

**27 July 2023**

*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 2024**

Scholium is pleased to announce the Group's audited results for the year ended 31 March 2024.

Scholium is engaged in the business of trading in rare books and modern prints. 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

- An encouraging 2% increase in revenue to £9,266k from £9,060k
- Profit before tax increased by 30% to £300k from £231k
- Group net asset value per share continues to rise from 71p per share to 73p this year
- Group continued to trade profitably in the first three months of the current year

Financial Highlights

<b>Years ended 31 March (£'000)</b>	<b>2024</b>	<b>2023</b>
Revenue	9,266	9,060
Gross Profit	3,648	3,447
Gross Margin	39.4%	38.1%
Profit before tax	300	231
Total earnings pence per share	2.21p	1.70p
NAV/Share	73p	71p

A copy of the 2024 Annual Report (including the notice of Annual General Meeting ("AGM")) will be sent to shareholders and will also be available on the Company's website in due course at [www.scholiumgroup.com](http://www.scholiumgroup.com).

The Company's AGM will be held at 10.00am at 94 New Bond Street, London W1S 1SJ on Thursday, 26 September 2024.

David Harland, Chairman of Scholium, noted *"the active strategic decisions taken by the Board and Management accompanied by the ongoing assessment of further strategic opportunities will, I am confident, lead to further progress in the coming year."*

**For further information, please contact:**

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Chris Fielding, Isaac Hooper

## CHAIRMAN'S STATEMENT

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I am delighted to present my statement and to report that the Group's revenues for the year ended 31 March 2024 increased by 2% to £9.3 million (2023: £9.1 million). The Board's focus on driving revenue in both books and art has been successfully pursued and has resulted in a third successive profitable year, with profits before tax increasing by 30% to £300k (2023: £231k).

The Board is pleased with the continuing turnaround of the business achieved over the last three financial years and remains focused on further enhancing shareholder value through the implementation of strategic changes including developing new revenue channels, broadening our areas of expertise with selective hires, incentivising staff and continuing to search for further opportunities in related areas.

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, after a slow start, improved in the year under review, particularly for the final four months and this has continued into the first three months of the current year, which have been profitable, and which is encouraging for the financial year ahead. The utilization of external funding for securing art collections is reflected in the increases in stock as well as borrowings which is anticipated to generate further revenues and profits in the new financial year.

Although the global outlook continues to be challenging, our strategic plans, including our new flagship property in Mayfair, the expansion of staff and the proactive seeking of major collections of books and art, leads us to be cautiously optimistic.

## Strategy

I and my Board are certain that there is still significant value that is not fully reflected in these financials which we are focused on quantifying and exploiting in the coming year with, it is anticipated, enhanced shareholder value. The first part of our 'job' which has been to secure the business and stabilize its profitable platform is nearing an end and now the second part, the drive towards that enhanced value, is in progress as is witnessed by the seeking out of collections of books and art made in the year under review and the active plan to widen sales of rare books and art through the selective hire of sector leading experts.

We can never be certain of the continuing effects on our businesses of global events, or the general political and financial destabilisation of the world. However, the active strategic decisions taken by the Board and Management, accompanied by the ongoing assessment of further strategic opportunities, will, I am confident, lead to further progress in the coming year.

DAVID HARLAND

Chairman

25 July 2024

## CHIEF EXECUTIVE OFFICER'S REPORT

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This has been another year of achievement but not without its challenges, which I expand on below and I am most thankful for the excellent team with whom I work and who have been so dedicated and proactive over the year resulting in a third consecutive year of increasing annual Group profits.

### Overview

Scholium Group has built upon the success of the prior financial year 2022/23 with the highlights being;

- 2% increase in revenue
- Group profitability increased year-on-year by 30% for a third consecutive profitable year
- The consolidating of separate locations into our new flagship Bond Street premises.

### The Year 2023/24

Despite wars and other alarming events in the year, the market for Books and Art remained encouraging and progressed, particularly in the second half of the year, away from the sluggish activity witnessed in the last three months of the prior financial year and the first months of the year under review. The market turned noticeably better over the last four months, particularly in Art.

We proactively acquired collections of art in the financial year, leveraging external funding which is reflected in the additional stock and borrowing levels. Part of that collection was sold within the year under review, but the major impact will be felt in the year ahead, particularly in the first half.

Overall revenue increased by 2% to £9,266k (2023: £9,060k).

A full calendar year of fairs took place but on a far more selective basis than in the past, as it was determined that we could focus our resources more effectively, which has been borne out by the results.

Taking all this into account, the Group recorded a 30% increase in profit before tax to £300k (2023: £231k).

### Looking forward

Encouragingly, the performance of the business in the first quarter of the new financial year continued to

be profitable. The active decision to seek out and execute wider opportunities will continue this year with some additional selective hires of new sector experts. Global economic headwinds present challenges but the strategic review undertaken by the Board acted upon as noted sees a greater focus on expanding the business in new specialty areas with recently hired experts, more proactive securing of book and art collections and a more forensic focus on costs.

Our new and exciting premises, in a refurbished flagship location which we moved into in July, an extensive online presence and exhibitions at international trade fairs, all supplemented by hires of some very focused sector specific staff will, I believe, lead to continuing progress in the current year.

#### Staff

I have a fabulous team around me without whom the positive results for the year could not have been achieved and I thank them for their dedication and hard work throughout the year and I look forward to welcoming our new hires in the coming financial year.

#### Shareholders

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

BERNARD SHAPERO

Group Chief Executive

25 July 2024

## 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 2024 and it 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 comprises four legal entities; Scholium Group PLC (the "Company") which is the publicly traded holding company and which incurs the central costs of the group and its three wholly owned subsidiaries, Shapero Rare Books Limited, the only trading entity as detailed below, and two dormant companies, Scholium Trading Limited and Mayfair Philatelic Limited. The four together are referred to as the "Group".

The Group is engaged in the business of dealing in rare books and fine art. 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 generates value through its expertise, astute buying and the profitable sale of stock.

**Shapero Rare Books** is the larger part of the 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 trading under the name of Shapero Rare Books. The business also trades as Shapero Modern in modern and contemporary prints and limited editions by established artists.

#### Strategy & Key Objectives

The Group's strategy is to:

- build, organically or by acquisition, a portfolio of rare books and art focused businesses to enable further growth 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 books and art and participate in the acquisition for onward sale of large consignments.

#### Review of the year from continuing operations

The Group's revenues increased to £9.3m from £9.1m in the prior year as sales in each of the constituent businesses increased. The Group's core businesses were profit-making during both the first and second half of the financial year. Gross profit increased by 30% compared with the prior year ended 31 March 2023, and the margin made on sales rose from 38.1% last year to 39.4% in the year ended 31 March 2024 because of increased activity in the market and the active drive by management to improve such margins.

Total expenses including direct costs, such as art fairs and accompanying marketing costs, and administrative overheads rose 2% to £3,252k (2023: £3,175k).

The Group's profit before tax for the year to 31 March 2024 increased by 30% to £300k (2023: £231k).

An analysis of the Group's profit before tax for the year to 31 March 2024 between the two halves of the financial year is set out in the table below:

(£'000)	H1*	H2	Full year total
Revenue	3,835	5,431	9,266
Gross Profit	1,511	2,137	3,648
Profit before tax	43	257	300

\*H1 Unaudited figures published November 2023

The value of the Group's stock at 31 March 2024 was £10,955k compared with the prior year's total of £9,812k and Group cash at 31 March 2024 was in net overdraft at £(124)k. Furthermore, the original £250k Covid bank loan, taken down in 2020, was reduced by repayment over the year from £187k to £137k. The Group's overdraft facility of £500k remains in place and from time-to-time, depending on timing differences in significant purchases and onward sales, was drawn during the year. An additional and specific loan facility was taken in the final quarter of the year secured against a specific collection of art works purchased as part of a joint venture agreement with a fellow art dealer. The balance outstanding as at the year-end date was £634k. (2023: £nil) – see note 22.

#### Key Performance Indicators

The Group is managed by and reports on a few key performance indicators (KPIs). The current principal KPIs are:

- sales, gross profit, gross margin and profit before tax;
- stock ageing and turnover; and
- cash position.

#### Key Performance Indicators (on continuing business)

Years ended 31 March (£'000)	2024	2023	Variance
Revenue	9,266	9,060	2%
Gross Profit	3,648	3,447	6%
Gross Margin	39.4%	38.1%	3%
Stock Turnover (months)	23.0	21.0	10%
Net (borrowings) / Net cash	(896)	(241)	9%
Net Profit before tax	300	231	30%

## Group Performance

### Shapero Rare Books

Shapero Rare Books Limited (SRB) traded profitably through the year ended 31 March 2024 off the back of increased activity in physical as well as on-line sales and a full calendar of trade fairs. The year's sales were £9,266k, 2% above the prior year's sales of £9,060k, and gross profit at £3,648k for the year ended 31 March 2024 was 6% above the prior year total of £3,447k.

Direct costs, including the attendance at fairs, exhibitions, and catalogues, decreased from £815k in the prior year to £778k in the year to 31 March 2024 as a result of the active approach to maximising the benefit from fewer but more productive fairs taken by management. Administrative costs in total increased 4% from £2,360k in the prior year to £2,474k in the year to 31 March 2024. Financial expenses for the year were £63k (2023: £41k).

SRB therefore recorded a profit before tax of £714k compared with the £565k in the prior year.

### Central Costs

Central costs, which are incurred by the holding company, Scholium Group PLC, include the Board members as well as those costs associated with the Group's AIM public status. The central costs, before the non-operational accounting charge for the employee option scheme of £32k, were £382k in the year to 31 March 2024, an increase of £48k from the prior year's total of £334k. The inclusion of the costs of the option scheme take the total to £414k. These costs include the cost of managing the Group, its audit, tax and professional fees, financing costs and maintaining the AIM membership for the Company's shares.

Year ended 31 March 2024 (£'000)

	<b>Shapero Rare Books</b>			<b>Continuing business</b>
	<b>Books</b>	<b>Gallery</b>	<b>Central</b>	
Revenue	6,992*	2,274	-	9,266
Gross Profit	3,057	591	-	3,648
Gross Margin	44%	26%	-	39%
Profit/(Loss) before tax		714	(414)	300

Year ended 31 March 2023 (£'000)

	<b>Shapero Rare Books</b>			<b>Continuing business</b>
	<b>Books</b>	<b>Gallery</b>	<b>Central</b>	
Revenue	7,283*	1,777	-	9,060
Gross Profit	2,841	606	-	3,447
Gross Margin	39%	34%	-	38%
Profit/(Loss) before tax		565	(334)	231

\*The revenue for Books includes the small amounts of other income. See Note 5 - Revenue

### Dividend

The Board does not propose to declare a dividend for the financial year ended 31 March 2024. (2023: £Nil).

### Alternative accounting presentation

The Board is focused on enhancing shareholder return. It is important therefore for an analysis of the core performance of the Group's trading business to be prepared excluding those costs that are more concerned with the non-trading elements such as the costs of maintaining its public company status and other non-directly related or one-off costs not typically expected to be incurred in a 'normal' year.

<b>Year ended 31 March (£'000)</b>	<b>2024</b>	<b>2023</b>
Pre-tax Profit for the year	300	231
Add back:		
Central costs	414	334
Discontinued business losses	-	-
Depreciation & amortisation (Note 6)	374	347
Finance expenses (Note 11)	63	41
Re-stated Operational EBITDA for the year	1,151	953

### Principal Risks & Uncertainties

Continuing supply of rare books, works on paper and prints.

By definition, rare books and other works on paper and prints 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 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.

When works become available for sale or purchase, they 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.

Reliance on key international trade fairs

A significant proportion of the Group's sales are made at international trade fairs. The cessation of these fairs 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 the Group have been exhibiting at these fairs for many years, there can be no certainty that it will continue to secure places in the future.

Competition

The market in books and works on paper and prints in which the Group trades is competitive and the Group faces various competitive pressures from auctioneers as well as a wide range 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 the markets in which it operates, it could lead to a material adverse effect on the Group's business, financial condition, and operations.

Co-owned 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 trades in rare 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 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 publicly accessible galleries in Mayfair, London from where it operates and sells both books and works of art. 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

In the past, 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.

There is 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 regarding 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, and in particular the Chief Executive Officer, for their knowledge and the reliance customers place on their integrity and service. If a key employee was 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 conducts certain transactions other than in Pounds Sterling, its functional currency. 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.

#### Future prospects

The Group has continued to trade profitably in the first three months of the current year. The core businesses are Shapero Rare Books, one of the leading UK rare book dealers, and Shapero Modern, one of the leading UK dealers in modern art and prints, both with a solid international customer base. Further attention will be required to continue to improve return on capital employed, particularly to margins achieved and to stock turnover. The Board has implemented several initiatives to target this.

The Board continues to review further strategic opportunities within a tightly managed cost framework to improve the Group's profitability and create improved shareholder value. During the year ending 31 March 2025 the Board will implement initiatives regarding property, further enhanced selling channels and improving the sales of slower-moving and aged stock.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 Mar 2024 £000	Year ended 31 Mar 2023 £000
	Note		
<b>Revenue</b>	5	9,266	9,060
Cost of Sales		(5,618)	(5,613)
<b>Gross profit</b>		<u>3,648</u>	<u>3,447</u>
Distribution expenses		<u>(778)</u>	<u>(815)</u>
Administrative expenses		(2,476)	(2,360)
<b>Total expenses</b>		<u>(3,252)</u>	<u>(3,175)</u>
<b>Profit from operations</b>		394	272
Charge for share options granted to employees		(31)	-
Financial (expense)	11	(63)	(41)

<b>Profit before taxation</b>		300	231
Income tax (expense)	12	-	-
<b>Profit for the year from continuing operations and total comprehensive income attributable to equity holders of the parent company</b>		300	231
<b>Profit for the year and total comprehensive income attributable to equity holders of the parent company</b>		300	231
<b>Earnings per share (in pence):</b>	13		
From continuing operations		2.21	1.70
<b>Total Earnings per share</b>		2.21	1.70

## SCHOLIUM GROUP PLC      COMPANY NUMBER 08833975

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 Mar 2024 £000	31 Mar 2023 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	717	877
Deferred corporation tax asset	16	-	-
		717	877
<b>Current assets</b>			
Inventories	17	10,569	9,812
Trade and other receivables	18	2,760	2,058
Cash and cash equivalents	20	245	216
		13,574	12,086
<b>Total assets</b>		14,291	12,963
<b>Current liabilities</b>			
Bank overdrafts	20	262	259
Trade and other payables	21	2,536	1,983
Loans and borrowings	22	523	47
Right-of-use asset lease liabilities	25	188	227
<b>Total current liabilities</b>		3,509	2,516
<b>Non-current liabilities</b>			
Loans and borrowings	22	249	140
Right-of-use asset lease liabilities	25	572	676
<b>Total non-current liabilities</b>		821	816

<b>Total liabilities</b>		4,330	3,333
<b>Net assets/liabilities</b>		9,961	9,630
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Ordinary shares	23	136	136
Share Premium		9,516	9,516
Merger reserve	2	82	82
Retained Profit / (loss)		227	(104)
<b>Total equity</b>		9,961	9,630

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £000	Share Premium £000	Merger reserve £000	Retained earnings £000	Total equity £000
<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
<b>Total comprehensive income for the period</b>	-	-	-	177	177
<b>Balance at 31 March 2022</b>	136	9,516	82	(335)	9,399
Profit for the year from continued and discontinued operations	-	-	-	231	231
<b>Total comprehensive income for the period</b>	-	-	-	231	231
<b>Balance at 31 March 2023</b>	136	9,516	82	(104)	9,630
Profit and total comprehensive income for the year	-	-	-	301	301
Employee share option scheme				31	31
<b>Balance at 31 March 2024</b>	<b>136</b>	<b>9,516</b>	<b>82</b>	<b>227</b>	<b>9,961</b>

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	Cumulative profit/(loss) of the Group attributable to equity shareholders.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	31 Mar 2024 £000	31 Mar 2023 £000
<b>Cash flows from operating activities</b>		
Profit before tax	301	231
Employee share option scheme charge	31	-
Depreciation of property, plant and equipment	374	353
Amortisation of intangible assets	-	4
Interest paid	63	41
	<u>769</u>	<u>629</u>
(Increase)/decrease in inventories	(757)	(228)
Decrease/(increase) in trade and other receivables	(702)	161
Increase/(decrease) in trade and other payables	553	(885)
<b>Net cash generated from operating activities</b>	<u>(906)</u>	<u>(952)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(21)	(21)
Purchase of right-to-use assets	(194)	(239)
<b>Net cash (used) in investing activities</b>	<u>(215)</u>	<u>(260)</u>
<b>Cash flows from financing activities</b>		
Lease repayments for right-of-use assets	(143)	(77)
Non-bank loan financing	634	-
Bank loan	(49)	(48)
Interest paid	(63)	(41)
<b>Net cash generated / (used) from financing activities</b>	<u>379</u>	<u>(166)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	27	(749)
<b>Cash and cash equivalents at the beginning of the year</b>	(44)	705
<b>Cash and cash equivalents at the end of the year</b>	<u>(17)</u>	<u>(44)</u>
<b>Components of cash and cash equivalents</b>		
Cash at bank and in hand	245	216

Bank overdrafts	(262)	(260)
<b>Total cash and cash equivalents</b>	<u>(17)</u>	<u>(44)</u>

## SCHOLIUM GROUP PLC      COMPANY NUMBER 08833975

### COMPANY STATEMENT OF FINANCIAL POSITION

	Note	31 Mar 2024 £000	31 Mar 2023 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Group Investments	15	2,391	2,391
Deferred tax asset		-	-
		<u>2,391</u>	<u>2,391</u>
<b>Current assets</b>			
Trade and other receivables	18	7,623	7,559
Cash and cash equivalents	20	-	-
		<u>7,623</u>	<u>7,559</u>
<b>Total assets</b>		<u>10,014</u>	<u>9,950</u>
<b>Current liabilities</b>			
Overdrafts	20	190	164
Trade and other payables	21	184	143
Loans and borrowings	22	47	47
<b>Total current liabilities</b>		<u>421</u>	<u>354</u>
<b>Non-current liabilities</b>			
Loans and borrowings	22	91	140
<b>Total liabilities</b>		<u>512</u>	<u>494</u>
<b>Net assets/liabilities</b>		<u>9,502</u>	<u>9,456</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Ordinary shares	23	136	136
Share Premium		9,516	9,516
Merger reserve	24	-	-
Retained earnings/(deficit)		<u>(150)</u>	<u>(196)</u>
<b>Total equity</b>		<u>9,502</u>	<u>9,456</u>

# STATEMENT OF CHANGES IN COMPANY EQUITY

	Share Capital £000	Share Premium £000	Retained earnings £000	Total equity £000
<b>Balance at 1 Apr 2021</b>	136	9,516	(191)	9,461
Loss for the year	-	-	(409)	(409)
<b>Total comprehensive income for the period</b>	-	-	(231)	(231)
<b>Balance at 31 March 2022</b>	136	9,516	(600)	9,052
Profit for the year	-	-	404	404
<b>Total comprehensive income for the period</b>	-	-	404	404
<b>Balance at 31 March 2023</b>	136	9,516	(196)	9,456
Profit for the year	-	-	46	46
<b>Total comprehensive income for the period</b>	-	-	46	46
<b>Balance at 31 March 2024</b>	136	9,516	(150)	9,502

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	Cumulative profit/(loss) of the Group attributable to equity shareholders.

# COMPANY CASHFLOW

	<b>31 Mar 2024 £000</b>	<b>31 Mar 2023 £000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	46	404
Decrease/(increase) in trade and other receivables	(64)	(444)
(Decrease)/increase in trade and other payables	41	84
<b>Net cash generated from operating activities</b>	<u>23</u>	<u>44</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	(49)	(48)
<b>Net cash (used)/generated from financing activities</b>	<u>(49)</u>	<u>(48)</u>
<b>Net (decrease) in cash and cash equivalents</b>	(26)	(4)
<b>Cash and cash equivalents at the beginning of the year</b>	(164)	(160)
<b>(Overdraft)/cash and cash equivalents at the end of the year</b>	<u>(190)</u>	<u>(164)</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 limited by shares domiciled and incorporated in England and Wales (registered number 08833975). The address of its registered office is 94 New Bond Street, London W1S 1SJ.

### 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 are 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 2024 and 31 March 2023 are set out below. These policies have been consistently applied to all periods presented.

### Going concern

The Directors have reviewed the activities of the Group since 1 April 2023 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 94 New Bond Street lease, has a relatively short term date of April 2029 and which is subject to a break-clause that can be exercised in three years in July 2027. The Group therefore does not have any exposure to any onerous leases. The Group has an international customer base and is not dependent solely on footfall generating sales from its London premises, or its presence at international fairs.

The Group in 2020 made use of a government £250,000 Covid loan, which at the year-end date, following repayments made during the year, has £137,500 (2023: £187,500) outstanding. This is repayable over five years and therefore is not exposed to any liabilities where the terms of repayment may change. The Group has no creditors over one year, and no liabilities to a defined benefit pension scheme.

The Group has enjoyed a third consecutive successful year and continues to expand sales channels and sector types. 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.

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 2024 Group £000</b>	<b>31 Mar 2023 Group £000</b>
Sales of Stock - Books	6,887	7,042
Sales of Stock - Gallery	2,274	1,777
Commissions	20	177
Other income	85	64
	<u>9,266</u>	<u>9,060</u>

## 4 PROFIT BEFORE TAXATION

Profit before taxation is after charging/(crediting):	31 Mar 2024 Group £000	31 Mar 2023 Group £000
Depreciation of property, plant and equipment (note 14)	372	347
Amortisation of intangible assets	-	4
Foreign currency losses	-	-
Employee costs (note 7)	840	736
Fees payable to the Company's auditors (note 9)	46	38

## 5 EMPLOYEE COSTS INCLUDING DIRECTORS

	31 Mar 2024 Group £000	31 Mar 2023 Group £000
Wages	756	663
Social security costs	60	50
Pension costs	19	15
Other employee benefits	5	8
	<u>840</u>	<u>736</u>

All employee costs are included in administrative expenses.

Defined contribution pension schemes.

The Group operates a defined contribution retirement benefit scheme for qualifying employees. The total cost charged of £44k (2023: £38k) represents contributions payable to the scheme by the Group at rates specified in the plan rules. As at 31 March 2024, contributions due in respect of the current reporting period of £10k (2023: £3k) not paid over to the schemes are included within payables..

## 6 DIRECTORS' REMUNERATION

	31 Mar 2024 Group £000	31 Mar 2023 Group £000
Salaries and fees	424	375
Social security costs	50	43
Pension costs	24	23
Other employee benefits	26	15
<b>Total</b>	<u>524</u>	<u>456</u>

Information regarding the highest paid Director, Bernard Shapero (2023: Bernard Shapero):

Salary	234	204
Benefits	10	28
<b>Total</b>	<b>244</b>	<b>232</b>

There are two (2023 – two) directors accruing a defined contribution pension liability.

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

## 7 INCOME TAX

	<b>31 Mar 2024 £000</b>	<b>31 Mar 2023 £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 per the income statement as follows:

	<b>31 Mar 2024 £000</b>	<b>31 Mar 2023 £000</b>
Profit before tax	300	177
Applied corporation tax rates:	25%	19%
Tax at the UK corporation tax rate of 25% (2023: 19%):	75	44
Tax payable covered by available tax losses	(75)	(44)
Tax losses not recognised as deferred tax assets		
Origination and reversal of temporary differences	-	-
<b>Taxation charge</b>	<b>-</b>	<b>-</b>

## 9 EARNINGS PER SHARE

	<b>31 Mar 2024 Group £000</b>	<b>31 Mar 2023 Group £000</b>
Profit used in calculating basic and diluted earnings per share attributable to the owners of the parent		
Continuing operations	300	231
Total	300	231

### Number of shares

Weighted average number of shares for the purpose of basic and diluted earnings per share	13.6m	13.6m
Basic earnings per share from continuing operations (pence per share)	2.21	1.70
Total basic and diluted earnings pence per share	2.21	1.70

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 INVESTMENT IN SUBSIDIARIES

	<b>31 Mar 2024 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 2024	2,391
Balance at 31 March 2023	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 are incorporated in the UK and wholly owned have been included in the consolidated financial information, are: Shapero Rare Books Ltd (a dealer in rare books and art), Scholium Trading Ltd and Mayfair Philatelics Ltd. Scholium Trading Ltd and Mayfair Philatelics Ltd. are dormant companies, their activities having been transferred in to Shapero Rare Books Limited in 2020..

## 11 DEFERRED CORPORATION TAX

	<b>31 Mar 2024 Group £000</b>	<b>31 Mar 2023 Group £000</b>
Balance at the beginning of the year	-	-
Income statement	-	-

Balance at the end of the year	-	-
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Deferred tax has historically been calculated in full on temporary differences under the liability method using the tax rates expected for future periods of 25%. The deferred tax had arisen in past periods due to the availability of trading losses. The Group, on account of recent profits, has £163,000 unutilised tax allowances available at expected tax rates for use in future periods at the year-end date (2023: £238,000).

## 12 INVENTORIES

	<b>31 Mar 2024 Group £000</b>	<b>31 Mar 2023 Group £000</b>
Finished goods	10,569	9,812
Finished goods expensed in the year	5,618	5,613

Note that the cost of sales incurred in the year ended 31 March 2024 was £5.6million (2021: £5.6million) and there were no impairment charges taken in either year. The value of finished goods at 31 March 2024 include approximately £634k attributable to art collections acquired as part of an equal risk-sharing joint venture agreement with a fellow dealer financed by non-bank loans detailed in Note 22.

## 13 TRADE & OTHER RECEIVABLES

	<b>31 Mar 2024 Group £000</b>	<b>31 Mar 2023 Group £000</b>	<b>31 Mar 2024 Company £000</b>	<b>31 Mar 2023 Company £000</b>
Trade debtors	2,389	1,713	-	-
Other debtors	-	25	-	-
Amounts due from Group undertaking	-	-	7,611	7,460
Prepayments and accrued income	371	320	12	99
	<u>2,760</u>	<u>2,058</u>	<u>7,623</u>	<u>7,559</u>

The age profile of trade debtors comprises:	£000
Current	988
One month past due	476
Two months past due	176
Over three months past due	749
Provision for doubtful debts	-
	<u>2,389</u>

At 31 March 2024, trade receivables of £nil (31 March 2023 £nil, 31 March 2022 £nil) were considered past due and impaired. The other debtor 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.

## 14 LOANS AND BORROWINGS

	<b>31 Mar 2024 Group £000</b>	<b>31 Mar 2023 Group £000</b>	<b>31 Mar 2024 Company £000</b>	<b>31 Mar 2023 Company £000</b>
At the beginning of the year	187	235	187	235
Non-bank loan taken out in year	634	-	-	-
Bank loans (repaid) in the year	(49)	(48)	(49)	(48)
At the end of the year	<u>772</u>	<u>187</u>	<u>138</u>	<u>187</u>
<i>loan liabilities maturity analysis</i>				
Due within one year	523	47	47	47
Due after more than one year	249	140	91	140
Total loans and borrowings	<u>772</u>	<u>187</u>	<u>138</u>	<u>187</u>

On 7 February 2024 a US\$800k (in sterling, £681k) loan was drawn down from a non-bank lender that was secured on certain specific art assets acquired as part of a joint venture with a partnering art firm. The loan is repayable by 6 August 2025. As at 30<sup>th</sup> June 2024 the amount outstanding was \$565k

## 15 SHARE CAPITAL

	<b>31 Mar 2024 Group and Company £000</b>	<b>31 Mar 2023 Group and Company £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 2024 Group and Company Number</b>	<b>31 Mar 2023 Group and Company Number</b>
Ordinary shares of £0.01 each		
At the beginning of the year	13,600,000	13,600,000

At the end of the year

13,600,000 13,600,000

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.

## 16 RIGHT OF USE ASSET LEASE LIABILITIES

	<b>31 Mar 2024 Group £000</b>	<b>31 Mar 2023 Group £000</b>
Land and buildings and motor vehicle	760	903
<i>Lease liability maturity analysis</i>		
Due within one year	188	227
Due after more than one year	572	676
Total right-of-use lease liabilities	760	903

See also note 14 for the corresponding asset. All right-of-use liabilities were classified as current in the previous period. The charge for the year for depreciation of right of use assets was £317k (2023: £198k).

## 17 POST BALANCE SHEET DATE EVENTS

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### Property Leases

Following the year-end, the lease for the Group's property at 105 and 106 New Bond Street, which were due to come to an end in August 2024, was determined by the landlord in line with an early break clause and terminated on 30 June 2024.

A new five year lease, for an improved retail and office location, again in New Bond Street, commenced on 26 April 2024 with a term date of 26 April 2029 and a mutual break clause that could be determined in July 2027.

### Employee Option Scheme

In June 2023 the Company granted options under the Company's Enterprise Management Incentive Share Option Scheme ("EMI Option Scheme") over a total of 1,000,000 ordinary shares of 1 penny in the Company ("Option Shares") to certain employees of which 700,000 were granted to Directors as detailed within the Remuneration report. The Option Shares have an exercise price of 37.5p per share (being the closing mid-market share price on 16 June 2023), vest over the three years from the date of grant (ensuring the employees remain in continuous employment within the Group) and once vested, are exercisable at any time up to ten years after the date of grant.

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