748</b>	<b>(405)</b>	<b>17,833</b>
Finance income	–	–	–	51	–	51	69	120
Finance costs	(161)	(105)	(266)	(117)	(59)	(176)	(162)	(604)
<b>Profit/(loss) before taxation and highlighted items</b>	<b>10,381</b>	<b>3,860</b>	<b>14,241</b>	<b>4,302</b>	<b>1,113</b>	<b>5,415</b>	<b>(503)</b>	<b>19,153</b>
Amortisation of acquired intangible assets	–	(17)	(17)	(1,578)	(214)	(1,792)	–	(1,809)
Other highlighted items	–	–	–	–	–	–	5	5
<b>Profit/(loss) before taxation</b>	<b>10,381</b>	<b>3,843</b>	<b>14,224</b>	<b>2,724</b>	<b>899</b>	<b>3,623</b>	<b>(498)</b>	<b>17,349</b>
Taxation	–	–	–	–	–	–	(3,652)	(3,652)
<b>Profit/(loss) for the year</b>	<b>10,381</b>	<b>3,843</b>	<b>14,224</b>	<b>2,724</b>	<b>899</b>	<b>3,623</b>	<b>(4,150)</b>	<b>13,697</b>
<b>Operating profit/(loss) before highlighted items/ segment results</b>	<b>10,542</b>	<b>3,965</b>	<b>14,507</b>	<b>4,368</b>	<b>1,172</b>	<b>5,540</b>	<b>(410)</b>	<b>19,637</b>
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
<b>EBITDA before highlighted items</b>	<b>11,900</b>	<b>4,876</b>	<b>16,776</b>	<b>7,510</b>	<b>1,716</b>	<b>9,226</b>	<b>(410)</b>	<b>25,592</b>

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

## External revenue by source

	United Kingdom £'000	North America £'000	Australia £'000	India £'000	Total £'000
<b>Year ended 28 February 2021</b>	<b>117,429</b>	<b>53,872</b>	<b>11,084</b>	<b>2,751</b>	<b>185,136</b>
Year ended 29 February 2020	104,440	42,415	11,107	4,810	162,772

During the year sales to one customer exceeded 10% of Group revenue (2020: one customer). The value of these sales was £68,597,000 (2020: £43,405,000).

## External revenue by product type

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non-Consumer £'000	Total £'000
<b>Year ended 28 February 2021</b>							
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 <sup>1</sup>	3,255	819	4,074	2,025	1,539	3,564	7,638
<b>Total</b>	<b>74,599</b>	<b>43,761</b>	<b>118,360</b>	<b>44,307</b>	<b>22,469</b>	<b>66,776</b>	<b>185,136</b>

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non-Consumer £'000	Total £'000
<b>Year ended 29 February 2020</b>							
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 <sup>1</sup>	3,679	1,184	4,863	2,586	2,073	4,659	9,522
<b>Total</b>	<b>59,354</b>	<b>37,416</b>	<b>96,770</b>	<b>43,123</b>	<b>22,879</b>	<b>66,002</b>	<b>162,772</b>

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

## Total assets

	<b>28 February 2021 £'000</b>	29 February 2020 £'000
Children's Trade	<b>10,361</b>	11,016
Adult Trade	<b>7,495</b>	6,747
Academic & Professional	<b>58,527</b>	59,128
Special Interest	<b>12,773</b>	13,492
Unallocated	<b>170,001</b>	139,357
<b>Total assets</b>	<b>259,157</b>	229,740

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 2021 £'000	29 February 2020 £'000
United Kingdom (country of domicile)	73,711	75,839
North America	6,633	7,638
Other	127	193
<b>Total</b>	<b>80,471</b>	<b>83,670</b>

### 3. Highlighted items

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Legal and other professional fees	203	461
Coronavirus onerous costs	–	180
Restructuring costs	1,076	98
Paycheck Protection Program grant	(1,284)	–
<b>Other highlighted items</b>	<b>(5)</b>	<b>739</b>
Amortisation of acquired intangible assets	1,809	1,736
<b>Total highlighted items</b>	<b>1,804</b>	<b>2,475</b>

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 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.

For the year ended 29 February 2020 Legal and other professional fees of £461,000 were incurred as a result of the Group's ongoing and completed acquisitions, including those of Oberon Books Limited and our 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.

## 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% (2020: 19.00%). The reasons for this are explained below:

	Year ended 28 February 2021		Year ended 29 February 2020	
	£'000	%	£'000	%
<b>Profit before taxation</b>	<b>17,349</b>	<b>100.0</b>	13,229	100.0
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	<b>3,296</b>	<b>19.0</b>	2,514	19.0
<b>Effects of:</b>				
Non-deductible revenue expenditure	<b>80</b>	<b>0.5</b>	153	1.1
Non-taxable income	<b>(131)</b>	<b>(0.8)</b>	–	–
Movement in unrecognised temporary differences	<b>(52)</b>	<b>(0.3)</b>	47	0.4
Different rates of tax in foreign jurisdictions	<b>444</b>	<b>2.6</b>	142	1.1
Tax losses	<b>217</b>	<b>1.2</b>	(124)	(0.9)
Movement in deferred tax rate	<b>132</b>	<b>0.8</b>	–	–
<b>Adjustment to tax charge in respect of prior years</b>				
Current tax	<b>289</b>	<b>1.7</b>	(33)	(0.3)
Deferred tax	<b>(391)</b>	<b>(2.3)</b>	(57)	(0.4)
Tax charge for the year before disallowable costs on highlighted items	<b>3,884</b>	<b>22.4</b>	2,642	20.0
<b>Highlighted items:</b>				
Disallowable costs	<b>38</b>	<b>0.2</b>	86	0.6
Disallowable credits	<b>(270)</b>	<b>(1.6)</b>	–	–
<b>Tax charge for the year</b>	<b>3,652</b>	<b>21.0</b>	2,728	20.6

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.

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 2021 £'000	Year ended 29 February 2020 £'000
<b>Amounts paid in the year</b>		
Prior period final dividend per share (2020: 6.75p)	–	5,051
Interim 1.28p dividend per share (2020: 1.28p)	1,045	958
<b>Total dividend payments in the year</b>	<b>1,045</b>	<b>6,009</b>
<b>Amounts arising in respect of the year</b>		
Interim 1.28p dividend per share for the year (2020: 1.28p)	1,045	958
Proposed 7.58p final dividend per share for the year (2020: nil)	6,182	–
Proposed 9.78p special dividend per share for the year (2020: nil)	7,976	–
<b>Total dividend 18.64p per share for the year (2020: 1.28p)</b>	<b>15,203</b>	<b>958</b>

The Directors are recommending a final dividend of 7.58 pence per share and a special dividend of 9.78 pence per share, which, subject to Shareholder approval at the Annual General Meeting, will be paid on 27 August 2021 to Shareholders on the register on the record date of 30 July 2021.

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 2021 is calculated using a weighted average number of Ordinary shares in issue of 80,867,938 (2020: 77,344,388) 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 2021 Number	Year ended 29 February 2020 Number Restated*
<b>Weighted average shares in issue</b>	<b>80,867,938</b>	77,344,388
Dilution	1,082,577	1,026,939
<b>Diluted weighted average shares in issue</b>	<b>81,950,515</b>	<b>78,371,327</b>
	£'000	£'000
<b>Profit after tax attributable to owners of the Company</b>	<b>13,697</b>	10,501
<b>Basic earnings per share</b>	<b>16.94p</b>	13.58p
<b>Diluted earnings per share</b>	<b>16.71p</b>	13.40p
	£'000	£'000
<b>Adjusted profit attributable to owners of the Company</b>	<b>15,310</b>	12,720
<b>Adjusted basic earnings per share</b>	<b>18.93p</b>	16.45p
<b>Adjusted diluted earnings per share</b>	<b>18.68p</b>	16.23p

Adjusted profit is derived as follows:

	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Profit before taxation	17,349	13,229
Amortisation of acquired intangible assets	1,809	1,736
Other highlighted items	(5)	739
<b>Adjusted profit before tax</b>	<b>19,153</b>	<b>15,704</b>
Tax expense	3,652	2,728
Deferred tax movements on goodwill and acquired intangible assets	(41)	202
Tax expense on other highlighted items	232	54
<b>Adjusted tax</b>	<b>3,843</b>	<b>2,984</b>
<b>Adjusted profit</b>	<b>15,310</b>	<b>12,720</b>

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

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

## 7. Trade and other receivables

	28 February 2021 £'000	29 February 2020 £'000
<b>Non-current</b>		
Accrued income	1,005	1,237
<b>Current</b>		
Gross trade receivables	61,897	54,252
Less: loss allowance	(3,230)	(1,832)
Net trade receivables	58,667	52,420
Income tax recoverable	171	481
Other receivables	3,623	1,510
Prepayments	1,072	1,350
Accrued income	5,219	4,201
Royalty advances	24,790	24,843
<b>Total current trade and other receivables</b>	<b>93,542</b>	<b>84,805</b>
<b>Total trade and other receivables</b>	<b>94,547</b>	<b>86,042</b>

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 2021, £7,786,000 (2020: £5,604,000) of royalty advances are expected to be recovered after more than 12 months.

## 8. Restatement of earnings per share due to the bonus issue of shares in the year

On 28 August 2020 a bonus issue in lieu of final dividend of 2,513,674 Ordinary Shares of 1.25 pence each, were provided to Shareholders on the register on the record date of 31 July 2020. This bonus issue was made to Shareholders in lieu of, and with a value equivalent to, the final dividend Bloomsbury would have declared in the absence of coronavirus.

	<b>Year ended 29 February 2020 Restated</b>	Year ended 29 February 2020
Basic earnings per share	13.58p	14.03p
Diluted earnings per share	13.40p	13.84p
Adjusted basic earnings per share	16.45p	17.00p
Adjusted diluted earnings per share	16.23p	16.77p
Weighted average number of shares used in basic earnings per share calculation	77,344,388	74,830,714
Weighted average number of shares used in diluted earnings per share calculation	78,371,327	75,857,653

## 9. Post Balance Sheet Events

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 is £3.7 million, of which £1.8 million was satisfied in cash at completion and up to £1.9 million will be paid post-completion, 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 business will operate within Bloomsbury’s Academic & Professional division. There are opportunities for profit enhancements following the integration of the business into Bloomsbury.

The Group will take on inventories, advances and intangible assets associated with taking on the titles, imprint and digital products. No cash or trade receivables will transfer as part of the acquisition. Given the timing of the acquisition in relation to the date these accounts were signed no further information is available for disclosure.

## 10. Annual General Meeting

The Annual General Meeting will be held on 21 July 2021.

## 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.