SCHOLIUM
GROUP

Annual Report & Financial Statements

for the Year Ended 31 March 2015

Summary Information

Shapero Rare Books, the Group's main operating brand, trades in rare books and other works on paper from Mayfair and through international fine art fairs. It also trades in modern and contemporary prints through its subsidiary trading brand, Shapero Modern.

The Group trades alongside other third party dealers in the broader art and collectibles business via its brand, Scholium Trading.

On 2 April 2015 the Group announced the sale of its South Kensington operations, South Kensington Books and the Ultimate Library.

The Company's shares are admitted to trading on AIM, a market operated and regulated by the London Stock Exchange.

Operational Highlights in the year ending 31 March 2015

- Building valuable stock in Shapero Rare Books following extensive buying programme and launch of Shapero Modern.
- Challenging market conditions, particularly in Shapero Rare Books' Russian and Eastern European department.
- Scholium Trading – trading in the first year completed profitably — initially lower than expected margins, but faster stock turnover than expected.

Financial Highlights

	31 March 2015	31 March 2014
Revenue from continuing operations	£5.16m	£6.08m
Gross Profit from continuing operations	£1.89m	£2.44m
Inventory	£7.5m	£4.67m
Total Assets	£11.82m	£14.44m
Net Assets	£10.16m	£10.78m
NAV/Share	74.7p	79.3p
Dividend per ordinary share	0.5p	1.0p

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COMPANY INFORMATION

Directors

Jasper Allen	Chairman
Simon Southwood	Finance Director
Charles Sebag-Montefiore	Senior Independent Non-Executive Director
Philip Blackwell	Non-Executive Director
Thomas James Jennings CBE	Non-Executive Director
Graham Noble	Non-Executive Director

Company Secretary

Amanda Bateman

Registered Office of the Company

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London W1S 2EA

Nominated Adviser to the Company

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24 Martin Lane
London EC4R 0DR

Broker to the Company

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55 Bryanston Street
London W1H 7AA

Company Website

www.scholiumgroup.com

Registered in England & Wales number

08833975

Auditors to the Company

Wenn Townsend
30 Giles Street
Oxford
OX1 3LE

Solicitors to the Company

Gordon Dadds LLP
80 Brook Street
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London
W1K 5DD

Registrars to the Company

Capita Registrars Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Chairman's Statement

Whilst I am pleased to present the annual report and financial statements, they represent a year in which there was some uncertainty both within our company and within the markets in which we trade. We are working towards placing the business on a more stable and conservative footing where it is able to deploy its expertise in markets where there is less political uncertainty.

Business Review

During the year the Scholium group of companies traded under the following brands:

- Shapero Rare Books, the principal trading brand, which deals in rare and antiquarian books and works on paper;
- Shapero Modern, a unit within Shapero Rare books which deals in modern and contemporary prints;
- Scholium Trading, which trades with third party dealers in the broader rare and collectible goods markets;
- South Kensington Books, a local book store in South Kensington; and
- Ultimate Library, a provider of libraries to hotels, guesthouses and exclusive private residences.

South Kensington Books and the Ultimate Library were sold just after the year ended 31 March 2015.

Summary

In the first half of the year under review our businesses sought to deploy the capital raised in the fundraising in areas expected to be profitable. Shapero Rare Books quickly built its stock up to c. £7 million (31 March 2014: £4.6 million) at which point the board felt it should be constrained pending proof of performance. Trading in the second half of the year was not as brisk as we anticipated; particularly due to a slow-down in our Russian and Eastern European department.

Our South Kensington Operations, whilst small in the context of the group, traded steadily.

Scholium Trading took a little time to gain traction. Nonetheless it engaged in a number of profitable transactions — access to capital is a major differentiator in this market.

As at 31 March 2015, the Group had net assets of £10.2 million (2014: £10.8 million) including cash of £2.1 million (2014: £7.6 million) and stock of £7.5 million (2014: £4.7 million).

Performance

Shapero Rare Books

In the first half of the financial year we allocated approximately £3m of the capital raised at the time of our IPO to Shapero Rare Books. This was used to acquire very high quality stock, which is now one of the highest calibre stocks of rare books in London.

Unfortunately the market for rare books proved tricky. The major point of concern has been that our trade in Russian and Eastern European materials has been slower than anticipated — whereas this department made up 35% of gross profit in the year to March 2014, in the year to March 2015, the department made up only 19% of gross profit; a material decline. Whilst the overall number of clients of this department has increased, the average spend per customer through the business has declined to approximately £64,000 (2014: £94,000) with much of the business transacted on commission. We remain in touch with customers. The other departments of Shapero Rare Books performed satisfactorily — gross profit per customer increased to approximately £3,267 (2014: £3,060).

The decline in performance of the books business was offset by a contribution from Shapero Modern, our modern and contemporary prints department, which was launched during the year.

Revenue for the year from the Group's continuing operations amounted to £5.16 million (2014: £6.08

million in total), and a pre-tax loss of £0.5 million was incurred (2014: a loss of £0.37 million).

Scholium Trading

Trading by the Group alongside other dealers in the broader arts and collectibles market has developed, been profitable and now represents c. 12% of Group revenue. Whilst gross margins are in the region of 13%, stock turnover is higher than originally anticipated; the value-weighted average holding period of stock acquired for sale is approximately 65 days. During the year we traded alongside dealers in coins, sculpture, old master paintings, antiquarian books and oriental urns.

Revenue for the year from Scholium Trading amounted to £0.72 million generating gross profit of £0.09 million with an average holding period of 65 days.

South Kensington Operations

During the year South Kensington Operations (South Kensington & Ultimate Library) contributed net profits of £0.024 million (2014: £0.024 million) and were sold for £145,802 just after the year end.

Staff

As ever, our dedicated employees have contributed significantly to the development of the Group throughout the year and I would like to take this opportunity of thanking them again for their hard work and effort in what has been a challenging year. Philip Blackwell was instrumental in the listing of our group on AIM and we are delighted he has remained on the board of Scholium as a non-executive director.

Current Trading & Prospects

The group is well capitalised with very good quality stock. Revenue and gross profit for the first quarter of the current financial year (continuing operations) are ahead of the previous year. Both turnover and gross profits in June were greater than any other months since the Company's shares were admitted to trading on AIM. Nonetheless, the volatility of revenue that characterised the second half of our 2014/15 financial year in Shapero Rare Books remains — whilst we have had encouraging responses to new offerings of stock in the analytic tradition (Economics & Social Sciences) and modern literature, the antiquarian book markets are not yet showing the consistent vitality of 2013/14.

Scholium Trading continues to be shown interesting opportunities, some of which we have participated in. We will pursue these on a case by case basis subject to the overall cash resources available to the business.

Our board remains committed to running the business on a profitable basis — we realise that, at current levels of activity, we are sub-scale for AIM and are actively seeking to stabilise and grow the business. This is being done both by managing the cost base and actively seeking opportunities to diversify and enhance the business in the markets in which we operate.

Jasper Allen
Chairman
1 July 2015

Strategic Report

This report provides an overview of our strategy and of our business model; gives a review of the performance of the business and of our financial position at the year-end; and sets out the principal risks to which the Group is exposed. In addition it comments on the future prospects of the business.

Principal activities and review of the business

Scholium Group plc is the holding company of a group of businesses involved primarily in the trading and retailing of rare and collectible goods.

The group comprises:

- Shapero Rare Books, a dealer in rare and antiquarian books and works on paper, and its subsidiary brand, Shapero Modern which trades in modern and contemporary prints, both located in Mayfair, London; and
- Scholium Trading, a company set up to trade in conjunction with other dealers in high value rare and collectible goods.

Strategy

The Company seeks to create exposure to organisations that are engaged in the business of fine art and collectibles. It does this through its rare books and print dealers, Shapero Rare Books and Shapero Modern respectively; and through Scholium Trading which trades alongside other dealers in the broader art and collectibles market. It is seeking to grow its businesses organically through reinvestment of profits in high quality stock; and by diversification into new market areas through acquisition of companies and/or teams of expert dealers seeking a well-capitalised vehicle.

The Directors intend to provide an attractive level of dividends to shareholders along with stable asset-backed growth driven by opportunities in the markets in which the Group operates.

Our business model

Shapero Rare Books

Shapero Rare Books trades in rare and antiquarian books and works on paper. The items for sale typically range in value from £100 up to £1.5 million with an average sale price during the year of £4,816 (2014: £4,270). Shapero Rare Books specialises in natural history, travel and Russian materials. During the year it created a modern prints department, Shapero Modern, which has shown encouraging performance.

Scholium Trading

Scholium Trading trades in conjunction with dealers in high value rare and collectible goods. It acquires items or collections either as principal or in consortia with dealers who are expert in their own subject area in the broader collectibles market.

Revenue Streams

The Group earns revenue from:

- The sale of rare books and works on paper through Shapero Rare Books;
- The sale of modern and contemporary prints through Shapero Modern; and
- The sale of other rare and collectible items through Scholium Trading.

Key objectives and key performance indicators (KPIs)

Our key objectives are to:

- Increase the profitable trade of Shapero Rare Books and Shapero Modern through increased sales and selective purchasing; and
- Develop Scholium Trading to be the 'first call' for dealers in high value rare and collectible items seeking support in their trading items which exceed their immediate financial capacity.

Our current principal KPIs are:

- Gross margin, EBITDA, earnings per share;
- The breadth and distribution of the stock of assets held by the Group;
- Stock turnover of assets; and
- Various key risk indicators including capital resources, portfolio allocation and cash.

Years ending March 31		
Continuing operations	**2015**	**2014**
Revenue (millions)	5.16	6.08
Gross Profit (millions)	1.89	2.44
Gross Margin	36%	40%
Stock Turnover	22 months	11 months

Review of the year from continuing operations

Overall performance

Revenue has reduced to £5.16 million (2014: £6.08 million), primarily due to a lower level of activity in the Russian and Eastern European department of Shapero Rare Books. Gross margins are slightly reduced at 36% (2014: 40%) due to a different product mix of book sales revenue, commission income, and trade through Scholium Trading.

The year has also seen a marked increase in the stock holding of the group to £7.47 million (2014: £4.67 million) as the proceeds of the fundraising undertaken in March 2014 have been used to acquire new stock in Shapero Rare Books, Shapero Modern and Scholium Trading.

Stock turnover in the year slowed to 22 months as newly acquired stock was not readily converted into sales.

Financial Position and Cash

As at 31 March 2015 our gross stock levels were £7.47 million (2014: £4.67 million) and net assets were £10.2 million (2014: £10.7 million). The increase in stock levels is largely due to the Group's policy of measured investment in stock to drive turnover and return on capital. The reduction in net assets arises from the losses incurred in the year. The results and assets of the discontinued operations are disclosed in note 29.

Analysis of Profit by Department

12 months ending 31 March 2015 (continuing operations, all figures £m)

	Shapero Rare Books	Scholium Trading	Central	Continuing Operations
Revenue	4.44	0.72	0.00	5.16
Cost of goods sold	(2.64)	(0.63)	0.00	(3.27)
Gross Profit	1.80	0.09	0.00	1.89
Pre Tax Profit	(0.13)	0.09	(0.49)	(0.53)

The table above shows the performance of each revenue and cost department of the Group as it will be continuing in 2015. Administrative costs for the group, including distribution costs, were £2.4 million (2014: £1.9 million), reflecting the increased overheads required for an AIM listing.

Shapero Rare Books

Shapero Rare Books achieved a turnover of £4.44 million (2014:£6.08 million), excluding its South Kensington Operations which were sold shortly after the year end. The decline in performance, as compared to prior years, was predominantly due to a material slow-down in trade in the Russian and Eastern European department. In the year under review, the Russian and Eastern European department represented 19% of gross profit (2014: 35%). Shapero Modern has performed well in its first year, representing approximately 7.7% of Shapero Rare Books' turnover.

Scholium Trading

Trading by the Group alongside other dealers in the broader arts and collectibles market has developed, been profitable and now represents c. 12% of Group revenue. Whilst gross margins are in the region of 13%, stock turnover is higher than originally anticipated; the value-weighted average holding period of stock acquired for sale is approximately 65 days. We remain encouraged by these returns and are actively seeking further profitable trades with third party dealers.

During the year we traded alongside dealers in coins, sculpture, old master paintings, antiquarian books and oriental urns. We anticipate that, as this business develops, margins will increase along with the average holding period as dealers start to understand our offer better.

Dividend

The Board does not propose to declare a final dividend for the current year.

Principal risks and uncertainties

Supply of antiquarian books and other items

By definition, rare and antiquarian books and other works on paper are rare. The availability of fresh stock of such items 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, 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.

Reliance on key international trade fairs

A significant proportion of the Group's sales are made at international trade fairs, and in particular The European Fine Art Fair. If this fair were to be discontinued it would have a material effect on the ability of the Group to sell goods. 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 it will continue to secure a place in the future.

Competition

The market in the books and other items in which the Group trades is competitive. In the market for antiquarian 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 and 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 operating.

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 bookseller 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 charging 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 not certain that the Group could claim under 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 management to sell the assets at or above the price for which they were acquired. The value of assets in the balance sheet may not 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 Company 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 the Group may acquire these believing them to be authentic. Further, the attribution of works to a particular writer or artist is not 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 particular 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. The Directors believe that the location is highly desirable and an important factor in the success of the business as a whole. Since the year-end the Group has renewed its lease in Mayfair for a further 9 months and is actively investigating new premises in central London.

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

(i) transfer of ownership and risk,

(ii) contract formation,

(iii) price and payment,

(iv) limitations and exclusions of liability, and

(v) 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 is revising its standard terms of sale to seek to ensure that, going forward, the arrangements with clients, customers, dealers and others will include terms dealing with each of the aforementioned areas.

Currency risk

The Directors anticipate that the Group will conduct certain of its transactions other than in Pounds Sterling, the Company's functional currency. As a result, movements in foreign exchange rates may impact the Group's performance. The Group does not contract any hedging arrangements in respect of currency positions.

On behalf of the Board:

Simon Southwood
Chief Financial Officer
1 July 2015

Directors' Report

The Directors present their annual report and the audited financial statements for the period ended 31 March 2015.

Results and dividend

The results of the Group are included in the Strategic Report. Further details are shown in the consolidated statement of comprehensive income on page 17 and the related notes.

The directors intend to adopt a dividend policy that takes into account the Group's expected future profitability, underlying growth prospects, availability of cash and distributable reserves, and the need for funding to support the development of the business.

The Board will not declare a final dividend for the current year (2014: 1p per ordinary share). On 15 January 2015 the Company paid an interim dividend of 0.5p per ordinary share.

Capital structure

The Company has outstanding options over the share capital of the Company to members of the Board and to certain current and ex-employees amounting to 704,000 ordinary shares (2014: 1,455,675 ordinary shares) which if exercised would comprise 5.2% of the current issued share capital of the Company. No new share options were issued in the year. See also Directors' interests below and notes 24 and 25. In the year options over 399,675 ordinary shares were exercised. These shares were originally issued as part of a replacement share option scheme.

The shares of the Company are admitted to trading on AIM, a market operated by the London Stock Exchange plc.

Each share carries the right to one vote at general meetings of the Company. The percentage of the issued nominal value of the ordinary shares is 100% of the total issued nominal value of all share capital. There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the articles of association and prevailing legislation. The directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Details of employee share schemes are set out in Note 25. No person has any special rights of control over the Company's share capital and all issued shares are fully paid. With regard to the appointment and replacement of directors, the Company is governed by its articles of association, the Companies Act 2006 and related legislation. The articles themselves may be amended by special resolution of the shareholders. The powers of directors are described in the main board terms of reference, copies of which are available on request and the corporate governance statement on page 14.

Directors

The Directors of the Company are:

Name	Function
Jasper Allen [*1*2*3]	Chairman
Simon Southwood	Finance Director
Charles Sebag-Montefiore[*1*3]	Senior Independent Non-Executive Director
Philip Blackwell	Non-Executive Director
Thomas James Jennings CBE [*2]	Non-Executive Director
Graham Noble [*1*2*3]	Non-Executive Director

*1 Member of the remuneration committee

*2 Member of the nominations committee

*3 Member of the audit committee

Directors' interests in the Company

Director	Number of ordinary shares 2015	Percentage of issued share capital 2015	Number of ordinary shares 2014	Percentage of issued share capital 2014
Jasper Allen	100,000	0.8	100,000	0.8
Philip Blackwell	1,983,466	14.6	1,964,716	14.9
Simon Southwood	20,000	0.1	-	-
Charles Sebag-Montefiore	40,000	0.3	10,000	0.1
Thomas James Jennings CBE	2,931,320	21.6	1,731,320	13.1
Graham Noble	-	-	-	-

As at the date of these financial statements the following options over the ordinary shares of the Company were held by the Directors (see also note 25):

Director	Number of incentivisation scheme share options 2015	Number of incentivisation scheme share options 2014
Jasper Allen	63,000	63,000
Philip Blackwell	219,000	219,000
Simon Southwood	63,000	63,000
Charles Sebag-Montefiore	-	-
Thomas James Jennings CBE	21,000	21,000
Graham Noble	21,000	21,000

Directors' remuneration for the year to 31 March 2015:

Director	Salary/fees £	Bonus £	Total £
Jasper Allen	60,000	-	60,000
Philip Blackwell	125,000	-	125,000
Simon Southwood	50,000	-	50,000
Charles Sebag-Montefiore	25,002	-	25,000
Thomas James Jennings CBE	25,000	-	25,000
Graham Noble	25,000	-	25,000
	310,000	-	310,000

Directors' remuneration for the year to 31 March 2014:

Director	Salary/fees £	Bonus £	Total £
Jasper Allen	36,500	1,000	37,500
Philip Blackwell	59,396	10,000	69,396
Simon Southwood *	100,000	-	100,000
Charles Sebag-Montefiore	470	-	470
Thomas James Jennings CBE	521	-	521
Graham Noble	12,271	-	12,271
	209,158	11,000	220,158

* Fees payable in respect of corporate finance advice provided by Stafford Corporate Consulting Limited in connection with the Company's financing and admission to trading on AIM.

Political and charitable donations

The Group made charitable donations of £600 in the year (2014: £1,075).

Post-balance sheet events

The Group disposed of its South Kensington operations on 2 April 2015 (see note 29). The Group has no other significant post-balance sheet events.

Major Shareholders

Those shareholders with disclosable interests as at 22 June 2015 were as follows:

	No. of Shares 2015	Percentage holding 2015	No. of Shares 2014	Percentage Holding 2014
Thomas James (Shamus) Jennings CBE	2,931,320	21.55%	1,731,320	13.11%
ISIS EP LLP	2,000,000	14.71%	2,000,000	15.1%
Philip Blackwell	1,983,466	14.58%	1,964,716	14.9%
Bateman Street Investments LLP	1,495,574	11.00%	1,076,151	8.15%
JO Hambro	500,000	3.68%	500,000	3.78%
City Assets Management	460,369	3.39%	460,369	3.39%

Auditor

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware, there was no relevant available information of which the Company's auditor is unaware: and
- that Director has taken all steps that the Director ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor was aware of that information.

A resolution to reappoint Wenn Townsend as auditor to the Company will be proposed at the forthcoming Annual General Meeting.

Internal financial control

The Directors recognise the importance of corporate governance and has introduced procedures to enable the Company to comply with the provisions of the "Corporate Governance Code for Small and Mid-Sized Quoted Companies 2013" published by the Quoted Companies Alliance.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. Following Admission, the Company intends to hold Board meetings at least 8 times each financial year, and at any other times as and when required.

The Company has established properly constituted audit, remuneration and nomination committees of the Board with formally delegated duties and responsibilities.

The audit committee has primary responsibility for monitoring the quality of internal controls ensuring that the financial performance of the Company is properly measured and reported on. It receives and review reports from the Company's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The audit committee meets no less than three times each financial year and has unrestricted access to the Company's auditors. The audit committee comprises Charles Sebag - Montefiore (as Chairman), Jasper Allen and Graham Noble.

The remuneration committee reviews the performance of executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation at the time. The remuneration committee comprises Jasper Allen (as Chairman), Graham Noble and Charles Sebag - Montefiore.

The nomination committee meets whenever there is business to discuss. The committee will consider appointments to the Board and be responsible for nominating candidates to fill Board vacancies and for making recommendations on Board composition. The nomination committee comprises Graham Noble (as Chairman), Thomas James Jennings CBE and Jasper Allen.

Annual General Meeting

Notice of the Annual General Meeting of the Company for 2015 is on page 49.

On behalf of the Board

Simon Southwood
Director
1 July 2015

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and have also elected to prepare the parent company financial statements in accordance with those standards. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Annual Report and Financial Statements are made available on a website.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions. The Directors' responsibility also extends to ongoing integrity of the financial statements contained therein.

On behalf of the Board

Simon Southwood

Director
1 July 2015

Independent Auditor's Report to the Members of Scholium Group PLC

We have audited the financial statements of Scholium Group Plc for the year ended 31 March 2015 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the Company statement of financial position, the Company statement of changes in equity, the Company statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2015 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ajay Bahl BA FCA (Senior statutory auditor)
For and on behalf of Wenn Townsend (Statutory auditor)
Oxford
Date: 1 July 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Continuing operations	Note	Year Ended 31 March 2015 £'000	Year Ended 31 March Restated 2014 £000
Revenue	5	5,166	6,083
Cost of sales		(3,273)	(3,641)
Gross profit		1,893	2,442
Distribution expenses		(268)	(420)
Administrative expenses		(2,148)	(1,492)
Exceptional items:			
Replacement share-based payment scheme	11	-	(385)
IPO expenses	11	-	(228)
Total administrative expenses		(2,148)	(2,105)
(Loss) from operations		(523)	(83)
Financial income	12	-	1
Financial expenses	13	(6)	(290)
(Loss)/profit before taxation	6	(529)	(372)
Income tax credit	14	29	251
Loss for the year from continuing operations		(500)	(121)
Discontinued operations			
Profit for the year from discontinued operations	29	24	24
(Loss)/profit for the year and total comprehensive income attributable to equity holders of the parent company		(476)	(97)
Basic and diluted loss per share:			
From continued operations - pence	15	(3.71)	(45.50)
From discontinued operations - pence	15	0.18	9.00
From loss for the year - pence	15	(3.53)	(36.50)

There were no other recognised gains and losses in the year.

The notes on pages 25 to 48 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Registered company number: 08833975

	Note	31 March 2015 £000	31 March 2014 £000
Assets			
Non-current assets			
Property, plant and equipment	16	92	104
Intangible assets	17	-	16
Deferred taxation	23	280	258
		372	378
Current assets			
Inventories	19	7,471	4,667
Trade and other receivables	20	1,694	1,816
Cash and cash equivalents		2,122	7,578
		11,287	14,061
Assets of disposal group classified as held for sale	29	162	-
		11,449	
Total assets		11,821	14,439
Current liabilities			
Trade and other payables	21	1,634	3,111
Loans and borrowings	22	-	533
Current corporation tax liabilities		-	14
Total current liabilities		1,634	3,658
Liabilities of disposal group classified as held for sale	29	24	
Total liabilities		1,658	
Net assets		10,163	10,781
Equity and liabilities			
Equity attributable to owners of the Company			
Ordinary shares	24	136	132
Share Premium		9,516	9,458
Merger reserve		82	82
Retained earnings		429	1,109
Total equity		10,163	10,781

The financial statements were approved by the Board of Directors and authorised for issue on 1 July 2015.

S Southwood

Director

The notes on pages 25 to 48 form part of these financial statements.

Consolidated statement of changes in equity

	Note	Share capital £000	Share Premium £000	Merger reserve £000	Retained Earnings/ (deficit) £000	Total Equity £000
At 1 April 2013		52	-	2,047	(1,121)	978
Loss for the year from continued and discontinued operations		-	-	-	(97)	(97)
Total comprehensive income for the year		-	-	-	(97)	(97)
Shares issued in the period		80	10,259	-	-	10,339
Share issue expenses		-	(801)	-	-	(801)
Capital reduction in subsidiary		-	-	(1,986)	1,986	-
Cancellation of shares in subsidiary		-	-	21	3	24
Share-based payments		-	-	-	338	338
Total transactions with owners		80	9,458	(1,965)	2,327	9,900
At 31 March 2014		132	9,458	82	1,109	10,781

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

The notes on pages 25 to 48 form part of these financial statements.

	Note	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total Equity £000
At 1 April 2014		132	9,458	82	1,109	10,781
Loss for the year from continued and discontinued operations		-	-	-	(476)	(476)
Total comprehensive income for the year		-	-	-	(476)	(476)
Shares issued in the period		4	58	-	-	62
Dividends		-	-	-	(204)	(204)
Total transactions with owners		4	58	-	-	(142)
At 31 March 2015		136	9,516	82	429	10,163

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 of the Group attributable to equity shareholders.

The notes on pages 25 to 48 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	31 March 2015 £000	31 March 2014 £000
Cash flows from operating activities		
Loss before tax	(505)	(348)
Depreciation of property, plant and equipment	44	38
Amortisation of intangible assets	8	8
Share-based payment	-	338
	(453)	36
Increase in inventories	(2,930)	(1,336)
Increase in trade and other receivables	102	(448)
Decrease in trade and other payables	(1,639)	2,211
Net cash (used)/generated from operating activities	(4,920)	463
Cash flows from investing activities		
Purchase of property, plant and equipment	(38)	(22)
Interest received	-	1
Net cash used in investing activities	(38)	(21)
Cash flows from financing activities		
Proceeds from the issuance of ordinary shares	62	8,000
Share issue expenses	-	(801)
Repayment of shareholder loans	(350)	-
Interest paid	(6)	(259)
Dividends paid	(204)	-
Net cash (used)/generated from financing activities	(498)	6,940
Net (decrease)/increase in cash and cash equivalents	(5,456)	7,382
Cash and cash equivalents at the beginning of the year	7,578	196
Cash and cash equivalents at the end of the year	2,122	7,578

The notes on pages 25 to 48 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

Registered company number: 08833975

	Note	31 March 2015 £000	31 March 2014 £000
Assets			
Non-current assets			
Investments	18	5,200	5,200
Current assets			
Trade and other receivables	20	5,527	507
Cash and cash equivalents		1,965	7,433
		7,492	7,940
Total assets		12,692	13,140
Current liabilities			
Trade and other payables	21	79	569
Current corporation tax liabilities		-	7
Total current liabilities		79	576
Total liabilities		79	576
Net assets		12,613	12,564
Equity and liabilities			
Equity attributable to owners of the Company			
Ordinary shares	24	136	132
Share Premium		9,516	9,458
Merger reserve		2,809	2,809
Retained earnings		152	165
Total equity		12,613	12,564

The financial statements were approved by the Board of Directors and authorised for issue on 1 July 2015.

S Southwood

Director

The notes on pages 25 to 48 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £000	Share premium £000	Merger Reserve £000	Retained Earnings/ (deficit) £000	Total Equity £000
At 7 January 2014	-	-	-	-	-
Loss for the period	-	-	-	(173)	(173)
Total comprehensive income for the period	-	-	-	(173)	(173)
Shares issued in the period	132	10,259	-	-	10,391
Share issue expenses	-	(801)	-	-	(801)
Investment in Shapero Rare Books Limited (note 18)	-	-	2,809	-	2,809
Share-based payments	-	-	-	338	338
Total transactions with owners	132	9,458	2,809	338	12,737
Balance at 31 March 2014	**132**	**9,458**	**2,809**	**165**	**12,564**

Company statement of changes in equity	Share capital £000	Share premium £000	Merger Reserve £000	Retained earnings £000	Total Equity £000
At 1 April 2014	132	9,458	2,809	165	12,564
Profit for the year	-	-	-	191	191
Total comprehensive income for the period	-	-	-	191	191
Shares issued in the period	4	58	-	-	62
Dividends	-	-	-	(204)	(204)
Total transactions with owners	4	58	-	(204)	(142)
Balance at 31 March 2015	**136**	**9,516**	**2,809**	**152**	**12,613**

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

The notes on pages 25 to 48 form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

	31 March 2015 £000	31 March 2014 £000
Cash flows from operating activities		
Profit from operations	184	(165)
Share-based payment	-	338
	184	173
Increase in trade and other receivables	(5,020)	(507)
Increase in trade and other payables	(490)	568
Net cash generated from operating activities	(5,326)	234
Cash flows from financing activities		
Proceeds from the issuance of ordinary shares	62	8,000
Share issue expenses	-	(801)
Dividends	(204)	
Net cash generated from financing activities	(142)	7,199
Net increase in cash and cash equivalents	(5,468)	7,433
Cash and cash equivalents at the beginning of the period	7,433	-
Cash and cash equivalents at the end of the period	1,965	7,433

The notes on pages 25 to 48 form part of these financial statements.

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 and antiquarian books and works on paper 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 32 St George Street, London W1S 2EA.

2 Basis of preparation and accounting policies

The consolidated financial information, which represents the results of the Company and its subsidiaries, has been prepared in accordance with International Financial Reporting Standards and IFRC Interpretations issued by the International Accounting Standards Board (together "IFRSs) as adopted by the European Union (EU). The Company financial statements have been also been prepared in accordance with IFRSs.

The principal accounting policies applied by the Group in the preparation of these consolidated financial statements for the years ended 31 March 2014 and 31 March 2015 are set out below. These policies have been consistently applied to all periods presented.

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

Companies Act s408 exemption

The Company has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The Group loss for the year included a profit on ordinary activities after tax of £191,000 for the Company (2013: a loss on ordinary activities after tax of £173,000 for the period 7 January 2014 to 31 March 2014). The loss of the Company in 2014 included for the period includes IPO expenses of £203,000 (note 11).

Changes to accounting policies since the last period

The following standards, interpretations and amendments, issued by the IASB or the International Financial Reporting Interpretations Committee (IFRIC), are both relevant and effective for the first time in the current financial year and have been adopted by the Group with no significant impact on its consolidated results or financial position for the current reporting period:

- Annual Improvements to IFRSs (2010-2012 Cycle) - Minor amendments to various accounting standards, effective for periods beginning on or after 1 January 2014 onwards.
- Annual Improvements to IFRSs (2011-2013 Cycle) - Minor amendments to various accounting standards, effective for periods beginning on or after 1 January 2014 onwards.
- IFRS 10 'Consolidated Financial Statements'.
- IFRS 12 'Disclosure of Interests in Other Entities'.
- Amendments to IFRS 10, IFRS 11 and IFRS 12 'Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance'.

2 Basis of preparation and accounting policies continued

Changes to accounting policies since the last period continued

Management are assessing the following standards, which are not a full list of those coming into effect, for the impact on the Group:

- IFRS 9 'Financial Instruments' (effective date for accounting periods from 1 January 2018). This standard has not yet been endorsed for use in the EU.
- IFRS 15 'Revenue from contracts with Customers' (effective date for accounting periods from 1 January 2017). This standard has not yet been endorsed for use in the EU.
- Amendments to IAS 1: Disclosure Initiative (effective date for accounting periods from 1 January 2016). This amendment has not yet been endorsed for use in the EU.
- Annual improvements to IFRSs 2012-2014 Cycle (effective date for accounting periods from 1 January 2016). This amendment has not yet been endorsed for use in the EU.
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (effective date for accounting periods from 1 January 2016). This amendment has not yet been endorsed for use in the EU.
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (effective date for accounting periods from 1 January 2016). This amendment has not yet been endorsed for use in the EU.
- Annual Improvements to IFRSs (2010-2012 Cycle) Minor amendments to various accounting standards, effective for periods beginning on or after 1 July 2014 onwards. These amendments have not yet been endorsed for use in the EU.
- Annual Improvements to IFRSs (2011-2013 Cycle) Minor amendments to various accounting standards, effective for periods beginning on or after 1 July 2014 onwards. These amendments have not yet been endorsed for use in the EU.

The other standards not yet in effect will have no material impact on the Group or Company.

Management has concluded that there will be no material impact of these changes on the results or net assets of the Group.

Basis of consolidation

Where the Group has power, either directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities, it is classified as a subsidiary. The statement of financial position at 31 March 2015 incorporates the results of all subsidiaries of the Group for all years and periods, as set out in the basis of preparation.

Capital reorganisation and the merger reserve

On 7 January 2014 the Company was formed to become the new holding company for the Group. This was put into effect on 20 March 2014 through a share-for-share exchange of one ordinary share of £0.01 in Scholium Group plc for one ordinary share of £0.01 in Shapero Rare Books Limited (formerly Bookbank Limited). The value of one share in the Company was equivalent to the value of one share in Shapero Rare Books Limited.

2 Basis of preparation and accounting policies continued

Capital reorganisation and the merger reserve continued

The accounting treatment for group reorganisations is scoped out of IFRS3. Accordingly, as required under IAS8 Accounting Policies, Changes in Accounting Estimates and Errors the Group referred to current UK GAAP to assist its judgement in identifying a suitable accounting policy. The introduction of the new holding company was accounted for as a capital reorganisation using the merger accounting principles prescribed under current UK GAAP. Therefore the consolidated financial statements of Scholium Group plc are presented as if Scholium Group plc has always been the holding company for the Group. Share capital in the Company issued on the date of the reorganisation for the purposes of the merger is treated as if already issued in the earliest year presented.

The use of merger accounting principles has resulted in a balance on Group capital and reserves which has been classified as a merger reserve and included in the Group's shareholders' funds. The consolidated financial statements include the results of the Company and all its subsidiary undertakings made up to the same accounting date.

The Company recognised the value of its investment in Shapero Rare Books Limited (formerly Bookbank Limited) at fair-value based upon the initial share placing price on admission to AIM. This was a Level 2 valuation within the fair-value hierarchy. As permitted by S612 of the Companies Act 2006 the amount attributable to share premium has been transferred to the merger reserve.

Revenue Recognition

Revenue for the Group is measured at the fair value of the consideration received or receivable. The Group recognises revenue for services provided when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

The Group's revenues from the sale of rare and antiquarian books and works on paper are recognised on completion of the relevant transaction. The Group's commissions and other revenues are recognised when all performance conditions have been satisfied.

Retirement Benefits: Defined contribution schemes

Contributions to defined contribution schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Basis of preparation accounting policies continued

Intangible assets

Intangible assets comprise customer lists and data acquired by the Group from external parties to the Group and are stated at amortised cost less amortisation and impairment. Amortisation is provided on customer lists and data so as to write off their carrying value over the expected useful economic lives. It is provided at the following annual rates:

Customer lists and data – 20% on cost per annum

The amortisation expense is recognised within administrative expenses in the statement of comprehensive income.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

2 Basis of preparation and accounting policies continued

Property, plant and equipment continued

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over the expected useful economic lives. It is provided at the following rates:

Bibliography	– 15% on cost per annum
Plant and machinery	– 15% to 33% on cost per annum
Fixtures and fittings	– 15% to 33% on cost per annum
Motor vehicles	– 25% on cost per annum

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition is accounted for as follows:

Finished goods - purchase cost on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Financial liabilities

All financial liabilities are recognised initially at fair value and subsequently at amortised cost unless these liabilities are derivative financial instruments which come within the scope of IAS39.

Derivative financial instruments

Derivative financial instruments within the scope of IAS 39 are classified as financial assets or liabilities at fair-value through the income statement. Changes to fair value are through the income statement. All derivative financial instruments are recognised initially at fair value. The subsequent measurement of derivative financial instruments is also at fair-value. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in finance costs in the income statement.

2 Basis of preparation and accounting policies continued

Fair Value Hierarchy

All financial instruments measured at fair value must be classified into one of the levels below:

- Level 1: Quoted prices, in active markets
- Level 2: Level 1 quoted prices are not allowable but fair value is based on observable market data.
- Level 3: Inputs that are not based on observable market data.

Share Capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

Leased Assets

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an 'operating lease'), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in profit or loss.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or

2 Basis of preparation and accounting policies continued

Deferred taxation continued

- different company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

Share-based payments

Certain employees (including Directors and senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Foreign currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency) which is pounds sterling for each entity within the Group. For the purpose of the consolidated financial statements, the results and financial position of each entity within the Group are expressed in pound sterling which is the presentation currency for the Group and Company financial statements. The functional currency of the Company is pound sterling.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

2 Basis of preparation and accounting policies continued

Foreign currency continued

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items are included in the income statement for the period.

Operating Segments

The Board considers that the Group's project activity constitutes one operating and one reporting segment, as defined under IFRS 8.

The total profit measures are operating profit and profit for the year, both disclosed on the face of the consolidated income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group financial information.

All of the revenues generated relate to the trading and retailing of rare and antiquarian books and works on paper, other quality books, ancillary income including commission receivable and from the repair of books. An analysis of revenues appears in note 5 below. All revenues are wholly generated within the UK. Accordingly there are no additional disclosures provided to the financial information.

Operating profit and loss

Operating profit and loss comprises revenues less operating costs. Operating costs comprise adjustments for changes in inventories, employee costs including share-based payments, amortisation, depreciation and impairment and other operating expenses.

Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability relating to a past event and where the amount of the obligation can be reasonably estimated.

Exceptional items of expense

Exceptional items of expense are administrative costs which are large or unusual in nature and are not expected to recur on a regular basis.

3 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. The significant estimates or judgements made by the Group include the valuation of share-based payment expenses, the value of its leasehold properties and the value of its goodwill and related impairment charges.

The valuation of the Group's share-option incentive plans requires the use of valuation techniques and assumptions including volatility, market interest rates and the future performance of the Company's share price.

The value of the Group's inventory of rare and antiquarian books and works on paper may vary with market conditions and judgement is required in assessing the effect on the carrying values of related expenditure.

The value of the Group's intangible assets and any related impairment charge requires judgement in respect of the expected future performance of the Group's sale of antiquarian books and works on paper.

3 Critical accounting estimates and judgements continued

Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

4 Financial instruments – risk management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group does not use derivative financial instruments such as forward currency contracts, interest rate swaps or similar instruments. The Group does not issue or use financial instruments of a speculative nature.

The Group is exposed to the following financial risks:
Credit risk
Liquidity risk
Market interest rate risk

To the extent financial instruments are not carried at fair value in the consolidated statement of financial position, book value approximates to fair value at 31 March 2015, 31 March 2014 and 31 March 2013.

Trade and other receivables are measured at book value and amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the consolidated statement of comprehensive income in the relevant period.

Cash and cash equivalents are held in sterling and placed on deposit in UK banks.

Trade and other payables are measured at book value and amortised cost.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. At 31 March 2015 the Group has trade receivables of £1,164,000 (2014:£1,412,000).

The Group is exposed to credit risk in respect of these balances such that, if one or more the customers encounter's financial difficulties, this could materially and adversely affect the Group's financial results. The Group attempts to mitigate credit risk by assessing the credit rating of new customers prior to entering into contracts and by entering contracts with customers with agreed credit terms.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet its expected cash requirements.

Market interest rate risk

Market interest rate risk arises from the Group's holding of shareholder loan notes. The Group is also exposed to market interest rate risk in respect of its cash balances held pending investment in the growth of the Group's operations. The effect of interest rate changes in the Group's interest-bearing assets and liabilities and the re-pricing of its interest-bearing liabilities are set out in note 22.

4 Financial instruments – risk management continued

Capital Management

The Group's capital is made up of share capital, share premium, merger reserve and retained earnings totalling £10,163,000 (31 March 2014: £10,781,000).

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of shareholders equity as set out in the consolidated statement of changes in equity. All funding required to acquire rare and antiquarian books and works on paper purposes are financed from existing cash resources.

5 Revenue

	31 March 2015 Group £000	31 March 2014 Group £000
Rare books and other works in paper	5,057	5,827
Commissions	81	256
Other income	28	-
	5,166	6,083

All revenues arising from the disposal group are excluded. See note 29.

6 Profit before taxation

Profit before taxation is after charging/(crediting):	31 March 2015 Group £000	31 March 2014 Group £000
Depreciation of property, plant and equipment	44	38
Amortisation of intangible assets	8	8
Operating lease rentals	312	351
Foreign currency losses	8	13
Share-based payment expense (note 25)	-	338
Employee costs (note 7)	791	1,015
Fees payable to the Company's auditor (note 9)	30	39

In addition operating lease rentals of £65,000 were incurred within the disposal group (note 29).

7 Employee costs including Directors

	31 March 2015 Group £000	31 March 2014 Group £000
Wages and salaries	704	880
Social Security Costs	75	123
Pension costs	12	12
Other employee benefits	-	-
Share-based payments	-	338
	791	1,353

8 Average number of employees

	31 March 2015 Group Number	31 March 2014 Group Number
Management	6	6
Operations	14	14
	20	20

9 Auditors' remuneration

	31 March 2015 Group £000	31 March 2014 Group £000
Fees payable to the Company's auditor for the audit of the Company's consolidated financial statements	12	4
Fees payable to the Company's auditor for the audit of subsidiary undertakings of the Company	18	14
Fees payable to the Company's auditor for taxation compliance services to the Group	-	1
Fees payable to the Company's auditor for services related to the institutional placing offer	-	20
	30	39

Of the total auditors' remuneration for the year £nil has been charged directly to equity (2014: £4,350).

10 Directors' remuneration

	31 March 2015 Group and Company £000	31 March 2014 Group and Company £000
Salaries and fees	310	220
Social Security Costs	26	-
Pension costs	-	-
	336	220
Information regarding the highest paid Director which comprises salary and benefits is as follows:	125	100

11 Exceptional items of expenditure

	31 March 2015 Group £	31 March 2014 Group £
Accelerated share-based for replacement option scheme on listing	-	385
IPO expenses	-	228
	-	613

On 27 March 2014 the previous share option incentive scheme within the Group, based upon ordinary shares within Shapero Rare Books Limited (formerly Bookbank Limited) was accelerated on listing and a new share-incentive scheme put in place. The options related to the previous scheme are vested and exercisable on the date of issue

On 28 March 2014 the Company was admitted to the AIM market and an associated placing of shares was made. The total costs were £1,029,000 of which £801,000 were attributed to share premium.

12 Financial income

	31 March 2015 Group £000	31 March 2014 Group £000
Interest receivable	-	1
	-	1

13 Financial expense

	31 March 2015 Group £000	31 March 2014 Group £000
Interest on shareholder loan notes and director loans	6	259
Amortised loan expenses	-	31
	6	290

	31 March 2015 Group £000	31 March 2014 Group £000
Net finance income/(expense)	(6)	(289)

14 Income tax

	31 March 2015 Group £000	31 March 2014 Group £000
Current tax (credit)/expense		
Current tax	(7)	7
Deferred tax:		
Origination and reversal of temporary differences	(22)	(258)
Total tax(credit	(29)	(251)

The reasons for the difference between the actual tax (credit)/charge for the year and the standard rate of corporation tax in the United Kingdom applied to (loss)/profit for the year as follows:

	31 March 2015 Group £000	31 March 2014 Group £000
(Loss)/profit before tax	(529)	(348)
Applied corporation tax rates:	20%	20%
Tax at the UK corporation tax rate of 20%	(106)	(70)
Expenses not deductible for tax purposes	6	53
Utilisation of previously unrecognised tax losses	-	(39)
Origination and reversal of temporary differences	71	(195)
Total tax credit	(29)	(251)

15 Loss per share

	31 March 2015 Group £000	31 March 2014 Group £000
Loss from continuing operations attributable to owners of the parent	(476)	(121)
Profit from discontinued operations	24	24
Total loss	(500)	(97)
Number of shares		
Weighted average number of shares for the purpose of basic and diluted earnings per share and from both continuing and discontinued operations	13,498,165	265,813
Basic and diluted loss per share from continuing operations - pence	(3.71)	(45.50)
Earnings per share from discontinued operations - pence	0.18	9.00
Total basic and diluted earnings per share - pence	(3.53)	(36.50)

Basic earnings per share amounts are calculated by dividing net (loss)/profit for the year or period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Where the Group has incurred a loss in a year or period the diluted earnings per share is the same as the basic earnings per share as the loss has an anti-dilutive effect. The diluted loss per share for 2014 and 2015 is therefore the same as the basic loss per share for these years and the diluted weighted average number of shares is the same as the basic weighted average number of shares.

Basic earnings per share calculated on the full number of shares in issue are calculated by dividing net (loss)/profit for the year or period attributable to ordinary equity holders of the parent by number of shares in issue at 31 March 2015, amounting to 13,600,000 shares (2014: 13,200,325 shares). See also note 24.

The Company has 704,000 potentially issuable shares all of which relate to the potential dilution from the Group's share-options issued to the Directors and certain employees. See also note 25.

16 Property, plant and equipment

	31 March 2015 Group Bibliography £000	31 March 2015 Group Plant & Machinery £000	31 March 2015 Group Fixtures & fittings £000	31 March 2015 Group Total £000
Cost				
At 1 April 2013	78	59	19	156
Acquired in the year	6	17	-	23
At 31 March 2014	84	76	19	179
Acquired in the year	4	12	22	38
Transferred to disposal group (note 29)	-	(5)	(11)	(16)
At 31 March 2015	88	83	30	201
Depreciation				
At 1 April 2013	12	20	5	37
Charge for the year	12	22	4	38
At 31 March 2014	24	42	9	75
Charge for the year	13	25	6	44
Transferred to disposal group (note 29)	-	(3)	(7)	(10)
At 31 March 2015	37	64	8	109
Net book value				
At 31 March 2015	51	19	22	92
At 31 March 2014	60	34	10	104
At 31 March 2013	66	39	14	119

There are no items of property, plant and equipment held under finance leases.

17 Intangible assets

	31 March 2015 Group Total £000
Customer lists and data	
Cost	
At 1 April 2013 and 31 March 2014	**170**
Transferred to disposal group (note 29)	(170)
At 31 March 2015	-
Amortisation	
At 1 April 2013	146
Charge for the year	8
At 31 March 2014	154
Charge for the year	8
Transferred to disposal group (note 29)	(162)
At 31 March 2015	**162**
	-
Net book value	
At 31 March 2015	**-**
At 31 March 2014	16
At 1 April 2013	24

There have been no impairments indicated in the year to 31 March 2015.

18 Investment in subsidiaries

	31 March 2015 Company £000
At 7 January 2014	-
Nominal value of shares issued	28
Fair-value adjustment taken to merger reserve	2,809
Deferred consideration	2,363
At 31 March 2014 and 31 March 2015	5,200

The investments in Group undertakings are recorded at cost which is the fair-value of the consideration paid.

The principal subsidiaries of the Company, all of which have been included in the consolidated financial information, are as follows:

Name	Principal activity	Country of incorporation	Class of share held	Proportion of shares Held
Shapero Rare Books Limited (formerly Bookbank Limited)	Trading and retailing of rare and antiquarian books and works on paper	UK	Ordinary	100%
Scholium Trading Limited	Trading and retailing of rare and antiquarian books and works on paper, dormant at 31 March 2014	UK	Ordinary	100%

19 Inventories

	31 March 2015 Group £000	31 March 2014 Group £000
Finished goods	7,471	4,667
Finished goods expensed in the year	3,083	3,954

20 Trade and other receivables

	31 March 2015 Group £000	31 March 2014 Group £000	31 March 2015 Company £000	31 March 2014 Company £000
Trade and other receivables	1,164	1,412	261	-
Amounts due from Group undertakings	-	-	5,084	435
Other debtors	221	198	175	68
Prepayments and accrued income	309	206	7	4
	1,694	1,816	5,527	507

20 Trade and other receivables continued

The age profile trade and other receivables comprise:

	£000
Current	839
One month past due	41
Two months past due	27
Three months past due	2
Over three months past due	255
Provision for doubtful debts	-
	1,164

As at 31 March 2015, trade receivable of £nil (31 March 2014 £4,000) and 31st March 2013 £nil) were considered past due and impaired. The other debtors' balances are categorised as loans and receivables. All amounts shown under trade and other receivables are due for payment within one year.

21 Trade and other payables

	31 March 2015 Group £000	31 March 2014 Group £000	31 March 2015 Company £000	31 March 2014 Company £000
Trade creditors	**1,136**	2,355	**-**	197
Social security and other taxes	**37**	18	**9**	-
Accrued expenses	**363**	686	**23**	372
Other creditors	**98**	52	**47**	-
	1,634	3,111	**79**	569

The directors consider the carrying value of trade and other payables approximate to their fair values.

22 Loans and borrowings

Current liabilities:	31 March 2015 Group £000	31 March 2014 Group £000
Loans from shareholders	**-**	350
Loans from directors	-	183
	-	533

The directors' and shareholders' loans of £350,000 carried interest at 5 per cent per annum and were secured by floating charges over the company's assets. The loans were repaid in the year and the security released.

On 18 October 2014 the Company granted security over its fixed and floating assets to support a finance facility from Coutts & Company. This facility is undrawn at 31 March 2015.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit or loss before tax through the impact on bank deposits and cash flows. There is no impact on the Group's equity.

22 Loans and borrowings continued

	Change in rate	2015 £000	Change in rate	2014 £000
Bank deposits		2,122		7,578
	-0.5%	(11)	-0.5%	(38)
	-1.0%	(21)	-1.0%	(76)
	-1.5%	(32)	-1.5%	(114)
	+0.5%	11	+0.5%	38
	+1.0%	21	+1.0%	76
	+1.5%	32	+1.5%	114

23 Deferred tax

	31 March 2015 Group £000	31 March 2014 Group £000
Included in non-current assets	280	258

Deferred tax gross movements	31 March 2015 Group £000	31 March 2014 Group £000
Opening balance	(258)	-
Credit to income statement	(22)	(258)
Closing balance	(280)	(258)

The deferred tax asset comprises:	31 March 2015 Group £000	31 March 2014 Group £000
Temporary differences on property, plant and equipment	-	-
Available losses	283	176
Other temporary and deductible differences	(3)	82
Closing balance	280	258

Deferred tax is calculated in full on temporary differences under the liability method using the tax rates expected for future periods of 20%. 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 £352,000 of which £280,000 has been recognised (2014: £258,000 recognised).

24 Share capital

Ordinary shares of £0.10 each	31 March 2015 Group and Company £000	31 March 2014 Group £000
At the beginning of the year	132	52
Issued in the year	4	80
At the end of the year	136	132

Number of shares Ordinary shares of £0.10 each	31 March 2015 Group and Company Number	31 March 2014 Group and Company Number
At the beginning of the year	13,200,325	-
Issued in the year	399,675	5,200,325
Placing of shares on admission to AIM	-	8,000,000
At the end of the year	13,600,000	13,200,325

All shares issued in the year arose from the exercise of employee share options. For further information see note 25.

On 7 January 2014 a new holding company, Scholium Group plc, was formed to be the parent undertaking for the Group. This was put into effect through a share-for-share exchange of one ordinary share of £0.01 in Scholium Group plc for one ordinary share of £0.01 in Shapero Rare Books Limited (formerly Bookbank Limited). The value of one share in Scholium Group plc was equivalent to the value of one share in Shapero Rare Books Limited.

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.

In 2014 share-issue costs of £801,000 were deducted from the share premium in the year. A further £228,000 was expensed (note 11).

25 Share-based payment arrangements

Scholium Group plc operated three equity-settled share based remuneration scheme for employees in the year. No options were issued in 2015 under either of these schemes.

The first scheme was a replacement option scheme on behalf of B Shapero and P Guillemet, both senior managers of the Company. The share options issued under this scheme were fully vested on 27 March 2014, the date of issue. They have been valued at the intrinsic value of the options on the date of issue being the market price of the Company's shares on admission to AIM of £1.00 and the share option prices of £0.154. These options were all exercised in the year. This scheme was closed in the year on the exercise of the related share options.

25 Share-based payment arrangements continued

The second scheme (EMI performance scheme) and the third scheme combine a long term incentive scheme and an unapproved scheme for certain senior management and executive Directors. These schemes were put in place on 27 March 2014 but effective from 1 April 2014. The options held under these schemes are subject to performance conditions and vest, subject to annual performance criteria, over three years. None of these options vested in 2015. The required performance conditions were not achieved.

Equity-settled share-based payments in respect of the second and third schemes are measured at fair value (excluding the effect of non-market-based vesting conditions) as determined through use of the Black-Scholes technique, at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group and Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. The inputs into the Black-Scholes model for the share option plans for the share options issued on 27 March 2014 in respect of the second and third option schemes are as follows:

Option Scheme conditions:	2015	2014
Weighted average share price at grant date (pence)	No options issued	£1.00
Weighted average option exercise prices (pence)		£1.00
Expected volatility		7.7%
Expected option life		3 years
Risk-free interest rate		4.5%
Expected dividend yield		0.0%
Fair-value of options granted in the year (pence)		£0.1092

Number of share options in issue

Replacement option scheme	31 March 2015 Group Number	31 March 2014 Group Number
Number of options at the beginning of the period	399,675	-
Number of options issued in the year	-	399,675
Number of options exercised in the year	(399,675)	-
Number of options at the end of the year	-	399,675

Employee incentive schemes	31 March 2015 Group Number	31 March 2014 Group Number
Number of options at the beginning of the period	1,056,000	-
Number of options issued in the year	-	1,056,000
Number of options lapsed in the year	(352,000)	-
Number of options at the end of the year	704,000	1,056,000

25 Share-based payment arrangements continued

Share-based payments charged to profit and loss	31 March 2015 Group £000	31 March 2014 Group £000
Administration costs:		
Administrative costs (replacement option scheme)	-	338
Total expense	-	338

The is no charge for the year in respect of the employee incentivisation share-option schemes which are based on performance from 1 April 2014 and subsequent periods up to 31 March 2017. In the year 352,000 Employee incentive scheme shares lapsed as the required performance conditions were not achieved. None of the remaining options are exercisable at 31 March 2015 (31 March 2014 nil). The amount chargeable in the Company was £nil, the amount of the charge is included within the Company's subsidiary Shapero Rare Books Limited who have recognised the associated liability to the Company.

None of the above options under any scheme were exercised in the period.

Volatility was determined by reference to movements in the share prices of the 'small cap' AIM valuation over the twelve month period prior to the issue of the options.

The actual and weighted average exercise price of outstanding share options is £1.

26 Obligations under operating leases

	31 March 2015 Group £000	31 March 2014 Group £000
Land and buildings		
Less than one year	173	325
Between one and two years	-	282
Between three and five years	-	-
Over five years	-	-
	173	607

The Company did not have any obligations under operating leases at 31 March 2015 or 31 March 2014.

27 Commitments

There were no outstanding capital commitments at 31 March 2015 (31 March 2014: £nil).

28 Events after the balance sheet date

On 2 April 2015 the Group entered into an agreement for the disposal of its South Kensington operations: South Kensington Books and Ultimate Library to a company controlled by Philip Blackwell a director of the company. The aggregate consideration will be £145,802. For further information see note 29.

29 Non-current assets held for sale and discontinued operations

On 2 April 2015 the Group entered into an agreement for the disposal of its South Kensington operations: South Kensington Books and Ultimate Library to a company controlled by Philip Blackwell a director of the company. The aggregate consideration will be £145,802.

Assets of the disposal group held for sale	31 March 2015 Group and Company £000
Property, plant and equipment	6
Other intangible assets	8
Inventory	126
Other current assets	22
	162
Liabilities of the disposal group held for sale	
Trade and other payables	24
Liabilities of the disposal group held for sale	
Net assets of the disposal group	138

The disposal assets are stated at fair-value less costs to sell. There were no material adjustments to the carrying values of the disposal group assets and liabilities.

Analysis of the result of discontinued operations is as follows:

Statement of comprehensive income	31 March 2015 Group and Company £000	31 March 2014 Group and Company £000
Revenues	783	650
Expenses	(759)	(626)
Profit before tax of discontinued operations	24	24
Taxation	-	-
Profit after tax of discontinued operations	24	24

There were no other items of 'other comprehensive income'.

The cash flows attributable to the discontinued operations were as follows:

Cash flows	31 March 2015 Group and Company £000	31 March 2014 Group and Company £000
Operating cash flows	11	(174)
Investing cash flows	(6)	-
Financing cash flows	-	-
Total cash flows	5	(174)

30 Related party transactions

Remuneration of key management personnel	31 March 2015 Group and Company £000	31 March 2014 Group and Company £000
Salaries and fees	365	347
Social Security Costs	48	95
Pension costs	12	12
Share-based payment	-	338
	425	792

The Company also made the following related-party transactions:

Blackwell Ventures Limited (a company controlled by P B Blackwell, director and shareholder):

On 21st January 2014 Blackwell Ventures Limited ("BVL") acquired a collection of 5 volumes of books from Shapero Rare Books Limited for £100,000. Shapero Rare Books Limited acquired the books from BVL for £112,000 before 21st April 2014.

Blackwell Ventures was reimbursed £20,962 in respect of costs associated with the admission of the Company's shares to trading on AIM.

On 1 April 2015 the operations of Shapero Rare Books Limited constituting South Kensington Books and Ultimate Library were sold to Blackwell Ventures for a consideration of £145,802. The net assets attributable to those assets on 31 March 2015 were approximately £138,000. See also note 29.

Bibliopole Limited (a company controlled by B J Shapero, a member of the Group's key management personnel):

The Company also paid commission for the sale of Bibliopole Limited's share in books held by the company of £19,816 in the year ended 31st March 2015 (£17,127 in the year ended 31st March 2014). The Company has also made an interest free loan to Bibliopole Limited, the balance due being at 31st March 2015 £22,824 (31st March 2014 £42,640).

Directors' and shareholders' loans

On 10th February 2012 the Company entered a facility agreement with Thomas James Jennings CBE, Bateman Street Investments LLP and the Canova Trust pursuant to which the Lenders provided a revolving credit facility of a total principal amount not exceeding £350,000 in aggregate. At 31st March 2012, 2013 and 2014 £350,000 was outstanding under the facility and was repaid during the year.

During the year to 31st March 2014 an aggregate £273,000 was advanced to the Company by Bateman Street Investments LLP, Thomas James Jennings CBE, Philip Blackwell and Pierre-Yves Guillemet. Mr Guillement is a member of the Group's key management personnel. On 3rd March 2014 £90,000 was repaid leaving £183,000 outstanding at 31st March 2014. This loan was repaid during April 2014.

Exercise of share options

Bernard Shapero and Pierre-Yves Guillemet, both senior managers of the Group, exercised options over 324,736 shares and 74,939 shares respectively on 07 July 2014.

30 Related party transactions continued

Key management advances and credits

Jasper Allen was advanced £3,466 and owed this money to the Company at the year end. The amount has since been repaid.

Key management advances and credits

Interest was charged on B Shapero's overdrawn loan account at a rate of 4% per annum.

	31 March 2013 £	31 March 2014 £	31 March 2015 £
Opening balance	8,076	27,068	-
Amounts advanced	33,473	70,232	-
Amounts repaid	(14,481)	(97,300)	-
Closing balance	27,068	-	-

Transactions with subsidiaries of the Company

In the period the Company made an administrative charge for management expenses to Shapero Rare Books Limited of £121,968 (2014: £50,000) and to Scholium Trading Limited £101,028 (2014: £nil).

31 Control

The Company is controlled by a small number of shareholders, none of whom has overall control.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Scholium Group plc, please forward this document and the accompanying form of proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

A form of proxy for the Annual General Meeting is enclosed. Whether or not you intend to be present at the meeting, please complete the form of proxy and return it in accordance with the instructions printed on it so as to reach the Company's registrar no later than 10.30 a.m. on Wednesday, 2 September 2015. Further details are given in the notes to this document on page 52. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting in person, should you so wish.

NOTICE OF ANNUAL GENERAL MEETING

Scholium Group plc

(registered in England and Wales No. 8833975)

Notice is hereby given that the annual general meeting (**AGM**) of Scholium Group plc (**the Company**) will be held at 32 St George Street, London W1S 2EA on Friday, 4 September 2015 at 10.30 a.m. for the purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1-5 shall be proposed as ordinary resolutions and resolutions 6 and 7 shall be proposed as special resolutions:

Resolution 1
To receive and adopt the accounts for the financial year ended 31 March 2015 together with the reports of the directors of the Company and the auditors of the Company thereon.

Resolution 2
To receive and approve the directors' remuneration report for the financial year ended 31 March 2015.

Resolution 3
To re-appoint Wenn Townsend as auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the next AGM of the Company.

Resolution 4
To authorise the directors to determine the remuneration of the auditors.

Resolution 5
THAT in accordance with section 551 of the Companies Act 2006 (the Act), the directors of the Company be and they are hereby generally and unconditionally authorised in substitution for all existing authorities:

(a) to allot shares in the capital of the Company and to make offers or agreements to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company (Relevant Securities) up to an aggregate nominal amount of £45,288; and

(b) to allot equity securities (as defined by section 560 of the Act) up to an additional nominal amount of £90,576 (such amount to be reduced by the nominal amount of any Relevant Securities allotted pursuant to the authority conferred in paragraph (a) above) in connection with an offer by way of a rights issue:

    (i) in favour of the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

(ii) in favour of the holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange.

This authority shall expire on the date of the next annual general meeting of the Company or 31 October 2016 whichever is earlier (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities or equity securities as the case may be to be allotted after such expiry and the directors may allot Relevant Securities or equity securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

Resolution 6

THAT subject to the passing of Resolution 5, the directors be and they are hereby empowered to allot equity securities (as defined by section 560 of the Act) for cash, either pursuant to the authority conferred by resolution 5 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

(a) the allotment of equity securities in connection with an offer by way of a rights issue:

(i) in favour of the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

(ii) in favour of the holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

(b) the allotment of equity securities up to an aggregate nominal amount of £6,800

and shall expire on the date of the next annual general meeting of the Company or 31 October 2016 whichever is earlier (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired.

Resolution 7

THAT the Company be and it is hereby generally and unconditionally authorised for the purposes of Section 701 of the Act to make market purchases (as defined in Section 693 of the Act) of ordinary shares of £0.01 each in the capital of the Company (Ordinary Shares) on such terms and in such manner as the directors may from time to time determine provided that:

i. the maximum aggregate number of Ordinary Shares which may be purchased is 1,360,000.

ii. the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is £0.01.

iii. the maximum price (exclusive of expenses) which may be paid for any Ordinary Share does not exceed 10% of the average of the middle market prices of the Ordinary Shares on the Daily Official List of the UK Listing Authority for the five business days immediate preceding the date on which the Company agrees to buy the shares concerned.

In exercising this authority the Company may purchase shares using any currency, including pounds sterling, US dollars and euros.

This authority shall expire on the conclusion of the next annual general meeting of the Company or on 31 October 2016, whichever is the earlier, provided that, the Company may before such expiry make a contract to purchase Ordinary Shares which will or may be executed or completed after such expiry.

By order of the Board

Amanda Bateman
Company Secretary

Date: 1 July 2015

Registered Office:
32 St George Street
London
W1S 2EA

Registered in England with number: 8833975

NOTES:

Entitlement to attend and vote at the AGM

1. Only holders of ordinary shares are entitled to attend and vote at the AGM meeting.

2. Pursuant to the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the AGM (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company no later than 6.00pm on Wednesday, 2 September 2015. Changes to entries on the register of members after this time (or after 6.00pm on the day which is two days before any adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Proxies

3. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the AGM. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. A form of proxy for the meeting is enclosed with this notice.

4. To be valid any proxy form or other instrument appointing a proxy must be received by post or by hand (during normal business hours only) by the Company's registrar, Capita Asset Services at: PXS 1, The Registry, 34 Beckenham Road, Kent BR3 4ZF, no later than 10.30 am on Wednesday, 2 September 2015 or not less than 48 hours before the time of commencement of any adjourned meeting. If you are a CREST member, see note 7 below.

5. Completion of a form of proxy, or other instrument appointing a proxy or any CREST Proxy Instruction will not preclude a member attending and voting in person at the meeting if he/she wishes to do so.

6. Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained below.

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual (available via www.euroclear.com/CREST) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK and Ireland Limited's (**Euroclear**) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (IDRA10) by the latest time(s) for receipt of proxy appointments specified in the notice of the AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate Representatives

8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Right to ask Questions at the AGM

9. Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Documents available for inspection

10. Copies of executive directors' service agreements, copies of the terms and conditions of appointment of non-executive directors and a copy of the existing memorandum and articles of association will be available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the AGM (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting. A copy of this notice can be found at www.scholiumgroup.com.

Issued share capital and total voting rights

11. As at 1 July 2015 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 13,600,000 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 13,600,000.

Electronic Communications

12. You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice of Meeting (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

EXPLANATORY NOTES:

Explanatory notes to the Resolutions to be proposed to shareholders at the AGM are set out below:

13. Resolution 1. This resolution is to receive the Company's audited financial statements for the financial year ended 31 March 2015 as well as the reports of the Company's directors and the Company's auditors thereon. You can find the directors' report on pages 10 to 13 and the auditors' report on pages 15 and 16 of the annual report and accounts for the year ended 31 March 2015.

14. Resolution 2. This resolution is to approve the directors' remuneration report for the financial year ended on 31 March 2015. You can find the remuneration report on pages 10 to 12 of the annual report and accounts for the year ended 31 March 2015.

15. Resolutions 3 and 4. These resolutions are for the re-appointment of Wenn Townsend as the Company's auditors to hold office until the next annual general meeting of the Company and to authorise the directors to fix their remuneration.

16. Resolution 5. This resolution, which is an ordinary resolution, is to renew the directors' authority to allot Relevant Securities in the Company in accordance with section 551 of the Act. This resolution complies with guidance issued by the Association of British Insurers ('ABI') in December 2008 (and revised in November 2009) and will, if passed, authorise the directors to allot:

    (i) Relevant Securities up to a maximum nominal amount of £45,288 which represents approximately 33.3% of the Company's issued ordinary shares (excluding treasury shares) as at 1 July 2015.

    (ii) in relation to a pre-emptive rights issue only, equity securities (as defined by section 560 of the Act) up to a maximum nominal amount of £90,576 which represents approximately 66.6% of the Company's issued ordinary shares (excluding treasury shares) as at 1 July 2015. This maximum is reduced by the nominal amount of any equity securities allotted under the authority set out paragraph (a).

    Therefore, the maximum nominal amount of Relevant Securities (including equity securities) which may be allotted under this resolution is £90,576.

    As at close of business on 1 July 2015, the Company did not hold any treasury shares.

    The authority granted by this Resolution will expire on the date of the next annual general meeting of the Company or 31 October 2016 whichever is earlier.

    The directors have no present intention to exercise this authority.

    In this Note, 'Relevant Securities' has the meanings set out in Resolution 5

17. Resolution 6. This resolution will, if passed, give the directors power, pursuant to the authority to allot granted by Resolution 5, to allot equity securities (as defined by section 560 of the Act) or allot shares for cash without first offering them to existing shareholders in proportion to their existing holdings:

    (a) in relation to a rights issue or other pre-emptive offer; and

    (b) in any other case up to a maximum nominal amount of £6,800 which represents approximately 5% of the Company's issued ordinary shares (excluding treasury shares) as at 1 July 2015.

    In compliance with the guidelines issued by the Pre-emption Group, the directors will ensure that, other than in relation to a rights issue, no more than 7.5% of the issued ordinary shares (excluding treasury shares) will be allotted for cash on a non pre-emptive basis over a rolling three year period unless shareholders have been notified and consulted in advance.

    This Resolution complies with relevant guidance issued by the Pre-emption Group and the Association of British Insurers.

The power granted by this Resolution will expire on the date of the next annual general meeting of the Company or 31 October 2016 whichever is earlier.

The directors consider the authority in Resolution 6 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict guidelines of the statutory pre-emption provisions.

18. Resolution 7. Authority is sought in Resolution 7 for the Company to be able to make market purchases of its own shares.

    If passed, Resolution 7 will give the Company authority to purchase up to 1,360,000 of its ordinary shares, representing 10% of its issued share capital as at 1 July 2015 by way of market purchases.

    Ordinary shares will not be purchased for a price less than one pence per share being the nominal value of each share, nor for more than 5% above the average middle market quotations of the ordinary shares over the preceding five business days nor will they be purchased during any period in which the Company is otherwise prohibited from making market purchases. Purchases will be made using available reserves. Once purchased Ordinary Shares will be cancelled and the number of shares in issue will be reduced accordingly.

    The directors will only exercise this authority if they believe that the effect of such purchases will be to increase the underlying value per Ordinary Shares having regard to the interest of shareholders generally.

    The authority granted by this Resolution will expire on the date of the next annual general meeting of the Company or 31 October 2016 whichever is earlier.

    The Directors have no present intention of purchasing any shares pursuant to this authority.

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