

25 August 2022

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

## **Scholium Group plc ('Scholium' or the 'Group')**

### **Preliminary Results for the year ended 31 March 2022**

Scholium is pleased to announce the Group's audited results for the year ended 31 March 2022.

Scholium is engaged in the business of rare books, modern prints, art and collectibles. Its wholly-owned operating subsidiary, Shapero Rare Books Limited, is one of the leading UK dealers trading internationally in rare and antiquarian books and works on paper, and also trades as Shapero Modern, a leading UK dealer in the growing marketplace for modern and contemporary prints.

#### Operating Highlights

- A significant and encouraging increase in both physical and online sales
- The Group's profitability restored, at £177k before tax
- Profit before tax is stated after £240k of costs and provisions due to the closure of Mayfair Philatelic
- Group net cash of £470k after deducting Covid bank loan of £235k
- Group continues to trade profitably in the first four months of the current year

#### Financial Highlights

<b>Years ended 31 March (£'000)</b>	<b>2022</b>	<b>2021</b>
Revenue	8,129	5,148
Gross Profit	3,071	1,691

Gross Margin	38%	33%
Profit / (Loss) before tax	177	(437)
Cash / (Net borrowings)	470	(248)
NAV/Share	69p	68p

A copy of the 2022 Annual Report (including the notice of Annual General Meeting ("AGM")) will be sent to shareholders in due course. The Annual Report will also be available on the Company's website in due course. <http://scholiumgroup.com>

The Company's AGM will be held at 10.30am at 106 New Bond Street, London W1S 1DN on 28 September 2022.

David Harland, Chairman of Scholium, noted " The Board is delighted with the turnaround and remains focused on further enhancing shareholder value and continuing to search for further opportunities in related areas to build upon this pleasing result."

**For further information, please contact**

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**Chairman's Statement**

I am delighted to present my first statement as Chair and to report that the Group's revenues for the year ended 31 March 2022 increased by 58% to £8.1 million (2021: £5.2 million) as a result of the return to some semblance of normality following the adverse impact of Covid in the prior year. This is the first profit in four years.

The Board is delighted with the turnaround and remains focused on further enhancing shareholder value, incentivising its executive and staff and continuing to search for further opportunities in related areas to build upon this pleasing result.

The Group remains well capitalised with £9.6 million of stock, and net cash of £470k after deducting the £235k of government Covid assistance loans. The Group also has an undrawn overdraft facility of £500k available to it.

## Results

Group revenue for the year of £8.1 million (2021: £5.2 million) generated a profit before tax of £177k (2021: loss of £437k). The Group continues to not recognise deferred tax assets and therefore the profit after tax for the year to 31 March 2022 was also £177k (2021: loss of £437k).

## Staff

The Group's operations continue to rely on the hard work and dedication of our small number of employees and I would like to take this opportunity of thanking them for their contribution and effort, during the year.

## Current Trading and Prospects

Trading conditions have improved over the year and the Group's retail premises have enjoyed at least a return to something approaching normality following the closures of the prior Covid impacted year. Trading for the first four months of the current year has been profitable, which is encouraging, and net cash is positive. The current global political and economic environment is not only depressing but challenging and it is difficult to forecast the future prospects of the business though based on current trading we remain cautiously optimistic.

## Board

I want to place on record the gratitude of my fellow Board members and myself to Jasper Allen for having steered the Group as Chairman for the last seven years since its IPO and to Peter Floyd, who after five years retired as our Finance Director in March this year. And it is with pleasure that I welcome Bernard as Group CEO in addition to his role as CEO of Shapero Rare Books Limited and to Philip Tansey as Finance Director.

## Chief Executive's Statement

I am delighted to present my first report as Chief Executive officer of the public Group appointed as I was to the role in March 2022. This has been a significant year in many ways which I expand on below and I am most thankful for the excellent team with whom I work and who have laboured through the many challenges of the recent years resulting in a Group profit.

## Overview

Scholium Group has had a year of progress and we look to build upon the success of the financial year 2021/22 the highlights being;

- A full return to work following the relaxation of the Covid-19 lockdown rules that so hampered our business;

- The securing of our Bond Street offices and shop through to August 2023;
- The Board decision to close the Mayfair Philatelic business; and,
- Group profitability restored.

## The Year 2021/22

The general state of the market for Books and Art was encouraging as the year progressed in both physical markets as well as on-line and particularly for art which continues to enjoy high levels of retail interest at both the shop and at fairs which are now returning with many taking place for the first time in three years. The market in collectible stamps continued to be challenging and the Board took the decision in the year to close the Mayfair Philatelic business. This is now in run-down mode with the final stock being auctioned and the remaining debtors being collected.

Revenue has increased by 58% to £8,129k (2021: £5,148k). The revenue figures presented for this year and the prior financial year are for books and art alone with the Mayfair Philatelic stamps revenue presented as a separate line in the accounts. As a result of this increase in revenue, a keen focus on costs and despite the losses taken on closing the Mayfair Philatelic business, the Group recorded a profit of £177k (2021: loss of £437k).

## Looking forward

It is encouraging to report that the performance of the business in the first four months of the new financial year has been in line with our expectations, with a profitable start. Clearly there are some global economic headwinds, but with our multi-channel sales routes of retail premises, an extensive online presence and exhibiting at international trade fairs; I feel we are well placed to keep the positive momentum going forward, in the coming year.

## Staff

I have a fabulous team around me without whom the turnaround in results last year could not have been achieved and I thank them for their dedication and hard work throughout the year.

## Shareholders

I am delighted with the support and guidance received from our major shareholders and look forward to taking the Group to future success.

## **Strategic Report**

This report provides an overview of the Group's strategy and business model; gives a review of the performance of the operating entities and of the financial position at 31 March 2022; and sets out the principal risks to which the Group is exposed. In addition, it comments briefly on the future prospects of the business.

## Principal Activities & Review of the Business

The Group is engaged in the business of dealing in rare books, fine art and collectibles. The majority of the business transacted is as a dealer — buying, owning and selling items, either on its own or together with third parties who also deal as principals. The Group also

conducts auctions where both its own stock and third-party consignments are available for sale. The Group generates value through its expertise, astute buying and the profitable sale of stock.

**Shapero Rare Books** is the main business of the Group. It is a leading international dealer in rare and collectible books and works on paper with special expertise in Natural History, Illustrated, Travel and Exploration and Literature. The business also trades as Shapero Modern in modern and contemporary prints and limited editions by established artists.

**Scholium Trading** focuses on trading works of art in the wider art market using its own capital and the expertise of a small number of known third party dealers and their client bases.

**Mayfair Philatelics** is a dealer and auctioneer of stamps with a particular focus on British and Commonwealth stamps which the Board has taken the decision to close. Its estimated results up to and including closure, which will finally take place within the new financial year to March 2023, have been treated within the accounts for this year ended 31 March 2022 as Discontinued Business.

## Strategy & Key Objectives

The Group's strategy is to:

- build, either organically or by acquisition, a portfolio of art and collectibles focused businesses to enable further diversification of its revenue and profit streams;
- attract individuals or teams of specialists in markets complementary to the Group's existing businesses;
- optimise working capital in existing businesses to provide funds for new business development; and,
- trade alongside other dealers in high value rare and collectible items and participate in the acquisition for onward sale of large consignments.

## Review of the year from continuing operations

The Group's revenues increased to £8.1m from £5.2m in the prior year due to increased sales in each of the constituent businesses. The Group's core business was profit making during the both the first and second half of the financial year. Gross profit increased by 85% compared with the prior year ended 31 March 2021, and the margin made on sales rose from 33% last year to 38% in the year ended 31 March 2022 as a result of increased activity in the market and the active drive by management to improve such margins.

Administrative expenses rose 20% to £2,262k (2021: £1,882k) with the return of art fairs and accompanying marketing costs increasing. Central costs, including the costs of the Company's membership of AIM, were also higher than the prior year on account of a one-off director payment.

The Group incurred exceptional costs associated with the closure of the Mayfair Philatelic business of £240k which include some costs incurred after the end of the financial year and these are shown as discontinued business with further detail set out in note 14.

The Group's profit before tax for the year to 31 March 2022 was £177k. (2021: Loss of £437k)

<b>6 months ended (£'000)</b>	<b>H1*</b>	<b>H2</b>	<b>Group Total Incl. Mayfair</b>	<b>Mayfair results deducted</b>	<b>Group stand alone total</b>
Revenue	4,203	4,606	8,809	680	8,129
Gross Profit	1,443	1,934	3,377	306	3,071
Profit / (Loss) before tax	135	223	494	(317)	177

*\*H1 Unaudited figures*

The Group's stock at 31 March 2022 was £9,584k comprising £9,470k for books and art and £114k for the value of the Mayfair Philatelic stock compared with the prior year's total of £9,025k. The stock of Mayfair Philatelic is in the process of being run-down as the decision has been taken by the Board to exit this business.

Group cash at 31 March 2022 was £705k. the Covid bank loan taken in 2020 has been reduced over the year from £250k to £235k. All of this compares favourably with the £2k cash of the prior year. The Group's overdraft facility of £500k was undrawn at the year-end date.

## Key Performance Indicators

The Group is managed by and reports on a number of key performance indicators (KPIs).

The current principal KPIs are:

- sales, gross profit, gross margin and profit before tax;
- the breadth and distribution of the stock of rare books held by the Group;
- stock turnover; and
- cash position.

Key Performance Indicators (on continuing business)

<b>Years ended 31 March (£'000)</b>	<b>2022</b>	<b>2021</b>	<b>Variance</b>
Revenue	8,129	5,148	58%
Gross Profit	3,071	1,691	82%
Gross Margin	38%	33%	15%
Stock Turnover (months)	22.1	31.3	-29%

Net cash / (Net borrowings)	466	(248)	n/a
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## Group Performance

### Shapero Rare Books

Shapero Rare Books (SRB) traded profitably through the year ended 31 March 2022 off the back of increased activity in physical as well as on-line sales and at trade fairs following the reduction in Covid restrictions. The year's sales including books through Scholium Trading were £8,129k, over 50% above the prior year's sales of £5,098k for SRB and £50k for Scholium Trading totaling £5,148k and gross profit at £3,071k for the year ended 31 March 2022 was over 80% above the prior year of £1,691k.

Direct costs including the attendance at fairs, exhibitions, and catalogues increased from £214k in the prior year to £340k in the year to 31 March 2022. This reflected the resumption, albeit partial, of exhibiting at fairs. Overhead costs, increased from £1,882k in the prior year to £2,262k in the year to 31 March 2022.

SRB therefore recorded a profit before tax of £850k compared with the loss of £119k in the prior year.

### Mayfair Philatelics

The Board determined that the market for stamps was not one that could generate the success and profits in books and art and therefore the decision was taken to close the business. The results of the business have been presented and treated as discontinued business within these report and accounts and the impact of this is fully explained in note 13 to these accounts.

### Central Costs

Central costs include the cost of all board members as well as those costs associated with the Group's AIM public trading. The central costs were £409k in the year to 31 March 2022, an increase of £95k from the prior year's total of £314k. These costs include the cost of managing the Group, its audit, tax and professional fees, as well as the costs of maintaining the AIM membership for the Company's shares and for this year include a one-off payment, including associated social security costs, to a former director of £90k.

Year ended 31 March 2022 (£'000)

	<b>Shapero Rare Books</b>	<b>Scholium Trading</b>	<b>Central</b>	<b>Continuing business</b>
Revenue	7,911	218	-	8,129
Gross Profit	3,066	63	-	3,071
Gross Margin	38%	29%	-	38%
Profit/(Loss) before tax	850	54	(409)	494

Year ended 31 March 2021 (£'000)

	<b>Shapero Rare Books</b>	<b>Scholium Trading</b>	<b>Central</b>	<b>Continuing business</b>
Revenue	5,098	50	-	5,148
Gross Profit	1,678	14	-	1,691
Gross Margin	33%	28%	-	33%
Profit/(Loss) before tax	(119)	(1)	(314)	(434)

#### Dividend

The Board does not propose to declare a final dividend for the financial year ended 31 March 2022. (2021: £Nil)

#### Alternative accounting presentation

The Board is focused on demonstrating shareholder return and as part of that desire is the analysis of the core performance of the Group's trading business without costs that are more concerned with the non-trading elements such as public company status and other non-directly related or one-off costs not typically expected to be incurred in a 'normal' year.

Year ended 31 March (£'000)	<b>2022</b>	<b>2021</b>
Profit / (Loss) for the year	177	(434)
Add back:		
Central costs	409	314
Mayfair Philatelic losses	317	3
Depreciation & amortisation (Note 6)	231	322
Finance expenses (Note 11)	33	30
Re-stated EBITDA for the year	<b>1,167</b>	<b>235</b>

#### Principal Risks & Uncertainties

Supply of rare books, works on paper, prints and stamps and other items

By definition, rare books and other works on paper, prints and stamps are not commonly available. The availability of fresh stock of such items onto the market is often driven by major life events, such as inheritance, unrecovered debt, divorce or downsizing due to economic malaise. The business of Shapero Rare Books, Scholium Trading and Mayfair Philatelics is reliant upon individual works and collections of works coming onto the market and upon the Group being able to access those business opportunities. There is no guarantee that fresh stock will come onto the market in sufficient quantities to meet the Group's plans for continued growth, or that third parties will choose to consign their items for sale at the Group's auctions.

When works become available for sale or purchase, such sales are often dealt with privately and discretely and, accordingly, there is no guarantee that the Group's employees will be able to access such business opportunities or to negotiate successfully the purchase of fresh stock coming onto the market or successfully compete for the mandate to auction such items.

#### Reliance on key international trade fairs

A significant proportion of the Group's sales are made at international trade fairs, and in particular the major fairs. If these fairs were to be discontinued it would have a material effect on the ability of the Group to sell its stock. There are a limited number of stands at international trade fairs and as a result places are highly sought after. Whilst members of the Group have been exhibiting at these fairs for many years, there can be no certainty that they will continue to secure places in the future.

#### Competition

The market in the books and other items in which the Group trades is competitive. In the market for rare books and other items in which Shapero Rare Books trades, the Group faces various competitive pressures including from the major auctioneers, Sotheby's, Christie's, Bonhams as well as smaller auctioneers and a large number of dealers and smaller operators.

The Group is likely to face continued and/or increased competition in the future both from established competitors and/or from new entrants to the market. The Group's competitors include businesses with greater financial and other resources than the Group. Such competitors may be in a better position than the Group to compete for future business opportunities. If the Group is unable to compete effectively in any of the markets in which it operates, it could lead to material adverse effect on the Group's business, financial condition, and operations.

#### Co-owned rare and collectible goods

In the case of high value items or collections, the Group will often acquire the items jointly with another third party bookseller or dealer and if not expressly provided for there is a risk that the Group will not be able to sell the entire asset without the agreement of all joint-owners. In this and other respects the Group relies on the honesty and integrity of other dealers. Whilst the Group takes care to deal only with established counterparties and

experienced dealers who are well known to senior management and/or the Directors, there can be no guarantee that co-owners will comply with the agreed terms (including, for example not changing the items) or that such co-owners will not enter into administration or other insolvency procedure, and in the event there is a loss of the co-owned goods it is uncertain the Group could claim on its insurance policy in relation thereto.

#### Stock valuation and liquidity

The Group will trade in rare and collectible items, which may be highly illiquid. The value of goods acquired is difficult to assess and it may not be possible for the Group to sell the assets at or above the price for which they were acquired. The value of assets in the may not always represent the actual resale value achievable.

#### Theft, loss or damage

Rare and collectible items are highly mobile goods. Furthermore, such goods are frequently transported internationally for trade shows or other marketing opportunities. Whilst precautions are taken to ensure safe passage, the Group's assets may be lost, damaged or stolen. While the Group carries specialist insurance, there is no guarantee that the Group's insurance cover will be adequate in all circumstances. Assets of the Group will be placed with third parties for sale on commission. While the Group intends to take appropriate precautions when placing assets with third parties, there is a risk that these assets outside of the Group's direct control may be stolen or replaced by unscrupulous third parties with fakes or forgeries.

#### Authenticity and export authority

The Directors of the Group will ensure that due diligence is undertaken on the authenticity of the assets acquired for sale. Nonetheless fakes and forgeries do exist in the market and despite due diligence the Group may acquire these believing them to be authentic. Further, the attribution of works to a writer or artist is not always an exact science, and there can be no guarantee that assets of the Group will not have been mistakenly attributed in this way. Lack of authenticity is not covered by the Group's insurance. Whilst the Group takes appropriate care when acquiring works which may be of material importance in the state of origin, there can be no guarantee that works acquired by the Group are not subject to restrictions on export or sale.

#### Insurance

The Group carries a specialist insurance policy under the Antiquarian Booksellers Association Insurance Scheme which covers each of the businesses. The Directors believe that the Group carries appropriate insurance for a business of its size and nature but there can be no guarantee that the extent or value of the cover will be sufficient, in relation to stock in transit or on consignment. The Directors review the Group's insurance arrangements on an annual basis and endeavour to insure its stock adequately, but there is no certainty that future claims will not fall within the exclusions under the policy or that the insurer will pay out any claim if made. Further, there can be no guarantee that the necessary insurance will be available to the Group in the future at an acceptable cost or at all.

#### Premises

Like many of the established dealers in the market, the Group has a publicly accessible gallery in Mayfair, London from where Shapero Rare Books operates. Although there is a risk that the increasing demand for online retail will render 'high street' premises uneconomic, the Directors believe that a central London location is an important factor in the success of the business as a whole.

#### Terms of sale

To date, the contractual arrangements which the Group has entered into with clients, customers and other dealers have not always included (amongst other things) terms dealing specifically with:

1. transfer of ownership and risk,
2. contract formation,
3. price and payment,
4. limitations and exclusions of liability, and
5. governing law and jurisdiction.

In light of the foregoing, there can be no guarantee that the Group's arrangements with its customers will not be terminated on short notice or that the Group will not at some future time face challenges or disputes in relation to the contractual or other arrangements with its clients.

If the Group became involved in a contractual dispute and/or a third party was successful in any contractual dispute with the Group, any resultant loss of revenues or exposure to litigation costs or other claims could have a material adverse effect on the Group's reputation, business, financial condition and/or operations or financial results. The Group has revised its standard terms of sale to seek to ensure that, henceforth, the arrangements with clients, customers, dealers and others will include terms dealing with each of the aforementioned areas.

#### Employees

The Group is reliant on a small number of key employees for their knowledge and the reliance customers place on their integrity and service. In the event that a key employee were to leave, the business may suffer a short term decrease in performance whilst it adjusts to the level of resources available to it.

#### Currency risk

The Group does conduct certain of its transactions other than in Pounds Sterling, the Group's functional currency. As a result, movements in foreign exchange rates may impact the Group's performance. The Group does not enter into any hedging contracts in respect of currency positions.

#### Pandemics and government imposed trading restrictions

Pandemics such as Covid-19 in the prior financial year resulted in the closure of the Group's retail premises for several months and the cancellation of all fairs and exhibitions, together with restrictions on the mobility of its staff, customers and suppliers. The Group has other avenues to market available to it, including the internet, telephone and post, but it may be difficult for the Group to trade profitably while such a pandemic is present.

#### Future prospects

The Group has traded profitably in the first four months of the current year.

The core business of Shapero Rare Books is one of the leading UK rare book dealers, with a solid international customer base. Further attention will be required in order to improve its return on capital employed, particularly stock turnover. The Board has implemented several online initiatives to manage this.

Scholium Trading has an established position with several other dealers, and in addition, the current stock includes some items with potentially high levels of return. The Board is not intending to increase the capital available to this business, until the market conditions improve.

The Board continues to review the opportunity for further cost savings to improve the Group's profitability and create improved shareholder value. During the year ending 31 March 2023 the Board will assess opportunities for future property, enhanced selling channels and improving the sales of slow-moving and aged stock.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 Mar 2022	Year ended 31 Mar 2021
	Note	£000	£000
<b>Revenue</b>	<b>3</b>	8,129	5,148
Cost of Sales		(5,058)	(3,456)
<b>Gross profit</b>		<u>3,071</u>	<u>1,691</u>
Distribution expenses		(340)	(214)
Administrative expenses		(2,262)	(1,882)
<b>Total administrative expenses</b>		<u>(2,262)</u>	<u>(1,882)</u>
<b>Profit/(loss) from operations</b>		469	(404)

Financial (expense)		(33)	(30)
Other income		58	-
<b>Profit/(loss) before taxation</b>		<u>494</u>	<u>(434)</u>
Income tax (expense)	<b>7</b>	-	-
<b>Profit / (Loss) for the year from continuing operations and total comprehensive income attributable to equity holders of the parent company</b>		<u>494</u>	<u>(434)</u>
Loss from discontinued operations	<b>8</b>	(317)	(3)
<b>Profit/(Loss) for the year and total comprehensive income attributable to equity holders of the parent company</b>		177	(437)
<b>Earnings per share (in pence):</b>	<b>9</b>		
From continuing operations		3.63	(3.19)
From discontinued operations		(2.33)	(0.02)
<b>Total Earnings per share</b>		<u>1.30</u>	<u>(3.21)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 Mar 2022 £000	31 Mar 2021 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		970	1,175
Intangible assets	<b>10</b>	4	8
Deferred corporation tax asset	<b>12</b>	-	-
		<u>974</u>	<u>1,183</u>
<b>Current assets</b>			
Inventories	<b>13</b>	9,584	9,025
Trade and other receivables	<b>14</b>	2,219	1,689
Cash and cash equivalents		705	2
		<u>12,508</u>	<u>10,716</u>
<b>Total assets</b>		<u>13,482</u>	<u>11,899</u>

<b>Current liabilities</b>		
Trade and other payables		2,868 1,308
Loans and borrowings	15	47 250
Right-of-use asset lease liabilities	17	193 1,119
<b>Total current liabilities</b>		<u>3,108 2,677</u>
<b>Non-current liabilities</b>		
Loans and borrowings	15	188 -
Right-of-use asset lease liabilities		787 -
<b>Total non-current liabilities</b>		<u>975 -</u>
<b>Total liabilities</b>		<u>4,083 2,677</u>
<b>Net assets/liabilities</b>		<u>9,399 9,222</u>
<b>Equity and liabilities</b>		
<b>Equity attributable to owners of the parent</b>		
Ordinary shares	16	136 136
Share Premium		9,516 9,516
Merger reserve		82 82
Retained (loss)		(335) (512)
<b>Total equity</b>		<u>9,399 9,222</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £000	Share Premium £000	Merger reserve £000	Retained earnings £000	Total equity £000
<b>Balance at 1 April 2019</b>	136	9,516	82	177	9,911
(Loss) for the year from continued and discontinued operations	-	-	-	(252)	(252)
<b>Total comprehensive income for the period</b>	-	-	-	(252)	(252)
<b>Balance at 31 March 2020</b>	136	9,516	82	(75)	9,659
(Loss) for the year from continued and discontinued operations	-	-	-	(437)	(437)
<b>Total comprehensive income for the period</b>	-	-	-	(437)	(437)

<b>Balance at 31 March 2021</b>	136	9,516	82	(512)	9,222
Profit for the year from continued and discontinued operations	-	-	-	177	177
Total comprehensive income for the period	-	-	-	177	177
<b>Balance at 31 March 2022</b>	136	9,516	82	(335)	9,399

There were no transactions with owners in the year.

The following describes the nature and purpose of each reserve within owners' equity:

Share capital	Amount subscribed for shares at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value less attributable share issue expenses.
Merger reserve	Amounts attributable to equity in respect of merged subsidiary undertakings.
Retained earnings	Cumulative profit/(loss) of the Group attributable to equity shareholders.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	31 Mar 2022	31 Mar 2021
	£000	£000
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	177	(437)
Depreciation of property, plant and equipment	231	322
Amortisation of intangible assets	4	4
Interest paid	33	-
	<u>445</u>	<u>(111)</u>
(Increase)/decrease in inventories	(559)	(122)
Decrease/(increase) in trade and other receivables	(530)	(70)
Increase/(decrease) in trade and other payables	1,560	1,068
<b>Net cash generated from operating activities</b>	<u>916</u>	<u>765</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(26)	(56)
Purchase of right-to-use assets	-	(920)
<b>Net cash (used) in investing activities</b>	<u>(26)</u>	<u>(976)</u>
<b>Cash flows from financing activities</b>		
Lease repayments for right-of-use assets	(165)	(288)
Bank loan	(15)	250

Interest paid	(7)	(30)
<b>Net cash (used) from financing activities</b>	<u>(187)</u>	<u>(68)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	703	(279)
<b>Cash and cash equivalents at the beginning of the year</b>	2	281
<b>Cash and cash equivalents at the end of the year</b>	<u>705</u>	<u>2</u>

## COMPANY STATEMENT OF FINANCIAL POSITION

	Note	31 Mar 2022 £000	31 Mar 2021 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Group Investments	11	2,391	2,391
Deferred tax asset		-	-
		<u>2,391</u>	<u>2,391</u>
<b>Current assets</b>			
Trade and other receivables	14	7,115	7,464
Cash and cash equivalents		(160)	-
		<u>6,955</u>	<u>7,464</u>
<b>Total assets</b>		<u>9,346</u>	<u>9,855</u>
<b>Current liabilities</b>			
Trade and other payables		59	85
Loans and borrowings	15	47	309
<b>Total current liabilities</b>		<u>106</u>	<u>394</u>
<b>Non-current liabilities</b>			
Loans and borrowings	15	188	-
<b>Total liabilities</b>		<u>294</u>	<u>394</u>
<b>Net assets/liabilities</b>		<u>9,052</u>	<u>9,461</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Ordinary shares	16	136	136
Share Premium		9,516	9,516
Merger reserve		-	-
Retained earnings/(deficit)		(600)	(191)
<b>Total equity</b>		<u>9,052</u>	<u>9,461</u>

## STATEMENT OF CHANGES IN COMPANY EQUITY

	Share Capital £000	Share Premium £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 1 Apr 2019	<b>136</b>	<b>9,516</b>	<b>2,809</b>	<b>368</b>	<b>12,829</b>
Loss for the year	-	-	-	<b>(328)</b>	<b>(328)</b>
Total comprehensive income for the period	-	-	-	<b>(328)</b>	<b>(328)</b>
Write-off of merger reserve					
Write-off of merger reserve	-	-	<b>(2,809)</b>	-	<b>(2,809)</b>
Balance at 31 March 2020	<b>136</b>	<b>9,516</b>	-	<b>40</b>	<b>9,962</b>
(Loss) for the year	-	-	-	<b>(231)</b>	<b>(231)</b>
Total comprehensive income for the period	-	-	-	<b>(231)</b>	<b>(231)</b>
Balance at 31 March 2021	<b>136</b>	<b>9,516</b>	-	<b>(191)</b>	<b>9,461</b>
(Loss) for the year	-	-	-	<b>(409)</b>	<b>(409)</b>
Total comprehensive income for the period	-	-	-	<b>(409)</b>	<b>(409)</b>
Balance at 31 March 2022	<b>136</b>	<b>9,516</b>	-	<b>(600)</b>	<b>9,052</b>

The following describes the nature and purpose of each reserve within owners' equity:

Share capital	Amount subscribed for shares at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value less attributable share-issue expenses.

	issue expenses.
Merger reserve	Amounts attributable to equity in respect of merged subsidiary undertakings.
Retained earnings	Cumulative profit/(loss) of the Group attributable to equity shareholders.

## COMPANY CASHFLOW

	<b>31 Mar 2022 £000</b>	<b>31 Mar 2021 £000</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	(409)	(231)
Interest paid	7	-
	<u>(402)</u>	<u>(231)</u>
Decrease/(increase) in trade and other receivables	349	(100)
(Decrease)/increase in trade and other payables	(26)	15
<b>Net cash generated from operating activities</b>	<u>(79)</u>	<u>(316)</u>
<b>Cash flows from investing activities</b>		
Dividends receivable from subsidiary undertakings	-	-
<b>Net cash generated from investing activities</b>	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Bank loan	(22)	250
<b>Net cash (used)/generated from financing activities</b>	<u>(22)</u>	<u>250</u>
<b>Net (decrease) in cash and cash equivalents</b>	(101)	(66)
<b>Cash and cash equivalents at the beginning of the year</b>	(59)	7
<b>(Overdraft)/cash and cash equivalents at the end of the year</b>	<u>(160)</u>	<u>(59)</u>

## Notes to the Consolidated Financial Statements

### 1 General information

Scholium Group plc and its subsidiaries (together 'the Group') are engaged in the trading and retailing of rare books, works on paper and stamps primarily in the United Kingdom. The Company is a public company domiciled and incorporated in England and Wales (registered number 08833975). The address of its registered office is 106 New Bond Street, London W1S 1DN.

## 2 Basis of preparation and accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards including standards and interpretations issued by the International Accounting Standards Board and in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The consolidated and Company financial statements have been prepared on an historical cost basis.

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3 below.

The functional and presentational currency of the Group and the Company is pounds sterling. The financial information is shown to the nearest £1,000.

The principal accounting policies applied by the Group in the preparation of these consolidated financial statements for the years ended 31 March 2022 and 31 March 2021 are set out below. These policies have been consistently applied to all periods presented.

### Going concern

The Group's trading was severely disrupted due to the restrictions imposed internationally as a result of the onset of Covid-19 during March 2020, and which remained in place for much of the year ended 31 March 2021. All Covid-19 restrictions have been lifted and this was much the case for the majority of the current year ended 31 March 2022.

The Group remained throughout the lockdown period in 20/21 in a reasonably strong position with nearly £9 million of stock and with only a £250,000 Covid bank loan. Despite the closure of the Group's retail premises and the cancellation of all of the trade fairs both in the UK and overseas in the current financial year to date, sales continued on the internet, by telephone and by post. Whilst sales in total were reduced to the point where the Group made a loss for the year-ended 31 March 2021 the relatively robust nature of the Group's finances not allowed it to survive but resume active business in the year to March 2021 and generate its first profit in a number of years. At the year-end net cash exceeds £400k after taking into account the now reducing Government Covid loan and the £0.5 million overdraft facility remains undrawn.

The Directors have reviewed the activities of the Group since 1 April 2021 with a view to determining whether there are any material uncertainties which may impact whether the Group can be considered to be a going concern. The Group's primary activities can be

classified as retail, and therefore the Directors have considered the Group's position in the light of the retail industry as a whole as well as the Group's own circumstances. The Group's leases on its retail premises are at relatively low rents, and in the case of the New Bond Street lease, having an term date of August 2023. The Group therefore does not have any exposure to any onerous leases. The Group has an international customer base, and is not dependent on footfall generating sales from its London premises, or its presence at international fairs.

The Group has only a £250,000 Covid bank loan, which at the year-end date is now £235k, repayable over five years and therefore is not exposed to any liabilities where the terms of repayment may change as a result of the lender's response to Covid-19. The Group has no creditors over one year, and no liabilities to a defined benefit pension scheme.

The Group has enjoyed a successful year and continues to expand sales channels with its own online auctions. The Directors have prepared revised "stressed" forecasts taking account of the results to date, current expected demand, and cost savings identified. This has been conducted together with an assessment of the liquidity headroom against the cash and bank facilities including the new Covid loan.

Part of this review resulted in the decision to close the Mayfair Philatelic stamp business which was loss-making and unable, in the view of the Board, to be turned around.

The Directors recognise that the current difficult geo-political and resulting economic environment could impact business but have concluded that there are no material uncertainties over the Group and Company's ability to continue as a going concern. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months, therefore it is appropriate to adopt a going concern basis for the preparation of the Financial Statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group and Company were unable to continue as a going concern.

### 3 Revenue

	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2022</b>	<b>2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>
Sales of Stock	7,839	4,857
Commissions	279	275
Other income	11	16
	<hr/> 8,129	<hr/> 5,148

All revenues are derived from a single operating segment, collectibles.

#### 4 Profit Before Taxation

Profit / (Loss) before taxation is after charging/(crediting):

	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2022</b>	<b>2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>
Depreciation of property, plant and equipment	231	322
Amortisation of intangible assets	4	4
Foreign currency losses/(gains)	2	14
Employee costs	936	878
Fees payable to the Company's auditors	41	41

#### 5 Employee costs including Directors

	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2022</b>	<b>2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>
Wages	819	752
Social security costs	70	75
Pension costs	32	31
Other employee benefits	15	20
	<hr/>	<hr/>
	936	878
	<hr/>	<hr/>

All employee costs are included in administrative expenses.

The Group received £nil (2021: £112k) in grants relating to the Coronavirus Job Retention Scheme.

Defined contribution pension schemes.

The Group operates defined contribution retirement benefit schemes for qualifying employees. The total cost charged to income of £32k (2021: £31k) represents contributions payable to those schemes by the Group at rates specified in the rules of the plans. As at 31 March 2022, contributions due in respect of the current reporting period of £3k (2021: £3k) had not been paid over to the schemes and are included within payables.

## 6 Directors' remuneration

	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2022</b>	<b>2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>
Salaries and fees	192	174
Social security costs	26	10
Pension costs	6	-
Other employee benefits	8	8
One-off payments to ex-Directors	79	-
	<hr/>	<hr/>
	311	192
Information regarding the highest paid Director, Jasper Allen:		
Salary	120	70
Benefits	<u>5</u>	<u>7</u>
Total	125	77

There are two (2021 - one) director accruing a defined contribution pension liability.

The Directors are considered to be the Company's key management personnel.

## 7 Income tax

<b>31</b>	<b>31</b>
<b>Mar</b>	<b>Mar</b>

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<i>Current tax (credit)/expense</i>		
Current tax	-	-
Deferred tax	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	<b>31</b>	<b>31</b>
	<b>Mar</b>	<b>Mar</b>
	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Profit / (Loss) before tax	177	(437)
Applied corporation tax rates:	19%	19%
Tax at the UK corporation tax rate of 19% (2021: 19%):	34	(83)
Tax payable covered by available tax losses	(34)	-
Tax losses not recognised as deferred tax assets		83
Origination and reversal of temporary differences	-	-
<b>Taxation charge</b>	<b>-</b>	<b>-</b>

## 8 Discontinued Operations

The Board conducted a review of the Mayfair Philatelic business and determined that the business was not key to the future of the Group and unlikely to become profitable on an ongoing basis. In accordance with IFRS5 - Non-current assets held for sale and discontinued business, the results for Mayfair Philatelic are shown as Discontinued operations in the income statement of both the current and the prior period; its assets and liabilities have been recorded at the lower of the carrying value and fair value less costs to sell in the financial statements for this financial year. An analysis of the individual line items are shown below.

<b>2022</b>	<b>2021</b>
<b>Group</b>	<b>Group</b>

	<b>£000</b>	<b>£000</b>
Revenue	680	882
Cost of sales	374	501
Gross Profit	<b>306</b>	<b>381</b>
Distribution expenses	74	68
Administrative expenses	409	316
Impairment charge re Debtors	40	-
Impairment charge re Stock	100	-
Profit / (Loss) before tax	<b>(317)</b>	<b>(3)</b>
Tax	-	-
<b>Profit / (Loss) from discontinued operations</b>	<b>(317)</b>	<b>(3)</b>

Year ended  
31 March 2022  
£000

<b>Net cash (used in) / Generated from operations</b>	<b>(77)</b>
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***Assets and liabilities of discontinued business***

The following assets and liabilities relating to Mayfair Philatelic are included within the relevant line of the Group Consolidated statement of financial position at the lower of the carrying value and fair value less costs to sell at 31 March 2022:

	<b>31 March 2022</b>
<b>Assets</b>	<b>£000</b>
Fixed assets	5
Intangible assets	4
Current assets – Stocks	114
Current assets – Debtors & Prepayments	458
<b>Total assets of Discontinued business</b>	<b>581</b>

**31 March 2022**

<b>Liabilities</b>	<b>£000</b>
Trade creditors	236
Accruals	141
<b>Total liabilities of Discontinued business</b>	<b>377</b>

## 9 Profit / (Loss) per share

	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2022</b>	<b>2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>
Profit / (Loss) used in calculating basic and diluted earnings per share attributable to the owners of the parent		
Continuing operations	494	(434)
Discontinued operations	(317)	(3)
Total	177	(437)
<b>Number of shares</b>		
Weighted average number of shares for the purpose of basic and diluted earnings per share	13.6m	13.6m
Basic earnings/(loss) per share from continuing operations (pence per share)	3.63	(3.19)
Basic (loss) per share from discontinued operations (pence per share)	(2.33)	(0.02)
Total basic and diluted earnings/(loss) pence per share	1.30	(3.21)

All shares shown above are authorised, issued and fully paid up. Ordinary shares carry the right to one vote per share at general meetings of the Company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up.

## 10 Intangible Assets

	<b>31 Mar 2022 Group £000</b>	<b>31 Mar 2021 Group £000</b>
Cost at the beginning and end of the year	20	20
Amortisation at the beginning of the year	12	8
Amortisation during the year	4	4
Amortisation at the end of the year	16	12
Net book value at the end of the year	4	8

The intangible assets comprise a mailing list.

## 11 Investment in subsidiaries

	<b>31 Mar 2022 Company £000</b>
At 7 January 2014: nominal value of shares issued	28
Fair-value adjustment taken to merger reserve	2,809
Write-off of merger reserve on 31 March 2020	(2,809)
Deferred consideration	2,363
Balance at 31 March 2022	2,391
Balance at 31 March 2021	2,391

The investments in Group undertakings are originally recorded at cost which is the fair-value of the consideration paid. At 31 March 2019 the amount was £5,200,000. The Company's merger reserve was written off as at 31 March 2020 due to the assessment of the subsidiary company's value following the adverse impact of Covid-19. As such, the investment is now valued at £2,391,000.

The principal subsidiaries of the Company, all of which have been included in the consolidated financial information, are as follows: Shapero Rare Books Ltd, Scholium Trading Ltd and Mayfair Philatelics Ltd, all of which are wholly owned.

## 12 Deferred Corporation Tax

	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2022</b>	<b>2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>
Balance at the beginning of the year	-	-
Income statement	-	-
	———	———
Balance at the end of the year	-	-
The deferred tax asset comprises:		
Origination and reversal of temporary differences	-	-

Deferred tax is calculated in full on temporary differences under the liability method using the tax rates expected for future periods of 19%. The deferred tax has arisen due to the availability of trading losses. The Group has unutilised tax allowances, at expected tax rates in future periods, of £282,000 (2021: £460,000) of which £nil has been recognised (2021: £nil recognised).

In adopting IFRIC 23 - *Uncertainty over tax treatments* during the year ended 31 March 2022, a review has been carried out of the Group's ability to generate future profits that could utilise the accumulated losses. Whilst profitable in the year it has been concluded that it is appropriate to continue to not recognise any deferred tax assets until sustainable profits are observed

## 13 Inventories

<b>31 Mar</b>	<b>31 Mar</b>
<b>2022</b>	<b>2021</b>
<b>Group</b>	<b>Group</b>
<b>£000</b>	<b>£000</b>

Finished goods	<b>9,584</b>	9,025
Finished goods expensed in the year	<u>5,058</u>	<u>3,456</u>

#### 14 Trade & other receivables

	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	1,700	1,421	-	-
Other debtors	24	36	2	6
Amounts due from Group undertaking	-	-	7,102	7,437
Prepayments and accrued income	495	232	11	21
	<b><u>2,219</u></b>	<b><u>1,689</u></b>	<b><u>7,115</u></b>	<b><u>7,464</u></b>

The age profile of trade debtors comprises:	<b>£000</b>
Current	547
One month past due	463
Two months past due	50
Over three months past due	798
Provision for doubtful debts	(158)
	<u>1,700</u>

As at 31 March 2022, trade receivables of £158k (31 March 2021 £nil, 31 March 2020 £nil) were considered past due and impaired. The other debtors balances are categorised as loans and receivables. All amounts shown under trade and receivables are due for payment within one year. Some receivables will be settled against trade payables in due course.

Amounts due from Group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

## 15 Loans and Borrowings

	<b>31 Mar 2022</b>	<b>31 Mar 2021</b>
	<b>Group and Company</b>	<b>Group and Company</b>
	<b>£000</b>	<b>£000</b>
<i>Bank loan</i>		
At the beginning of the year	250	
Drawn during the year	-	250
(Repaid) in the year	(15)	-
At the end of the year	<u>235</u>	<u>250</u>
Bank loan liabilities maturity analysis		
Due within one year	<u>47</u>	<u>250</u>
Due after more than one year	<u>188</u>	<u>-</u>
Total loans and borrowings	<u>235</u>	<u>250</u>

## 16 Share Capital

	<b>31 Mar 2022</b>	<b>31 Mar 2021</b>
	<b>Group and Company</b>	<b>Group and Company</b>
	<b>£000</b>	<b>£000</b>
<i>Ordinary shares of £0.01 each</i>		
At the beginning of the year	136	136
At the end of the year	<u>136</u>	<u>136</u>

<b>Number of shares</b>	<b>31 Mar 2022</b>	<b>31 Mar 2021</b>
-------------------------	------------------------	------------------------

	<b>Group and Company</b>	<b>Group and Company</b>
	<b>Number</b>	<b>Number</b>
Ordinary shares of £0.01 each		
At the beginning of the year	<b>13,600,000</b>	<b>13,600,000</b>
At the end of the year	<b>13,600,000</b>	<b>13,600,000</b>

All shares shown above are authorised, issued and fully paid up. Ordinary shares carry the right to one vote per share at general meetings of the Company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up.

## 17 Right of use Asset lease Liabilities

	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2022</b>	<b>2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>
Land and buildings	980	1,119
Lease liability maturity analysis		
Due within one year	193	1,119
Due after more than one year	787	-
Total right-of-use lease liabilities	980	1,119

## 18 Post balance sheet date events

### Mayfair Philatelic

The Board determined in the financial year-ended 31 March 2022 that the continuing losses from the Mayfair business were unsustainable and following an assessment of the available options the Board made the decision to close the business. Its last major auction was conducted in March 2022 and since then the business has been operating in an orderly wind-down mode with the remaining stock being sold on an as and when basis and debtors collected. Costs, primarily staff and property, are being released with the majority of these having ceased within three months of the financial year-end date.

### Property Leases

Following the year-end date the leases for the Group's property at 105 and 106 New Bond Street were renegotiated with the result that the previous separate leases were replaced by a single lease covering both properties with a term end date of 31 August 2023.

There have been no other material events directly affecting the Group since the end of the financial year date.