20 May 2014

BLOOMSBURY PUBLISHING PLC

(“Bloomsbury”, the “Company” or the “Group”)

Unaudited Preliminary Results for the year ended 28 February 2014

Bloomsbury Publishing Plc today announces unaudited results for the year ended 28 February 2014.

Bloomsbury’s strategy to develop a wholly integrated consumer and academic publisher in the major global markets has generated strong revenue growth across key book publishing divisions.

Financial highlights

The highlights for the year ended 28 February 2014 include:

- Revenue up 11% to £109.5 million (2012/13: £98.5 million)
- Profit before tax and highlighted items* up 4% to £13.0 million (2012/13: £12.5 million)
- Profit before tax £9.5 million (2012/13: £9.8 million)
- Total dividend increased by 5.8% to 5.82 pence per share (2012/13: 5.50 pence per share)
- Net cash balance of £10.0 million (2012/13: £14.6 million) following acquisition investment including Hart Publishing in September 2013

Operating highlights

- **Adult Division - a spectacular year**
    - Revenue was £49.9 million (2012/13: £44.3 million), with operating profit before highlighted items £5.4 million (2012/13: £3.7 million)
    - Robust growth in e-book sales with potential for further expansion in high-growth economies
    - Major best sellers including Khaled Hosseini’s *And the Mountains Echoed* and Samantha Shannon’s *The Bone Season*
    - Consistently strong performance from portfolio of high quality cookery books, including Tom Kerridge’s *Proper Pub Food* and significant sales from established authors including Raymond Blanc, Heston Blumenthal, Hugh Fearnley-Whittingstall and MasterChef

- **Academic & Professional business delivers robust sales performance**
    - Revenue was up 11% to £32.1 million (2012/13: £29.0 million)
    - Revenues from e-books and other digital products now account for 10% of divisional revenue (2012/13: 8%)
    - Launched award-winning new digital services including Drama Online, Actors and Performers and in May 2014 Bloomsbury Collections
    - A new platform, Bloomsbury Fashion Central, to be launched in 2015
    - Voted Academic, Professional and Educational Publisher of the Year in May 2013 and 2014 at the annual industry trade awards

- **Strategic investment pays off in Children's & Educational**
    - Revenue of £23.6 million (2012/13: £21.3 million)
    - Majority of UK sales growth came from illustrated books in line with our strategy
    - Highlights included *Fortunately, the Milk...* by Neil Gaiman being shortlisted for the Specsavers Children's Book of the Year and the bestseller *Shh! Don't Wake the Royal Baby!* by Martha Mumford and Ada Gray

- **Digital sales sees significant growth**
    - Significant growth in digital sales increasing 21% to £12.2 million, contributing 12.1% of title sales (2012/13: 11.5%)
    - Strong performance in UK and other markets with potential for further growth as digital reading devices become more widespread in the high-growth economies of Asia, Africa, the Middle East and Latin America

- **Potential bestsellers for 2014/15**
    - Paperbacks including Khaled Hosseini's *And the Mountains Echoed*, Elizabeth Gilbert's *The Signature of All Things* and *The Bone Season* by Samantha Shannon
    - New titles from Tom Kerridge, Paul Hollywood and Hugh Fearnley-Whittingstall
    - *The Mime Order* by Samantha Shannon
    - *We are Pirates* by Daniel Handler (published under pen-name Lemony Snicket)
    - *Close Call* by Stella Rimington
    - *Miss Carter's War* by Sheila Hancock
    - *Can't We Talk About Something More Pleasant?* by Roz Chast
    - *Social Suppers* by Jason Atherton

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

"This has been a very strong year for Bloomsbury.

Our Adult division had a spectacular year driven by an excellent list of new books including Khaled Hosseini's *And the Mountains Echoed*, Samantha Shannon's debut novel *The Bone Season*, and the continued strength of our cookery list which includes the phenomenal success of Tom Kerridge's *Proper Pub Food*.

We have continued to grasp the opportunities offered by the digital revolution to build a growing profitable, sustainable and balanced twenty-first century publishing business. Underpinning this is our success in developing into a wholly integrated trade and academic publisher in the major markets around the world. During the year we made good progress towards our longer-term strategic targets.

We enter 2014/15 with a strong publishing programme including new titles from Tom Kerridge and Paul Hollywood as well as a year-long Harry Potter marketing campaign to promote the newly illustrated series. In May we launched Bloomsbury Collections, an academic e-book platform that will have 3,500 titles by the end of the year."

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

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Chief Executive's Review 2013/14

Bloomsbury is continuing to grasp the opportunities offered by the digital revolution to build a growing, sustainable and balanced twenty-first century publishing business. We have succeeded in developing into a wholly integrated consumer and academic publisher in the major markets around the world. We are now recognised as one of the finest publishers of both general and academic books and we believe there are valuable synergies between the two.

Strong revenue growth, up 11% to £109.5 million, was driven by an excellent list of new books contributing significantly to another successful year for the Group. Profit before tax and highlighted items* of £13.0 million was up 4% on the year ended 28 February 2013 of £12.5 million. Profit before tax was £9.5 million (2012/13: £9.8 million).

The majority of our revenue is generated by title sales, which were up by 16% year on year to £101.0 million following the success of our new books. Within this, digital sales rose by 21% to £12.2 million and now make up 12.1% of title sales (2012/13: 11.5%). The strong sales from new books mitigated a fall in higher-margin rights and services revenues, which delivered 8% of total revenue compared to 12% last year. Rights and services revenues were down 26% to £8.5 million. Within that, copyright licence revenue fell by £2.5 million as fewer deals were completed and at lower amounts.

A robust sales performance in our Academic & Professional division was enhanced by the acquisition of the legal publisher, Hart Publishing ("Hart"), in September 2013, which contributed revenue of £1.8 million and profit before tax of £0.5 million in the six months since its acquisition. Underlying revenue, which excludes the result of Hart and the two businesses we acquired in 2012, Fairchild Books and Applied Visual Arts Publishing, was up by 10% to £101.5 million.

Operating profit margin before highlighted items reduced from 12.6% to 11.9% mainly because of the lower proportion of higher margin rights and services revenue compared to the very strong prior year. During the year we have tendered our colour print purchasing and delivered savings in the second half of the year equivalent to £0.4 million per annum. This was part of a significant reorganisation of our Group Production, which included adopting an XML-based, content-led workflow across the entire Group. This consolidation project will deliver a single, documented and controlled mark-up language suited to over 95% of Bloomsbury's output. This is vital to the success of our publishing strategy for both print and digital.

We have also invested in new staff in IT, Digital Development and Production to facilitate further the strategic move to digital workflows. Combined with additional investment in Operations in the second half of the year, total additional investment in these areas is £0.6 million per annum, as previously announced.

We have been investing successfully in the development of online platforms. These include Drama Online, Churchill Archive and Berg Fashion Library, with Bloomsbury Collections launching in May this year. As sales and the number of platforms increase, we are creating our own institutional digital sales force. During 2014/15 there will be overlap costs of £0.3 million as we make this transition.

In its first full year of operation, our Indian publishing business in New Delhi generated revenues of £1.5 million and broke even, before the allocation of Group costs. This is a year ahead of our original plan and was due to the excellent sales of Khaled Hosseini's *And the Mountains Echoed* and some strong local publishing.

The acquisition of Hart Publishing, related restructuring and other strategic initiatives have resulted in £0.8 million of costs which, together with intangible amortisation, are highlighted separately in the financial statements.

The effective rate of tax for the year was 18.7% compared to 20.6% for the year ended 28 February 2013. The reduction mainly reflects the lower rate of UK corporation tax which affected current and deferred tax.

Diluted earnings per share, excluding highlighted items, were 14.23 pence, up 9% from 13.11 pence in 2012/13. Total diluted earnings per share for the year were 10.43 pence compared to 9.99 pence in 2012/13.

The Group's net cash balance was £10.0 million at 28 February 2014 down from £14.6 million at 28 February 2013. The Group generated £3.9 million of cash in the year before an £8.5 million outflow for acquisition investment. This reflected in our strong operating cash conversion rate of 86% (2012/13: 62%).

Divisional Review

Academic & Professional - Another year of robust sales growth

The year saw a robust sales performance driven by substantial growth in organic digital revenues, the acquisition of Hart Publishing and a strong US performance, reflecting the investments made last year in sales and marketing infrastructure. Profits were also impacted by a reduction in rights and services income and a one-off £0.8 million additional US stock provision.

The division's results are summarised below:

	Year ended 28.2.14 £m	Year ended 28.2.13 £m	Change Year on year £m	% change Year on year
Revenue	32.1	29.0	3.1	11%
Underlying** revenue	24.1	23.1	1.0	5%

Operating profit before highlighted items	4.5	5.2	-0.7	-13%
Underlying** operating profit before highlighted items	2.1	3.2	-1.1	-35%

** Underlying revenue and profit exclude the results from businesses acquired during the 2013/14 and 2012/13 financial years i.e. Hart Publishing, Fairchild Books and Applied Visual Arts Publishing.

Underling revenue growth of 5% compares to 0.7% growth for global revenues at UK academic and professional publishers generally (source: The Publishers Association Sales Monitor). Revenues from e-books and other digital product now account for 10% of divisional revenue (2012/13: 8%). Subscription revenues make up 9% of sales (2012/13: 6%). Rights and services revenues reduced by £1.0 million year on year following a very strong year in 2012/13. The Academic & Professional division generated 29% of Group sales this year (2012/13: 29%).

In May 2014, the division was voted Academic, Educational and Professional Publisher of the Year at The Bookseller Industry Awards for the second year running. This prize goes to the company which best exhibits all-round excellence in its publishing including: the commercial success and innovation of the publishing programme; a sustainable and durable business; particularly with digital (including e-book and journal platforms, Virtual Learning Environments and internal digital workflow) and new ways to engage with learners; excellent relations and engagement with institutions, staff, faculty, teachers, professional organisations, learned societies and/or students; environmental awareness and responsibility; the retention and motivation of staff. The other companies on the shortlist were Oxford University Press, Sage and Palgrave Macmillan.

There is no evidence that competition is lessening in the academic market. Library budgets worldwide remain constrained. However, we expect digital sales to continue to grow much faster than the market overall as educational establishments at all levels adopt new ways of supporting students and faculty.

We have seen sizeable revenue growth albeit from a low base from Bloomsbury India and Bloomsbury Australia. Sales to market of the division’s academic products and services are 50% outside the UK, and we expect this percentage to increase.

The acquisition of Hart Publishing is consistent with Bloomsbury's strategy to increase its proportion of academic and professional revenues to balance revenues generated from consumer sales. Academic and professional revenues are more predictable and have lower related costs of sale with higher margins and are much less reliant on retail bookshop sales. Around 50% of Hart’s revenue is generated outside the UK, thereby reducing Bloomsbury's overall exposure to the UK book market. The acquisition will also enable the further development of Hart’s e-book catalogue and expand the Bloomsbury Professional digital range of services to or for lawyers and accountants.

Hart’s leading list of authors is complementary to Bloomsbury's existing academic and professional lists, offering Bloomsbury the ability to improve revenue momentum within its Academic & Professional division in both the UK and a range of overseas markets. Hart published over 150 new books in the last twelve months and launched a new journal, *Restorative Justice*, and has a larger programme this year.

Bloomsbury Professional’s Irish operation had a very good year of growth. Key to this success were new editions of Wylie, *Irish Land Law* and McMahon and Binchy, *Law of Torts*, both of which have been shortlisted for the Dublin Solicitors Bar Association’s Irish Law Book of the Year award.   The sixth online service from the Irish team, Irish Criminal Law, was launched in December 2013. This has been a strong addition to our highly regarded range of services and significant contracts have been won with the Attorney General's Office, the Law Library of Ireland and the Garda Síochána Ombudsman Commission. In September 2013, in association with PricewaterhouseCoopers, we published the *Manual of Accounting New UK GAAP* which has quickly established a reputation as one of the leading products dealing with the new financial reporting landscape for unlisted companies.

During the year Bloomsbury Professional also launched the online service, *National Infrastructure Planning Service*.

We continue to invest in new digital services for academic customers. Responding to increasing demand for a high quality online research tool for drama and literature students, professors and teachers, Drama Online was launched in March 2013 featuring content from Bloomsbury Methuen Drama, Arden Shakespeare and Faber & Faber. It currently contains over 1,000 plays in a fully cross-searchable format which allows students to interact with Character Grids and Part Books, as well as search for plays via cast size and monologues via gender. From January 2015 the collection will grow significantly to accommodate new content partners, Nick Hern Books and L.A. Theatre Works. Drama Online is used in leading higher education institutions around the world.

2013 also saw the launch of Actors and Performers, www.actorsandperformers.com, a professional community website for actors with blogs and advice from professionals and industry contact information from Actors' Yearbook available on subscription.

In May 2014, we launched Bloomsbury Collections, an e-book platform which will make available the division's entire research-led publishing programme. We expect around 3,500 titles to be made available on the platform by the end of the calendar year. In addition, Bloomsbury has recruited an institutional sales team, which will be responsible for selling the increasingly wide range of new services to libraries and institutions around the world. They will also be responsible for selling Bloomsbury's growing list of academic journals – currently over 50 – with new journal launches well advanced for this financial year. This will further reduce the Group's reliance on UK sales.

A new online platform, Bloomsbury Fashion Central, will be launched in 2015. It will feature Fairchild Books, Berg Fashion Library and Fashion Photography Archive. The investment in this platform aligns with the ongoing industry migration from print to digital and will cement Bloomsbury's dominant position in this niche. Beyond offering textbook rentals to students, the platform will provide a robust e-learning environment that will enable institutional and B2B subscription sales, raise profile and expand our market share in international markets.

Adult – a spectacular year in both print and digital, fiction and non-fiction

Revenue was £49.9 million (2012/13: £44.3 million). Operating profit before highlighted items was £5.4 million (2012/13: £3.7 million). The operating profit margin before highlighted items for the division was 11% (2012/13: 8%). Print sales increased by 17.3%, while digital sales increased by 26% to £7.1 million, representing 14% of sales (2012/13: 13%).

Whilst US e-book sales growth has moderated, the UK and other markets still see robust growth with potential for even more as digital reading devices become ever more widespread in the high-growth economies of Asia, Africa, the Middle East and Latin America.

Samantha Shannon's *The Bone Season* was simultaneously published worldwide and appeared on the New York Times and the Sunday Times bestseller lists in addition to enjoying success throughout the English-speaking world in print, digital and digital audio. We had a very successful global marketing campaign driving it to bestseller lists across UK, US and India. The film rights have been acquired by 20th Century Fox/Chernin Entertainment. The next volume of this seven-book series, *The Mime Order*, will be published in October 2014. Khaled Hosseini's brilliant and moving *And the Mountains Echoed* repeated the successes of *The Kite Runner* and *A Thousand Splendid Suns* and notably had sales of more than 100,000 copies through the recently established Bloomsbury India office and well over 100,000 copies in e-book formats.

Elizabeth Gilbert's new novel, *The Signature of All Things*, a finalist for the Wellcome Book Prize, is a very different book from her bestselling memoir *Eat, Pray, Love*. It has received outstanding reviews globally and had great sales, particularly in Australia.

There was also new fiction from Margaret Atwood with her novel *MaddAddam*, George Saunders, who won the inaugural Folio Prize for new fiction for *Tenth of December*, Jhumpa Lahiri, who was shortlisted for the Man Booker Prize for *The Lowland*, Colum McCann, the winner of the National Book Award for *Transatlantic*, Aminatta Forna, Carlos Acosta and many others.

In non-fiction we had a stellar year with William Dalrymple's *Return of A King* being shortlisted for the Samuel Johnson Prize, Glenn Frankel's *The Searchers* on the New York Times bestseller list, Larry Sabato's *The Kennedy Half-Century* on the New York Times bestseller list, David Kynaston's *Modernity Britain*, Damian Barr's *Maggie & Me*, Amy Chua's and Jed Rubenfeld's controversial *The Triple Package*, Shiv Khera's *You Can Win* and *You Can Sell* (from Bloomsbury India), Jesmyn Ward's memoir *Men We Reaped*, and the bestsellers, Tim Cope's *On the Trail of Genghis Khan* and Simon Singh's *The Simpsons and Their Mathematical Secrets*.

Our cookery list continues to thrive with the phenomenal success of Tom Kerridge's *Proper Pub Food* and the continuing sales of Raymond Blanc, Heston Blumenthal, Hugh Fearnley-Whittingstall, Chris and Jeff Galvin, Fergus Henderson, Paul Hollywood, Atul Kochar, Leith's, Masterchef, Russell Norman, Sarah Raven, Niki Segnit, Vivek Singh, Marcus Veherne and many others.

John Wisden's range of cricket books had its best year ever, celebrating the 150th edition of *The Cricketers' Almanack*, which was reviewed for the first time in The Wall Street Journal and is enjoying unprecedented press and Internet coverage, including a Google "Doodle" on 5th September 2013. Our sports list overall grew strongly, particularly in cycling.

New titles in 2014 include Kwasi Kwarteng's *War and Gold*, Kamila Shamsie's *A God in Every Stone*, Mumsnet's cookbook *Top Bananas*, Alex Bellos's *Alex Through the Looking-glass,* Ben Macintyre's *A Spy Among Friends,* which went to Number One on the Sunday Times bestseller List, Jason Atherton's *Social Suppers* and Roz Chast's *Can't We Talk About Something More Pleasant?* which reached Number One on the New York Times Graphic Books bestseller list in the first month of publication.

We continued to innovate with Bloomsbury Reader, Public Library Online, Reed's Nautical Almanac for the iPad (sponsored by Aberdeen Global Asset Management), and most recently the launch of www.writersandartists.co.uk/self-publishing, the essential comparison guide for authors to identify the best self-publishing companies.

Children's & Educational – Strategic investment pays off

Revenue was £23.6 million (2012/13: £21.3 million). Operating profit before highlighted items was £2.0 million (2012/13: £1.1 million). The operating profit margin before highlighted items for the division was 8% (2012/13: 5%).

Much of the growth this year came from sales of new books within the UK, with a significant proportion of that coming from illustrated books in line with our strategy. The division's UK trade print sales increased by 21.5% in a market which declined by 3.6% (source: Nielsen Bookscan). In the US, revenues were down by 1%, mainly due to soft e-book sales.

Our strategic priorities remain focused on commercial global acquisitions for the consumer lists and targeted strategic marketing of our strong brands. Our new imprint Bloomsbury Activity Books and the Bloomsbury Picture Book list remain growth focuses - the breadth of publishing achieved by the launch of these two lists shifts our world rights ownership from 43% of the list in 2011 to 63% of the list in 2013. 13% of sales from our consumer new releases in the year were illustrated titles compared to 7% in 2012/13.

The education business remains stable and profitable. Focus for the year has been on the development of a new print edition and online subscription service for Music Express, the UK's best-selling and award-winning primary classroom music resource. The online service will launch in August 2014. The division produced *The RSC Shakespeare Toolkit for Primary Teachers*, an active approach to bringing Shakespeare's plays to life in the classroom.

Digital sales in the division fell in value in the year to 8% of total net sales from 10%. In the US digital sales fell from 20% of total net sales to 16%, whereas in the UK they were broadly as last year. The digital market for children's titles is still predominantly led by Young Adult fiction. Bloomsbury Spark, our e-first imprint, launched with seven titles in December and sales have been good, particularly in the US.

Publishing highlights included *Fortunately, the Milk...* by Neil Gaiman. It was shortlisted for the Specsavers Children's Book of the Year and chosen by the independent sector as the only children's book in the independent bookshops Best Books of the Year. The author spoke to an audience of over 2,500 at a London event held in conjunction with Time Out and Foyles. We have successfully acquired a graphic novel of *The Graveyard Book* in two parts, a new middle grade novel for publication in 2016 and world rights excluding North America in a new illustrated book called *The Sleeper and the Spindle*, to be illustrated by Chris Riddell.

Jessica Day George was in the New York Times bestseller list with *Wednesdays in the Tower* and sales grew strongly. Sarah J. Maas also hit the list with her sequel to *Throne of Glass, Crown of Midnight.* This publication was supported by our biggest global marketing campaign of the year. *Throne of Glass* is now available in 16 languages.

Bloomsbury Picture Books had a strong year with *Shh! Don't Wake the Royal Baby!* by Martha Mumford and Ada Gray hitting the bestseller lists in July and being the biggest selling debut picture book of the year in the UK.

Jim Kay has been announced as the illustrator of the colour illustrated editions of Harry Potter. We also launched our new jacket look for the children's editions in March, by Jonny Duddle, and announced our year-long Harry Potter marketing campaign. The new editions are being published in September 2014.

We remain dedicated and passionate about the future of children's publishing, in all formats, and continue to encourage a love of reading.

Information – expanding knowledge hubs

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

Revenue was £3.9 million, up 2% on £3.8 million for 2012/13. Operating profit before highlighted items was £1.1 million, down from £2.3 million in 2012/13 mainly due to higher project costs and a strategic investment in new staff to move the division from purely a UK base to a more global reach. Rights and services revenue of £3.4 million made up 89% of total revenue (2012/13: 90%).

Key achievements in the year for the division were a new content licence agreement with Lloyds Bank, a new publishing services arrangement with Ernst & Young and a publishing consultancy for University of London.

Our flagship knowledge hub, www.QFinance.com, is the website of best practice for finance professionals created by Bloomsbury in partnership with the Qatar Financial Centre Authority. It has several hundred thousand unique visitors per month, the impact of which is enhanced by the use of social media.

In May 2014 we launched IZA World of Labor (wol.iza.org), a knowledge hub targeted at policy makers in the field of labour economics which covers topics such as migration and minimum wage. It was previewed in Washington D.C. in November 2013 to an audience including the World Bank and International Monetary Fund.

Bloomsbury continues its provision of management services to the Qatar Foundation to manage Bloomsbury Qatar Foundation. The Open Access journals portal, www.qscience.com showed good growth and its first journals are being tracked for impact factors, a testimony to the quality of the content.

This expansion of activity and customer base is helping to deliver the division's strategy to increase revenues from digital knowledge hubs as part of the Group's overall digital strategy and to broaden the base for the services, partnerships and consultancy in a complex economic environment. We are working on the renewal of two contracts with our long-term partners.

The investment already made, together with further investment in the new financial year is intended to help increase the pipeline of project and long-term contracts. The market for the services which

Information specialises in remains complex, but more positive economic conditions will also be beneficial. The division remains well placed to exploit digital, management services and other innovative business opportunities for the Group.

Dividend

The Group has a progressive dividend policy and aims to keep dividend cover in excess of two. In line with this policy the Directors are recommending a final dividend of 4.84 pence per share, which subject to shareholder approval at our Annual General Meeting on 22 July 2014, will be paid on 24 September 2014 to shareholders on the register at the close of business on 29 August 2014. Together with the interim dividend, this makes a total dividend for the year ended 28 February 2014 of 5.82 pence per share, a 5.8% increase on the 5.50 pence dividend for the year ended 28 February 2013. Over the past six years the dividend has increased at a compound annual growth rate of 6%.

Bloomsbury's Strategy

Bloomsbury is a global, fully integrated publisher of books and other media for general readers, children, students, researchers and professionals throughout the world. Bloomsbury uniquely offers authors access to these multiple markets in multiple formats throughout the world: in print, through e-books, through digital downloads and apps; in schools, in libraries, in universities, and in terrestrial and internet bookshops, with entrepreneurial teams in New York, London, New Delhi and Sydney serving all territories.

The Academic & Professional division's aim is to be the number one applied visual arts publisher in the world and the number one independent humanities and social science publisher in Europe, with half of its revenue derived from digital and subscription-based products.

The Adult division aims to be the number one publisher of choice in cookery, sport and natural history and in the top ten for quality fiction worldwide.

Our overall strategy for Children's & Educational books is to be recognised for great author care, independent spirit and innovation. Over the next five years we will develop Bloomsbury Activity books to be a leading, profit generating list for the division, with half of the consumer frontlist being illustrated books and 25% of all publishing being in a digital format.

The Information division strategy is to increase revenues from digital knowledge hubs and broaden the base for services and partnerships. Over the next few years we intend to expand from the division's UK base and develop a global capability.

The Group is making progress towards these longer-term targets.

Bloomsbury's overall long-term strategy for growth is centred on building its non-consumer publishing, specifically its Academic & Professional division, to balance the consumer revenues in the business. The business has a growing portfolio of valuable intellectual property, an innovative staff team and the respected Bloomsbury brand to help achieve its aims.

Outlook

Bloomsbury's publishing programme for 2014/15 includes new titles from Tom Kerridge, Paul Hollywood and Hugh Fearnley-Whittingstall, as well as a range of paperbacks from this year's successful hardback list including *And the Mountains Echoed* by Khaled Hosseini, *The Signature of All Things* by Elizabeth Gilbert, *The Bone Season* by Samantha Shannon and *Can't we talk about something more pleasant?* by Roz Chast.

In 2014/15 we will continue to invest in the business in a number of areas; the launch of new digital services for academic and general customers, a new internal institutional digital sales force, a year-long Harry Potter marketing campaign, which will accompany the new jackets, and new staff for global business development at Bloomsbury Information.

UNAUDITED CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2014

Continuing operations	Notes	Year ended 28 February 2014 £'000	Year ended 28 February 2013 £'000
Revenue	2	**109,496**	98,479
Cost of sales		**(47,183)**	(41,242)
Gross profit		**62,313**	57,237
Marketing and distribution costs		**(14,890)**	(12,733)
Administrative expenses		**(37,913)**	(34,748)
Operating profit before highlighted items		**13,039**	12,414
Highlighted items	3	**(3,529)**	(2,658)
Operating profit	2	**9,510**	9,756
Finance income		**49**	117
Finance costs		**(80)**	(26)
Profit before taxation and highlighted items		**13,008**	12,505
Highlighted items	3	**(3,529)**	(2,658)
Profit before taxation		**9,479**	9,847
Taxation	4	**(1,776)**	(2,029)
Profit for the year from continuing operations		**7,703**	7,818
Discontinued operation			
Loss for the year from discontinued operation		**-**	(352)
Profit for the year attributable to owners of the Company		**7,703**	7,466
Earnings per share attributable to owners of the Company - continuing operations			
Basic earnings per share	6	**10.57p**	10.81p
Diluted earnings per share	6	**10.43p**	10.46p

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2014

	Year ended 28 February 2014 £'000	Year ended 28 February 2013 £'000
Profit for the year	**7,703**	7,466
Other comprehensive income		
Items that may be reclassified to the income statement:		
Currency translation differences on foreign operations	**(3,169)**	1,428
Deferred tax on share-based payments	**-**	(20)
Items that may not be reclassified to the income statement:		
Remeasurements on the defined benefit pension scheme	**(13)**	-
Other comprehensive income for the year net of tax	**(3,182)**	1,408
Total comprehensive income for the year attributable to the owners of the Company	**4,521**	8,874

Arises from:		
Continuing operations	**4,521**	9,226
Discontinued operation	**-**	(352)
Total comprehensive income for the year attributable to the owners of the Company	**4,521**	8,874

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2014

	Notes	**28 February 2014 £'000**	28 February 2013 £'000
Assets			
Goodwill		**39,511**	35,134
Other intangible assets		**21,310**	20,111
Property, plant and equipment		**3,145**	3,006
Deferred tax assets		**2,095**	1,943
Total non-current assets		**66,061**	60,194
Inventories		**25,203**	25,584
Trade and other receivables	8	**56,783**	53,630
Cash and cash equivalents		**10,037**	14,625
Total current assets		**92,023**	93,839
Total assets		**158,084**	154,033
Liabilities			
Retirement benefit obligations		**124**	128
Deferred tax liabilities		**3,177**	3,306
Other payables		**566**	2,548
Provisions		**420**	377
Total non-current liabilities		**4,287**	6,359
Trade and other payables		**35,226**	31,579
Current tax liabilities		**2,012**	1,230
Provisions		**523**	57
Total current liabilities		**37,761**	32,866
Total liabilities		**42,048**	39,225
Net assets		**116,036**	114,808
Equity			
Share capital		**924**	924
Share premium		**39,388**	39,388
Translation reserve		**1,875**	5,044
Other reserves		**3,402**	2,314
Retained earnings		**70,447**	67,138
Total equity attributable to owners of the Company		**116,036**	114,808

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Translation 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 2012	**924**	**39,388**	**3,616**	**22**	**3,438**	**(2,142)**	**63,934**	**109,180**
Profit for the year	-	-	-	-	-	-	7,466	7,466
Other comprehensive income								
Exchange differences on translating foreign operations	-	-	1,428	-	-	-	-	1,428
Deferred tax on share-based payment transactions	-	-	-	-	-	-	(20)	(20)
Total comprehensive income for the year	**-**	**-**	**1,428**	**-**	**-**	**-**	**7,446**	**8,874**
Transactions with owners								
Dividends to equity holders of the Company	-	-	-	-	-	-	(3,793)	(3,793)
Share options exercised	-	-	-	-	-	449	(449)	-
Share-based payment transactions	-	-	-	-	547	-	-	547
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**547**	**449**	**(4,242)**	**(3,246)**
At 28 February 2013	**924**	**39,388**	**5,044**	**22**	**3,985**	**(1,693)**	**67,138**	**114,808**
Profit for the year	-	-	-	-	-	-	7,703	7,703
Other comprehensive income								
Exchange differences on translating foreign operations	-	-	(3,169)	-	-	-	-	(3,169)
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	(13)	(13)
Total comprehensive income for the year	**-**	**-**	**(3,169)**	**-**	**-**	**-**	**7,690**	**4,521**
Transactions with owners								
Dividends to equity holders of the Company	-	-	-	-	-	-	(4,041)	(4,041)
Share options exercised	-	-	-	-	-	491	(491)	-
Deferred tax on share-based payment transactions	-	-	-	-	-	-	151	151
Share-based payment transactions	-	-	-	-	597	-	-	597
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**597**	**491**	**(4,381)**	**(3,293)**
At 28 February 2014	**924**	**39,388**	**1,875**	**22**	**4,582**	**(1,202)**	**70,447**	**116,036**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2014

	Year ended 28 February 2014 £'000	Year ended 28 February 2013 £'000
Cash flows from operating activities		
Continuing operations		
Profit before taxation	**9,479**	9,847
Finance income	**(49)**	(117)
Finance costs	**80**	26
Operating profit	**9,510**	9,756
Adjustments for:		
Depreciation of property, plant and equipment	**624**	546
Amortisation of intangible assets	**2,764**	2,321
Gain on bargain purchase	**-**	(210)
Loss on sale of property, plant and equipment	**39**	-
Share-based payment charges	**686**	615
	13,623	13,028
Increase in inventories	**(303)**	(1,536)
(Increase)/decrease in trade and other receivables	**(4,759)**	883
Increase/(decrease) in trade and other payables	**4,815**	(3,935)
Cash generated from operating activities	**13,376**	8,440
Income taxes paid	**(2,264)**	(552)
Net cash generated from operating activities	**11,112**	7,888
Cash flows from investing activities		
Purchase of property, plant and equipment	**(839)**	(526)
Purchase of businesses, net of cash acquired	**(8,507)**	(1,686)
Purchases of intangible assets	**(1,684)**	(2,366)
Sale of discontinued operations	**-**	2,158
Interest received	**24**	41
Net cash used in investing activities	**(11,006)**	(2,379)
Cash flows from financing activities		
Equity dividends paid	**(4,041)**	(3,793)
Interest paid	**(55)**	(1)
Net cash used in financing activities	**(4,096)**	(3,794)
Net (decrease)/increase in cash and cash equivalents	**(3,990)**	1,715
Cash and cash equivalents at beginning of year	**14,625**	12,639
Exchange (loss)/gain on cash and cash equivalents	**(598)**	271
Cash and cash equivalents at end of year	**10,037**	14,625

NOTES

1. Accounting policies

The above unaudited financial information does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. The above figures for the year ended 28 February 2014 are an abridged version of the Group's financial statements which will be reported on by the Group's auditors before dispatch to the shareholders and filing with the Registrar of Companies and as such do not contain full disclosures under International Financial Reporting Standards ("IFRS"). The preliminary announcement was approved by the Board and authorised for issue on 19 May 2014.

The Group's financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations adopted by the European Union ("EU") at the time of preparing the Group's financial statements and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies applied in the year ended 28 February 2014 are consistent with those applied in the financial statements for year ended 28 February 2013 with the exception of a number of new accounting standards which have not had a material impact on the Group's results.

The Group's statutory financial statements for the year ended 28 February 2013 have been lodged with the Registrar of Companies. These financial statements received an audit report which was unqualified and did not include any reference to matters to which the auditors drew attention by way of emphasis without qualifying their report or a statement under section 498(2) or section 498(3) of the Companies Act 2006.

2. Segmental analysis

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

The analysis by segment for continuing operations is shown below:

Year ended 28 February 2014

	Adult £'000	Children's & Educational £'000	Academic & Professional £'000	Information £'000	Unallocated £'000	Total £'000
External revenue	49,907	23,617	32,096	3,876	-	**109,496**
Cost of sales	(24,288)	(10,791)	(11,459)	(645)	-	**(47,183)**
Gross profit	**25,619**	**12,826**	**20,637**	**3,231**	**-**	**62,313**
Marketing and distribution costs	(6,848)	(3,585)	(4,404)	(53)	-	**(14,890)**
Contribution before administrative expenses	**18,771**	**9,241**	**16,233**	**3,178**	**-**	**47,423**
Administrative expenses excluding highlighted items	(13,337)	(7,257)	(11,697)	(2,093)	-	**(34,384)**
Operating profit before highlighted items / segment result	**5,434**	**1,984**	**4,536**	**1,085**	**-**	**13,039**
Intangible asset amortisation	(283)	(181)	(1,779)	(5)	(516)	**(2,764)**
Other highlighted items	-	-	-	-	(765)	**(765)**
Operating profit/(loss)	**5,151**	**1,803**	**2,757**	**1,080**	**(1,281)**	**9,510**
Finance income	-	-	-	-	49	**49**
Finance costs	-	-	-	-	(80)	**(80)**
Profit/(loss) before taxation	**5,151**	**1,803**	**2,757**	**1,080**	**(1,312)**	**9,479**
Taxation	-	-	-	-	(1,776)	**(1,776)**
Profit/(loss) for the year from continuing operations	**5,151**	**1,803**	**2,757**	**1,080**	**(3,088)**	**7,703**
Depreciation	290	135	172	27	-	**624**
Capital expenditure	-	-	-	-	2,523	**2,523**

2. Segmental analysis (continued)

Year ended 28 February 2013

	Adult £'000	Children's & Educational £'000	Academic & Professional £'000	Information £'000	Unallocated £'000	Total £'000
External revenue	**44,340**	**21,290**	**29,038**	**3,811**	**-**	**98,479**
Cost of sales	(22,010)	(10,090)	(9,041)	(101)	-	**(41,242)**
Gross profit	**22,330**	**11,200**	**19,997**	**3,710**	**-**	**57,237**
Marketing and distribution costs	(5,962)	(3,304)	(3,397)	(70)	-	**(12,733)**
Contribution before administrative expenses	**16,368**	**7,896**	**16,600**	**3,640**	**-**	**44,504**
Administrative expenses excluding highlighted items	(12,658)	(6,756)	(11,361)	(1,315)	-	**(32,090)**
Operating profit before highlighted items / segment result	**3,710**	**1,140**	**5,239**	**2,325**	-	**12,414**
Intangible asset amortisation	(150)	(181)	(1,562)	(5)	(423)	**(2,321)**
Other highlighted items	-	-	-	-	(337)	**(337)**
Operating profit/(loss)	**3,560**	**959**	**3,677**	**2,320**	**(760)**	**9,756**
Finance income	-	-	-	-	117	**117**
Finance costs	-	-	-	-	(26)	**(26)**
Profit/(loss) before taxation	**3,560**	**959**	**3,677**	**2,320**	**(669)**	**9,847**
Taxation	-	-	-	-	(2,029)	**(2,029)**
Profit/(loss) for the year from continuing operations	**3,560**	**959**	**3,677**	**2,320**	**(2,698)**	**7,818**
Depreciation	246	118	161	21	-	**546**
Capital expenditure	-	-	-	-	2,892	**2,892**

Total assets

	28 February 2014 £'000	28 February 2013 £'000
Adult	**16,372**	10,623
Children's & Educational	**11,478**	10,598
Academic & Professional	**55,940**	52,550
Information	**261**	505
Unallocated	**74,033**	79,757
Total assets	**158,084**	154,033

NOTES

2. Segmental analysis (continued)

External revenue by destination

	Source				
	United Kingdom £'000	North America £'000	Australia £'000	India £'000	Total £'000
Destination					
Year ended 28 February 2014					
United Kingdom (country of domicile)	45,925	884	-	-	46,809
North America	4,370	28,687	-	-	33,057
Continental Europe	12,240	46	-	-	12,286
Australasia	170	97	6,365	-	6,632
Middle East and Asia	4,057	-	-	1,477	5,534
Rest of the world	4,907	271	-	-	5,178
Overseas countries	25,744	29,101	6,365	1,477	62,687
Total	**71,669**	**29,985**	**6,365**	**1,477**	**109,496**
Year ended 28 February 2013					
United Kingdom (country of domicile)	44,036	-	-	-	44,036
North America	2,921	28,862	-	-	31,783
Continental Europe	8,164	-	-	-	8,164
Australasia	407	-	5,583	-	5,990
Middle East and Asia	4,737	-	-	294	5,031
Rest of the world	3,316	159	-	-	3,475
Overseas countries	19,545	29,021	5,583	294	54,443
Total	**63,581**	**29,021**	**5,583**	**294**	**98,479**

During the year sales to one customer exceeded 10% of Group revenue (2013: one customer). The value of these sales was £21,507,000 (2013: £14,059,000).

External continuing revenue by product type

	Year ended 28 February 2014 £'000	Year ended 28 February 2013 £'000
Print	**88,860**	76,935
Digital	**12,175**	10,034
Rights and services[1]	**8,461**	11,510
Total	**109,496**	98,479

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

2. Segmental analysis (continued)

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

	28 February 2014 £'000	28 February 2013 £'000
United Kingdom (country of domicile)	**58,934**	53,359
North America	**4,962**	4,807
Other	**70**	85
Total	**63,966**	58,251

3. Highlighted items

	Notes	**Year ended 28 February 2014 £'000**	Year ended 28 February 2013 £'000
Legal and other professional fees		**218**	76
Restructuring costs		**547**	342
Business set up costs		**-**	129
Gain on bargain purchase		**-**	(210)
Other highlighted items		**765**	337
Amortisation of intangible assets		**2,764**	2,321
Highlighted items attributable to continuing operations		**3,529**	2,658
Highlighted items attributable to discontinued operation		**-**	139
Total highlighted items		**3,529**	2,797

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

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

Legal and other professional costs of £218,000 were incurred primarily in relation to the acquisition of Hart Publishing Limited and the trade and assets of New Holland, see note 7 (2013: £76,000 incurred primarily in relation to the acquisition of Fairchild Books and Applied Visual Arts).

Restructuring costs of £547,000 have been incurred as a result of the Group's acquisition activities and the One Global Bloomsbury strategic reorganisation (2013: £342,000 incurred as a result of the Group's acquisition activities).

In the prior period £129,000 was incurred in relation to the set-up of Bloomsbury India and a gain on a bargain purchase of £210,000 was recognised in relation to the acquisition of Fairchild Books.

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 23.08% (2013: 24.17%). The reasons for this are explained below:

	Year ended 28 February 2014		Year ended 28 February 2013	
	£'000	**%**	£'000	%
Profit before taxation	**9,479**	**100.00**	9,847	100.00
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.08% (2013: 24.17%)	**2,188**	**23.08**	2,380	24.17
Effects of:				
Non-deductible revenue expenditure	**(42)**	**(0.44)**	129	1.31
Non-qualifying depreciation	**21**	**0.22**	23	0.24
Share-based payment transactions	**22**	**0.23**	40	0.41
Movement in unrecognised temporary differences	**53**	**0.56**	(237)	(2.41)
Different rates of tax in foreign jurisdictions	**318**	**3.35**	411	4.17
Tax losses utilised	**(260)**	**(2.74)**	(549)	(5.58)
Movement in deferred tax rate	**(268)**	**(2.83)**	(110)	(1.12)
Adjustment to tax charge in respect of prior years				
Current tax	**(484)**	**(5.11)**	(3)	(0.03)
Deferred tax	**191**	**2.02**	23	0.24
Tax charge for the year before highlighted and other non-recurring items	**1,739**	**18.34**	2,107	21.40
Highlighted and other non-recurring items:				
Disallowable costs incurred on acquisitions, abortive acquisitions and moving head office	**37**	**0.39**	18	0.18
Disallowable gain on bargain purchase	**-**	**-**	(53)	(0.54)
Utilisation of Bloomsbury Verlag losses in the UK	**-**	**-**	(43)	(0.44)
Tax charge for the year	**1,776**	**18.73**	2,029	20.60

5. Dividends

	Year ended 28 February 2014 £'000	Year ended 28 February 2013 £'000
Amounts paid in the year		
Prior period final 4.56p dividend per share (2013: 4.31p)	**3,326**	3,114
Interim 0.98p dividend per share (2013: 0.94p)	**715**	679
Total dividend payments in the year	**4,041**	3,793
Amounts arising in respect of the year		
Interim 0.98p dividend per share for the year (2013: 0.94p)	**715**	679
Proposed 4.84p final dividend per share for the year (2013: 4.56p)	**3,531**	3,310
Total dividend 5.82p per share for the year (2013: 5.50p)	**4,246**	3,989

The Directors are recommending a final dividend of 4.84 pence per share, which, subject to shareholder approval at the Annual General Meeting, will be paid on 24 September 2014 to shareholders on the register at close of business on 29 August 2014. The ex-dividend date is 27 August 2014.

6. Earnings per share

The basic earnings per share for the year ended 28 February 2014 is calculated using a weighted average number of Ordinary shares in issue of 72,852,467 (2013: 72,331,464) after deducting 898,244 (2013: 1,265,313) 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 2014 Number	Year ended 28 February 2013 Number
Weighted average shares in issue	**72,852,467**	72,331,464
Dilution	**1,009,084**	2,439,186
Diluted weighted average shares in issue	**73,861,551**	74,770,650
	£'000	£'000
Profit after tax from continuing operations	**7,703**	7,818
Loss after tax from discontinued operation	**-**	(352)
Profit after tax attributable to owners of the Company	**7,703**	7,466
Basic earnings per share	**10.57p**	10.32p
From continuing operations	**10.57p**	10.81p
From discontinued operation	**-**	(0.49)p
Diluted earnings per share	**10.43p**	9.99p
From continuing operations	**10.43p**	10.46p
From discontinued operation	**-**	(0.47)p

6. Earnings per share (continued)

	Year ended 28 February 2014 £'000	Year ended 28 February 2013 £'000
Adjusted profit from continuing operations (below)	**10,510**	9,799
Adjusted profit attributable to owners of the Company	**10,510**	9,799
Adjusted basic earnings per share	**14.43p**	13.55p
From continuing operations	**14.43p**	13.55p
Adjusted diluted earnings per share	**14.23p**	13.11p
From continuing operations	**14.23p**	13.11p

Adjusted profit is derived as follows:

	Year ended 28 February 2014 £'000	Year ended 28 February 2013 £'000
Profit before tax from continuing operations	**9,479**	9,847
Amortisation of intangible assets	**2,764**	2,321
Other highlighted items	**765**	337
Adjusted profit before tax from continuing operations	**13,008**	12,505
Tax expense from continuing operations	**1,776**	2,029
Deferred tax movements on goodwill and acquired intangible assets	**582**	518
Tax expense on other highlighted items	**140**	116
Utilisation of Bloomsbury Verlag losses in the UK	**-**	43
Adjusted tax from continuing operations	**2,498**	2,706
Adjusted profit from continuing operations	**10,510**	9,799

The Group includes the benefit of tax amortisation of goodwill and other intangibles as this benefit more accurately aligns the adjusted tax charge with the expected cash tax payments.

7. Acquisitions

Hart Publishing
On 2 September 2013 the Group acquired the issued share capital of Hart Publishing Limited (‘Hart’), the Oxford-based legal publisher, from the management shareholders. An initial consideration of £6.5 million was paid in cash on completion from Bloomsbury's own cash reserves. A further cash consideration of up to a maximum of £0.5 million is payable on the achievement of certain revenue and title number targets for the period ending 31 March 2014. The Group expects these targets to be met. This is net of a working capital adjustment of £288,000 as the closing working capital was less than the target closing working capital anticipated at the point of acquisition. The acquisition is consistent with Bloomsbury's strategy to increase its proportion of academic and professional revenues to 50% of total sales in five years' time. Around 50% of Hart's revenue is generated outside the UK, thereby increasing Bloomsbury's benefit from the global book market. The acquisition will also enable the Company to further develop its e-book publishing and expand the Bloomsbury Professional digital suite of services.

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

Net assets acquired	Book value £’000	Alignment of accounting policy £’000	Fair value adjustments £’000	Total fair value to the Group £’000
Identifiable intangible assets	7	-	2,196	2,203
Property, plant and equipment	17	-	-	17
Inventories	727	(170)	-	557
Trade and other receivables	595	(45)	-	550
Deferred tax liability	-	-	(439)	(439)
Payables and provisions	(670)	(91)	-	(761)
Total net assets acquired	**676**	**(306)**	**1,757**	**2,127**
Goodwill				4,585
Cash consideration				6,500
Working capital adjustment				(288)
Contingent consideration				500
Total consideration				**6,712**

Identifiable intangible assets of £2,196,000 consist of publishing rights of £621,000, imprint of £1,110,000 and customer relationships of £465,000. The publishing rights have a useful life of between 10 and 13 years, imprint 20 years and customer relationships 14 years.

The gross contractual trade receivable at acquisition is £556,000 of which £16,000 is the best estimate of the contractual cash flows that are not expected to be collected.

Transaction costs of £159,000 were expensed in the year within administrative expenses.

7. Acquisitions (continued)

From 2 September 2013 revenue of £1,753,000 and profit before tax attributable to owners of the Company of £538,000 have been included in the consolidated income statement in relation to Hart.

If the acquisition had occurred on 1 March 2013 the revenue and profit attributable to shareholders of the combined entity from continuing operations for the current year would have been £110,648,000 and £7,738,000 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.

New Holland

On 4 September 2013 the Group acquired the natural history list from New Holland Publishers for an initial consideration of £389,000. A further cash consideration of £50,000 will be payable a year after the acquisition date subject to New Holland providing a complete set of novation agreements in respect of the authors.

Goodwill of £116,000 and intangible assets of £209,000 were recognised on acquisition. The intangible assets consist entirely of publishing rights. The publishing rights have a useful life of 13 years.

8. Trade and other receivables

	28 February 2014 £'000	28 February 2013 £'000
Gross trade receivables	**32,133**	29,900
Less: provision for impairment of receivables	**(498)**	(815)
Less: provision for returns	**(4,749)**	(5,347)
Net trade receivables	**26,886**	23,738
Income tax recoverable	**584**	-
Other receivables	**1,464**	1,612
Prepayments and accrued income	**27,849**	28,280
Total trade and other receivables	**56,783**	53,630

As at 28 February 2014 £5,120,000 (2013: £4,403,000) of prepayments and accrued income are expected to be recovered after more than 12 months.

Trade receivables principally comprise amounts receivable from the sale of books due from distributors. The majority of trade debtors are secured by credit invoices, third party distributors and letters of credit on the main UK third party distributor.

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

Prepayments and accrued income include net advances. A provision is held against gross advances payable in respect of published titles advances which may not be fully earned down by anticipated future sales.

NOTES

9. Annual General Meeting

The Annual General Meeting will be held at on 22 July 2014.

10. 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.