



31 March

2022

Compounding wealth long-term

Rockwood Strategic Plc

(formerly, Gresham House Strategic plc and Rockwood Realisation plc)

Report and Accounts for the year ended 31 March 2022

ROCKWOOD
STRATEGIC 

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Throughout this report we use the more concise terms RKW or the Company.

Rockwood Strategic Plc is an AIM-quoted investment company invested in a focused portfolio of smaller UK public companies. The strategy identifies undervalued shares, where the potential exists to improve returns and where the company is benefitting, or will benefit, from operational, strategic or management changes. These unlock, create or realise shareholder value for investors.

Chairman's Statement



Noel Lamb

Chairman
Rockwood Strategic Plc

Dear Shareholder,

Of the many significant dates since we last reported, one stands out amongst the others. On 25th April 2022, 96% of voting shareholders supported the board's proposed resolution to adopt a new active investment policy. This ensures the future of the Company and capitalises on the proven track record. Taking over as chairman towards the end of January, the Company was in the middle of a brief phase when shareholders had supported a resolution proposed by our then largest shareholder and previous manager to realise its investments and return the proceeds. £25 million was returned to shareholders during this time. £10.4m or 300p per share was returned by means of a B-share scheme and a further £14.6m was returned through a tender offer at 1551.17 pence per share. The NAV per share (net of these distributions) rose from 1,512.8p to 1613.8p in the reporting period.

Developments during the year sometimes took place at incredible speed. The composition of the shareholder register has changed markedly, the board composition has evolved, the investment manager has changed and the short period during which the Company was in orderly windup has now ceased. The Company's intention is to grow net assets materially over the coming years through a combination of

investment performance and new fund raising. The strategy followed will be similar to that which has successfully driven significant shareholder value in recent years. It is a strategy that is clearly differentiated and suited to the long-term capital that the Company retains. The board is particularly pleased with the appointment of Harwood Capital as investment manager to deliver this strategy.

Christopher Mills was lead fund manager during the realisation phase in the latter part of the year. He is moving into Rockwood's Investment Advisory Group (IAG) and Richard Staveley, previously lead fund manager for the strategy, having joined Harwood, has been re-appointed to this role. With over 150 years of cumulative investment experience, shareholders will clearly benefit from the insights the IAG will bring to Richard and the investment team.

The Company's corporate activity during the year led to significant costs, with professional fees totalling £0.67m and legal fees totalling £0.37m. In addition, the termination of the investment management agreement with Gresham House led to an acceleration of performance fees which meant manager fees reached £3.36m. This was despite the new manager, Harwood Capital, charging zero fees

for its services from October 2021 to year-end. Costs associated with the various corporate actions of last year totalled £1.10m, or 2.09% of starting NAV. There was a material cost to the Company of administering the B-share scheme, Tender and Strategic Review, not least because of the very significant (over 4,200) number of shareholders, many of whom have fewer than 10 shares. The Company is therefore exploring ways to consolidate the register for the future. Shareholders are again encouraged to cash any dividend cheques they retain. The Company will seek to reduce the statute of limitations to 6 from 12 years so that unclaimed capital can be re-invested and grow future shareholder value.

Following a thorough review of service providers, the Company (supported by the actions of Harwood Capital) has significantly reduced its future corporate running costs. Management fees are much reduced and will be charged at a fixed fee of £120,000 while assets are below £60m from 25th April 2022, mitigating a key concern for many investors about the size of the Company. Growing the NAV is a clear priority for the Company. This will open up a wider set of investments in the target part of the UK small cap market where the manager can purchase significant investee company stakes.

Chairman's Statement (continued)

With effect from April 2021, U.K. tax law changed with the regard to the use of historic tax losses in reducing taxable profits, lowering the extent these can be utilised in any one year. The company previously benefitted from a significant Corporation Tax shield in the form of over £125m of brought forward tax losses. Following the changes, the maximum tax shield that can be used in any one financial year is limited to £5m. As a result, there is a Corporation Tax charge for the current year of approximately £1.58m. In addition, unlike an Investment Trust, the Company remains liable to be charged for Value Added Tax, which is charged to the Company on all fees and expenses including the investment management and performance fees. Consequently the Company paid a further £0.46m in VAT on the management fees and performance fee which it is unable to reclaim. The board wishes to improve our tax efficiency as fast as possible, hence there will be a recommendation to shareholders to support a move to the main market on the London Stock Exchange from AIM and convert to an Investment Trust. The Company, in this new form, would no longer incur VAT on fees, including management and performance fees, and Corporation Tax under the current HMRC rules. The cash payback from converting is expected to be swift. This move should also widen our audience of potential investors.

From an investment perspective this Annual Report covers a year in which only one further investment was made on behalf of shareholders by the previous manager, Gresham House. The new manager, Harwood Capital, was not mandated to re-deploy capital until the new investment policy was approved by shareholders on 25th April

2022. This one additional investment has, since year-end, been sold back to the previous investment manager at cost. The investment portfolio, as the investment manager's report explains in more detail, is in fine fettle. Unlike most situations when an investment manager changes, your company's investments are known extremely well to the new manager. There will be no need for any material portfolio restructuring or the costs associated with it. During the year, significant realised gains were made from the sale of Augean Plc, RPS Group Plc, National World Plc, Universe Group Plc and Ted Baker Plc. Offsetting these were losses realised from the complete disposals of Fulcrum Utility Services Plc and SpaceandPeople Plc, a company which entered the portfolio in 2015 in a stock-swap from the previous manager.

The investment backdrop for the portfolio has been volatile, with the COVID-19 Omicron variant induced lockdowns, the inflection in the interest rate cycle, rising inflation, soaring energy prices, and the awful developments in Ukraine. Against this backdrop, I might highlight why the Company's investment strategy is so attractive. In spite of sustained negative macroeconomic and geo-political news 'headlines', our portfolio's underlying companies have been steadily growing shareholder value and having that value better recognised by the wider stock market. This is a truly 'active' and focused strategy and performance over the medium-term will be primarily due to stock-specific factors and outcomes, not macro-economic ones. Performance in any short period under review will be due to the individual performances of a handful of our holdings.

There are many to thank for their help in navigating the Company through the last year. You know who you are, even if not named here. In particular, I should mention David Potter, Helen Sinclair and Charles Berry for their many years of service to the Company and thank Ken Lever for his on-going support through this challenging period of stakeholder management. I would also like to thank Graham Bird for all his work as a director over the past year. Graham has had an excellent grasp of the portfolio and been impartial, but will not seek re-election due to a very full workload of other commitments.

The board believes that, until the Company has gained greater scale, it will not reinstate the dividend policy and instead use the capital to compound NAV growth. Our shareholders do have a range of views on this matter. We will continue to listen to them as well as prospective shareholders and act accordingly.

Rockwood Strategic faces an exciting future. The Company now has a more appropriately sized cost base, it will ensure tax efficiency shortly, it has an outstanding and experienced manager to drive shareholder value, and a differentiated investment strategy which we expect to deliver attractive returns over the years ahead.

Noel Lamb
Chairman RKW

22nd June 2022

Board of Directors



Noel Lamb

Age: 66

Independent, Non-Executive Chairman
(appointed 20th January 2022)

Noel is also the Chairman of the Atlantis Japan Growth Trust and a director of Guinness Asset Management Funds. Noel graduated from Exeter College, Oxford University and is a barrister-at-law. He joined Lazard Brothers & Co Limited in 1987 and from 1992 to 1997 he was the managing director of Lazard Japan Asset Management where he was the fund manager for their Japanese equities. In 1997, he moved to the Russell Investment Group where he established the investment management capability of Russell in London. In 2002, he was promoted to Chief Investment Officer in North America where he managed assets of \$150bn until his departure in 2008.



Kenneth Lever

Age: 68

Senior Non-Executive Director,
Chairman of the Audit Committee

Ken is Chair of the audit committee at Rockwood Strategic, Chairman of Biffa plc and RPS Group plc and NED of Vertu Motors plc. Ken was previously Chief Executive of Xchanging plc and during his career has held listed company executive board positions with Tomkins plc, Albright and Wilson plc, Alfred McAlpine plc and private equity owned Numonyx BV.

In his early career Ken qualified as a Chartered Accountant and became a partner in Arthur Andersen. Until 2014 Ken was a member of the UK Accounting Standards Board. He graduated from Manchester University with a degree in Management Sciences.



Graham Bird

Age: 52

Non-Independent
Non-Executive Director

Graham is the CFO of XP Factory and is experienced in fund management and in building both corporate advisory and asset management businesses. Formerly the Fund Manager of Gresham House Strategic. Graham spent six years as a senior executive at PayPoint plc, most recently as director of strategic planning and corporate development.

He was also executive chairman and president of PayByPhone, a multi-national division of PayPoint operating out of Canada, the UK and France between 2010-2014. Graham began his career in audit and corporate finance at Deloitte and Cazenove and holds an MA in Economics from the University of Cambridge.

Graham will retire from the Board at the conclusion of the AGM to be held on 13 September 2022 and will not seek re-election.

Investment Manager's Report

Highlights

- NAV Total Return performance in the twelve months to 31 March 2022 of 27.5% to 1613.8p/share which compares to the FTSE Small Cap (ex-ITs) of 3.2%. The Total Shareholder Return in this period was 22.2%.
- NAV Total Return performance in the three years to 31 March 2022 of 57.7% to 1613.8p/share which compares to the FTSE Small Cap (ex-ITs) of 29.7%. The Total Shareholder Return in this period was 50.9%.
- Harwood Capital LLP appointed Investment Manager
- £25m returned to shareholders by way of B share scheme and tender offer
- New Investment Policy adopted by shareholders post year-end
- Significant realised and unrealised gains across the portfolio
- Costs elevated due to corporate actions

Investments Managers Report

Shareholders were updated at the Interim stage by the previous Investment Manager. This report encompasses the full year. As highlighted in the Chairman's statement, Harwood Capital was appointed in October 2021; however, between the date of appointment and the end of the financial year in March, the Company was following a realisation strategy and, as such, investment activity was restricted to realisations until the vote to adopt a new Investment Policy after year-end was approved.

Market backdrop

We do not believe a detailed historic review of markets during the period is particularly helpful to shareholders in this stock-picking strategy. Suffice to say that the second half of the year was characterised by the Omicron variant of the COVID-19 virus, the invasion by Russia of Ukraine, high inflation (not 'transitory' as anticipated by many) leading to an inflection point in the direction of interest-rates by Central Banks. Second-order effects have been supply-chain shortages, rising energy and commodity prices, falling bond prices, and a strengthening Dollar. Within equity markets high valuation stocks, particularly in the technology and early-stage healthcare sectors, have been very weak.

The monetary policy change is most relevant to this strategy. For over a decade equity market participants have become overly used to extremely accommodative monetary policy, which has resulted in valuation multiple expansion of long-duration equities, most commonly 'Growth' shares. The 'boost' to this investment style has clearly now peaked. Going-forward, the 'value' factor, a key component of our investment philosophy, should increasingly benefit, particularly the cashflow generating companies we target.

Outlook

We are confident in the upside potential of the portfolio with a range of good trading updates during recent months. We have exciting strategic investment theses for all the holdings and expect our 'engaged' style will lead to the un-locking of material shareholder value. To this end we have been intimately involved with the appointment of new Board members to 5 of our 9 companies in recent months.



Richard Staveley
Lead Fund Manager



Nicholas Mills
Assistant Fund Manager



Christopher Mills
Advisory Group Member
CIO Harwood Capital LLP

We anticipate a pickup in trade buyer acquisition activity and public-to-private transactions in the coming years for our targeted part of the UK stock market. If the stock market doesn't fairly value or provide growth capital to UK listed small companies then other solutions will emerge.

Due to the 'realisation' phase, the portfolio ended the period less diversified than targeted. The strategy will continue to have between 5-10 "core" holdings (9 at year end) which constitute the majority of net asset value, however it will become less concentrated in future periods. The rest of the portfolio will be formed from 15-25 investments with smaller weightings. This part of the portfolio will thus grow over the next year. These holdings will meet the investment criteria yet are when the opportunity to establish a 'core' size investment has not arisen yet, or are more liquid corporate recovery/'special' situations where the targeted return objectives can be expected but where a large stake is not deemed necessary to influence or generate strategic, operational or management change. We expect the market conditions during the rest of 2022 to be particularly advantageous for making investments as on-going turbulence and market weakness provides opportunities for our medium-term investment time horizon.

Top 5 Investment Portfolio Holdings

Crestchic (previously called Northbridge Industrial Holdings) 15.8% Net Assets

Cost: £3.23m, Value as at 31st March 2022, £6.44m

The company manufactures, sells and hires load-banks (specialist electrical equipment for power testing) internationally. The investment was initiated in 2016 and struggled with weak oil & gas related end markets and a poorly timed acquisition of the Tasman business. In 2020, following shareholder engagement, there was Board and management change which has led to a greater focus on Return on Capital, the sale of the underperforming Tasman division and a renewed energy into the growth strategy where the company is very well-placed given trends around electrification. Convertible bonds, some of which owned by the strategy, were redeemed or converted, cash generation improved and the maxed-out manufacturing facility is now being expanded. Nicholas Mills, member of the Investment Team has joined the Board as Non-Executive Director. We expect demand to remain robust, and EBITDA to continue to grow with material scope for a valuation re-rating.

Flowtech Fluidpower 11.7% Net Assets

Cost: £2.56m, Value as at 31st March 2022, £4.75m

The company primarily distributes Fluidpower components to a diverse range of customers with a strong bias to parts used for repair or maintenance reasons. The investment was initiated in 2020 since when there has been Board evolution including the appointment of the highly regarded Roger McDowell as Chairman (Roger was previously a NED at Augean). The company has been addressing the lack of integration amongst its various acquisitions, driving scale and synergies and has been accelerating its on-line capabilities. The business is producing sub-par operating margins and has a stock-turn well below that targeted by management and achieved by peers. We expect this to improve and drive returns and profitability.

Centaur Media 9.8% Net Assets

Cost: £3.44m, Value as at 31st March 2022, £4.004m

The company has two divisions providing business information, consultancy, premium media and events content in the Marketing and Legal sectors. The legal business is focused on the market leading publication The Lawyer whilst the marketing activities span a number of high quality brands such as Econsultancy, Influencer Intelligence, Marketing Week and Festival of Marketing. The business has also developed a very fast growing e-learning solution called MiniMBA. The holding was made in 2017 at 50p, however in late 2019-20 the investment was quadrupled in size at an average price of 31p. The company has gone through extensive restructuring in the last few years and disposed of a number of other divisions, converting activities from print to digital and increasing subscription content. Management have therefore been improving profitability markedly, with 23% Ebitda margins targeted for 2023. The business has significant cash balances. Following the period end Richard Staveley, member of the Investment Team, joined the Board as a Non-Executive Director

Pressure Technologies 9.8% Net Assets

Cost: £3.22m, Value as at 31st March 2022, £3.99m

The company has two divisions; the industry leading Chesterfield Special Cylinders which manufactures and services a range of end-industries and customers including the Ministry of Defence and the Precision Machined

Components division, which manufactures high specification parts primarily for the oil & gas industry. The investment was initiated in early 2019, however cash generation has not been as expected and in late 2020 further discounted equity issuance was needed to support the company's ambitions. Similar to Northbridge (above) we see strategic sense in focusing the company onto Chesterfield. The PMC division should benefit from an improved oil & gas pricing environment resulting in higher activity levels. Whilst Chesterfield has significant orders in defence and elsewhere, there is genuine excitement in the company about the opportunities in the emergent Hydrogen economy. The business has the quality and specialist credentials and the end-market for Hydrogen storage, using their cylinders, could be huge, potentially becoming a key strategic supplier to the industry. This potential is not reflected in the share valuation.

M&C Saatchi 8.0% Net Assets

Cost: £1.72m, Value as at 31st March 2022, £3.24m

The company is one of the world's best known global advertising agencies with clients stretching from governments to supra-national organisations (e.g. the World Health Organisation) to the world's leading brands (e.g. MacDonalds) and newest successes (e.g. TikTok). In more recent times the company has been in turmoil with the original Founders leaving, accounting errors and a poorly structured incentive scheme. The investment was initiated in late 2020 as management and Board changes started to take effect. The balance sheet has net cash and a new strategy to grow the business and improve margins has been unveiled. During COVID the business had no material client losses indicating the strength of their relationships. More recently there has been a seemingly opportunistic takeover approach by Board Director Vin Murria. We believe the company has considerable further recovery potential and is grossly undervalued.

Portfolio Activity

In the first half of the year, the former manager made only one new investment, namely the Hannover Co-Invest S.C.A. SICAV-RAIF Sub Fund 1. This was a Private Equity Fund, which charges its own set of fees to its investors and was focused on one investment in a Scandinavian technology business. Following the period end, this investment was sold back to the former manager at cost. In the first half the most important transaction was due to the agreed takeover bid for Augean, the largest

Investment Manager's Report (continued)

portfolio investment, resulting in a 101.2% IRR (9x money multiple, a gain of £22m) a significant realised gain for shareholders, proceeds funding the majority of the subsequent capital return. We highlight that Harwood managed strategies were the largest shareholders in Augean and that Christopher Mills was a Board Director. A 130.7% IRR was also generated from the sale of Ted Baker (1.9x money multiple).

During the realisation phase a number of investments were sold as detailed below.

RPS Group – realised IRR 148.9% (Gain £4.2m)

This investment was Initiated in September 2020, when we supported a capital raise to strengthen the balance sheet, having identified a recovery was building under a new management and Board. This global specialist environmental consultancy and planning business has improved its acquisition discipline, and is building margins to match peers. It's growth is accelerating due to the tailwinds of urbanisation and sustainability.

Universe Group – realised IRR 24.6% (Gain £3.0m)

Shares were first purchased at 11.5p in 2017. However, in a perfect example of the inefficiency of small cap markets, we were able to purchase significantly more shares in early 2021 at 3.25p, further reducing our average cost of investment materially. Later that year a successful cash takeover was launched for this niche software and services business at 12p, delivering an attractive IRR.

National World – realised IRR 201.1% (Gain £2.2m)

Purchased in January 2021, we backed the highly experienced management team to purchase the old Johnston Press regional press titles, such as the Yorkshire Post and The Scotsman from a distressed situation and therefore at a very low valuation. It came with no pension fund liabilities and a clean balance sheet. The desire for local news remains and the journey to digital delivery on-going. We expect the management to continue to build scale and drive the transformation of the assets.

SpaceandPeople – realised IRR -20.5% (Loss £1.2m)

The shares in this business were originally swapped into the strategy in 2015 at 66p in exchange for the issuance of shares in Gresham House Strategic to the former manager. Sales have declined since then and the business, which relies on promotional activity within shopping centres, has struggled to generate profits and positive cashflow and was hard hit

by COVID-19, leading to increasing leverage. Sub-scale with elevated risk and slim chance of a corporate solution we exited at 7.25p.

Fulcrum Utility Services – realised IRR -34.7% (Loss £0.7m)

Fulcrum has been a disappointing investment as operational execution has not recovered cash generation as quickly as expected. The former manager purchased additional shares in the first half of the year, however in November the company announced a material £19.5 million fund raise and given the Investment Policy at the time and time horizon for additional investment, the holding was exited.

Strategy Update

Following the post year end approval by shareholders of the new investment policy, we remind shareholders of the investment opportunity Rockwood Strategic is targeting, the investment philosophy we use and the process for putting it into action.

Investment Opportunity

- Structurally inefficient part of UK market creating opportunities in all markets conditions
- Significant universe of shares from which to select investments from
- 'Value' & 'Recovery' investor mindset differentiated from many investors
- Active engagement with investee companies drives shareholder value
- Material due diligence de-risks our decision making and creates informational advantage
- Relationships and networks unlock opportunities, find 'hidden' value, catalyses change

We believe there is a structural investment opportunity for enhanced returns in small cap equities. This has been proven across geographies, over history and is clearly evident in the UK as demonstrated in the research of Dimson & Marsh and the long-term performance of both the Numis Small Companies Index (Bottom 10% of the UK stock-market, re-calculated annually, back to 1955) and the Numis 1000 Index (Smallest 1000 companies).

The causes of this long-term outperformance are believed to be due to the premium received for faster than average growth ("Elephants don't gallop"), an illiquidity premium and a risk premium for aspects such as immaturity and reduced funding options.

We expect an additional return through the selection of better than average small cap stocks through the application of a 'value' philosophy and the avoidance of excessive risk through the application of company research and due diligence.

Stock market dynamics have enhanced the opportunity within this universe of nearly 1000 companies. A reduction in company research coverage in recent years (due to a combination of collapsed commission fees and MIFID2 regulations) has occurred and institutional interest has reduced, due to higher market concentration within a small number of large institutions, whose huge scale prohibits them from considering a large part of the universe due to liquidity requirements. As a result, we believe there is a structural opportunity to find outstanding investment opportunities in an inefficient market place, with overlooked and misunderstood companies, whilst still benefiting from the established 'small cap effect'. (Fama & French '93)

In the near term the opportunity is further enhanced due to the out of favour status relative to history of the UK stock market relative to global (mainly the US) stock markets. The UK discount started widening following the calling of the Brexit Referendum in 2016 and has since increased with investor flows chasing the momentum of US technology mega-caps. Relative performance has, notably, recently finally started to invert. Timing is auspicious.

Investment Philosophy

- 'Value' investor mindset and free cash flow focused
- Seek proven businesses, identifiable assets
- Establish mean reversion potential (profitability, balance sheet and valuation re-rating)
- Identify catalysts for change
- Develop exit thesis to mitigate illiquidity risks (3-5-year time horizon)
- Engage with all stake-holders to de-risk and add value

The philosophy of an investor is what they believe drives share prices and outperformance over the long-term. We believe that investment returns are generated by purchasing a share for less than the intrinsic worth of the company, (a 'value' philosophy), enhanced by identifying companies that can increase their fundamental intrinsic worth over time, thus

avoiding 'value traps'. We seek to optimise the IRR by identifying 'catalysts' which will un-lock the share's discount to the business's worth or accelerate value creation. For 'core' investments we ourselves may be the 'catalyst' through the provision of capital, insight and personnel.

We are medium-long term investors with a typical time horizon of 3-5 years, as this period allows for intrinsic worth to be recognised more widely and fundamental improvements or changes to have a positive effect. We stick to what we believe we understand, avoid unproven business models and are adverse to high indebtedness. We believe that a company's intrinsic worth is driven by its future cashflows discounted back to today, however we do not make long-term forecasts and seek businesses with identifiable near-term cash flow generation to justify our assumptions on upside. Our financial analysis is focused on cash flow generation and returns on capital.

The fast-changing nature of the world economy and technology means any confidence in growth forecasts many years hence for individual companies are fraught with risk. We therefore focus the majority of capital into 'recovery', turnaround' or 'transformation' opportunities, where the past can be a true guide to the potential future. There are businesses that have historic evidence of cash generation yet have fallen on difficult times and have depressed profitability typically as a result of strategic mis-steps (poor M&A), bad management (execution) or a lack of adaption to changing end-markets or circumstances (inertia). These special situations of depressed returns are usually accompanied by a significant de-rating and low valuation. Many of them have underlying, or the prospect of, above-average growth rates, however it is the normalisation of returns that drives improved intrinsic value.

Often with new management and an evolving Board, key issues can be identified, a strategic plan agreed and, if executed well, can lead to a mean-reversion and recovery of returns. This in turn leads to a re-rating, the combination of which drives an outperformance of markets. We seek therefore to exploit 'fear' and 'negativity' at a company level where we believe a 'turnaround' is possible and structural change has not permanently damaged prospects.

We believe in the highest standards of sensible corporate governance, noting that small company circumstances don't always fit with generic rules for all companies. We actively target large stakes in companies to ensure a 'voice' and 'influence', and through the

strength of our arguments seek stakeholder support. Our philosophy is therefore heavily 'engaged' which requires much higher than average contact with executive management, boards and advisors. The purpose of this 'engagement' is to build a deep understanding of the company's dynamics, a positive relationship with those appointed to run and oversee the company and ensure their focus is on the maximisation of shareholder value.

Investment Process

- Ideas sourced from network and quantitative screening
- Investment Team due diligence results in 'Springboard' investment (c.2-4%) or expanded DD
- Expanded due diligence circulated to and enhanced by IAG
- 'Core' investments (initial 5-15% NAV), typically a block trade or company re-financing
- Active management involves Stakeholder engagement, Results/Industry and thesis monitoring
- Exit liquidity through corporate activity or secondary market demand

The process by which the above philosophy is put into effect is unashamedly simple. It is focused on establishing a proper understand of a potential investment's business fundamentals, a clear view of intrinsic worth and the catalysts for change and value realisation. There are four stages:

1. Idea identification is driven both organically and systematically. We generate ideas through our interest in markets, innate curiosity about companies and incentive to find outstanding investment opportunities. We have large, established, arguably unrivalled, networks across the UK small cap universe. This is bolstered by the networks of the IAG. In addition, we quantitatively screen the small cap universe for companies with depressed valuations and profitability relative to history. These ideas inevitably lead to an initial company meeting (we often have met them historically), preliminary analysis and the development of a simple potential investment thesis.
2. Due diligence is then commenced on those companies where the initial thesis and meeting confirm an opportunity may exist. The amount is significantly

greater for potential 'core' investments. Huge amounts of information are now available to investors. The key is having the skill to know what is important, the ability to analyse and enhance our understanding of risks and specific drivers of a company's intrinsic value and the time and dedication to do the work required. A focused portfolio significantly increases the time we have relative to other competitors, where typical small cap portfolios have 60 to >100 holdings. During the process for potential 'core' investments, the Investment Advisory Group (IAG) is contacted for their insight, network opportunities and initial concerns. This is then incorporated into the diligence process. Prior to entering into a 'core' position a thorough investment memorandum is circulated to the IAG and Board. We would seek executive management buy-in (if no change is needed) to the strategic and operational changes required to drive value and where appropriate will seek Board representation. For non-'core' investments a simpler investment memorandum is documented.

3. Execution: The manager has full responsibility for investment decisions which will have been discussed within the Investment Team and, for 'core', the IAG members. For 'core' investments a 'block' stake or company financing event is usually needed which will involve liaison with company advisers. All orders are managed by Harwood's highly experienced in-house dealer. Regularly, the opportunity for a 'core' position is not immediately available and thus a 'springboard' position will be taken if the upside is clear and patience is required to scale up. "Search the parks in the world's cities, there are no statues to committees." Barton Biggs
4. Post investment, holdings are monitored through on-going financial results analysis, meetings with management and board members, input from industry, sector and company analysts or experts. For 'core' investments, a summary 'annual review' will be circulated to the IAG and board, including an updated target valuation/price. For all investments 'exit' theses are established at the outset. For 'core' investments this will often require high levels of board engagement, communication with other shareholders of our views, and a pro-active approach, leading to a sale of the business and a

Investment Manager's Report (continued)

'control' premium. Secondary market sales are also possible as other investors re-consider a rehabilitated company, usually with business and share price momentum.

The foundations for Rockwood Strategic's long-term success:

- A 'value' investing approach with an 'ownership' mentality and a desire to buy at a significant discount to intrinsic worth, establishing a 'margin of safety' (Security Analysis by Benjamin Graham)
- 'Long term Capital' matching the best timeframe for investment success
- Patience in a market usually characterised by impatience

→ 'Skin in the game' (Nassim Nicholas Taleb) evidenced by the manager's fee structure and equity ownership

→ Low overheads and a simple organisation structure, keeping costs low and decision-making nimble

→ Tax efficiency

→ Clear communications, externally and internally

→ The premium captured for illiquidity in the inefficient publicly listed UK small companies' arena

→ Financial strength through the cycle, providing opportunities when others are distressed

→ Experience and complementary capabilities of the team

We have invested our own money in the shares of Rockwood Strategic and have a management contract which rewards success. We see a real opportunity to compound wealth for all shareholders over the long-term and a vibrant, inefficient stock market full of opportunities to deliver our target returns.

Richard Staveley

About the Investment Manager

Harwood Capital LLP ("HC LLP") was incorporated in 2003 and is the investment manager for Rockwood Strategic Plc, the Harwood Private Equity and Harwood Private Debt funds and Harwood Private Clients. It is the investment adviser to North Atlantic Smaller Companies Investment Trust Plc and Oryx International Growth Plc. HC LLP is a wholly owned subsidiary of Harwood Capital Management Limited and is authorised and regulated by the Financial Conduct Authority ("FCA"), authorisation number 224915 and is led by Christopher Mills. The funds managed and advised by HC LLP follow an active, value approach towards the businesses in which they invest. Mr Mills is a member of the Rockwood Strategic Plc Investment Advisory Group.



Richard Staveley
Lead Fund Manager

Richard has over twenty years' experience of equity investment and fund management. Having qualified as a chartered accountant at PricewaterhouseCoopers, Richard joined Bradshaw Asset Management, as assistant fund manager in 1999. He subsequently joined Société Générale Asset Management where he became Head of UK Small Companies and a CFA charterholder. In 2006, he co-founded River and Mercantile Asset Management where he launched both the UK Small Company Fund, the UK Income Fund and was Head of Research. In 2013, he joined Majedie Asset Management to co-manage and subsequently solely manage the UK small company investments. In 2019 he joined Gresham House Plc as fund manager for Gresham House Strategic Plc, the Strategic Public Equity LP and eventually the Gresham House UK Small Companies Fund. He currently sits on the boards of Bonhill Plc and Centaur Plc.



Nicholas Mills
Assistant Fund Manager

Nicholas joined Harwood Capital LLP in 2019 after spending 5 years at Gabelli Asset Management in New York. He acted primarily as a Research Analyst covering the multi-industrial space and also gained experience in Merger Arbitrage strategies and marketing Closed End Funds. He has a Bachelor of Science Degree from Boston College's Carroll School of Management. He currently sits on the boards of Circassia Group Plc, Hargreaves Services Plc and Crestchic Plc.



Christopher Mills
Advisory Group Member
CIO Harwood Capital LLP

Christopher has over 45 years investment experience and has been Chief Executive Officer and principal shareholder of Harwood Capital Management since 2011. He founded JO Hambro Capital Management with Jamie Hambro in 1993 acting as Chief Investment Officer and Harwood Wealth with Alan Durant in 2013 until their respective sales in 2011 and 2020. He is CEO of North Atlantic Smaller Companies Investment Trust ("NASCIT") which he has managed since 1982 and Executive Director of Oryx International Growth Fund which he has managed since 1995. NASCIT has delivered a total NAV per share of nearly 200x under Mr. Mills' management. He has sat on the Board of over 100 companies during his career including most recently Augean, MJ Gleeson, SureServe, Frenkel Topping, Assetco, Ten Entertainment, Bigblu Broadband, Trellus Health, SourceBio International and is currently Chairman of EKF Diagnostics and Renalytix AI.

Investment Advisory Group

Harwood Capital LLP has formed an Investment Advisory Group (IAG) to support the Investment Team for Rockwood Strategic Plc. The members are experienced financial professionals with relevant experience, their details are disclosed on the www.rockwoodstrategic.co.uk website. The IAG members are provided with details of pipeline 'core' investments for the strategy prior to the completion of the research process. Their insights, relevant contacts and investment views are incorporated into the Investment Team's subsequent due diligence. On completion of due diligence, research is shared with the IAG members and their perspectives actively considered prior to any investment decision by the Investment Team.

Strategic Report 2022

The Directors present their Strategic Report for the period ended 31 March 2022. Details of the Directors who held office during the period and as at the date of this report are given on pages 3 and 11 of the Annual Report and Accounts. This Strategic Report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006 and best practice. Its purpose is to inform the members of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company, in accordance with Section 172 of the Companies Act 2006.

Business review and future outlook

The Company's business review, developments during the year and a detailed discussion of the individual asset performance together with future outlook are covered in the Chairman's Statement and the Investment Manager's Report. The Directors are of the view the investment strategy has performed well, especially given the events of the past year.

Key Performance Indicators

At each Board meeting, the Directors consider the performance measures to assess the Company's success in meeting its objectives. The Board believes the Company's key performance indicators are:

- Net Asset Value Total Return: the sum of NAV per Ordinary Share growth and cumulative dividends paid. This measure incorporates investment performance and company expenses. The manager is targeting and the investment objective is to make investments capable of delivering 15% Internal Rates of Return (IRR) over the medium term.
- Rockwood Strategic Plc Total Shareholder Return: RKW cumulative share price

return for the year and cumulative dividends paid. Implicit in this measure is any movement in the share price discount or premium to NAV which is also measured.

The Directors draw attention to the Investment Highlights section of the Investment Manager's Report (page 4 of the annual report).

Principal Risks and Uncertainties

The Board, on behalf of the shareholders, manages a range of risks that might impact the financial position of the Company, the principal risks are as follows:

- Investment value – the largest risk faced, and which is inherent in the strategy of investing in other companies, is the risk that the value of the Company's investments might fall. See note 14 to the financial statements for further details on this, specifically note 14a "Market Risk". Our mitigation, as set out in the Investment Manager's Report, is to manage a diverse portfolio and for the manager to operate with controls and diligence around new investments.
- Investment Manager – the Company is reliant on the Investment Manager to implement the investment strategy successfully and the risk that this might not continue is managed by the Board through regular and detailed engagement with, and oversight of, the manager together with the manager's own comprehensive investment and operating processes.

Additional risks – as mentioned under the Corporate Governance section, the Board maintains a register, and in addition to comments above, risks managed there include, among others: the management

of key operational and financial controls; risk of key personnel being unavailable; and maintaining regulatory approvals.

Stakeholder Engagement and Statement under Section 172

The Board recognises that the Company should be run for the benefit of shareholders, but that the long term success of a business is dependent on maintaining relationships with stakeholders and considering the external impact of the Company's activities. The detailed Statement under Section 172 is covered on pages 13-15 of the Annual Report and Accounts.

Noel Lamb
Chairman

22 June 2022

Corporate Governance Report

AIC Code Statement of Compliance

Despite the changes during the year as referenced within the Chairman's Statement on page 1, the Company maintained its compliance with the AIC Code of Corporate Governance issued in July 2019 (the AIC Code), except as set out below:

- The directors do not consider it appropriate to establish a nomination, remuneration or a management and engagement committee. The functions that carried out by these committees are dealt with by the full Board.
- As the Company has no employees and its functions are undertaken by third parties, the Audit Committee does not consider it necessary for the Company to establish its own internal audit function.

The AIC Code is made up of 17 principles and 35 provisions over five sections covering:

- Board Leadership and Purpose;
- Division of Responsibilities;
- Composition, Succession and Evaluation;
- Audit, Risk and Internal Control; and
- Remuneration

Details of how the Company has complied with the principles and provisions of the AIC Code are set out in its Corporate Governance Statement which can be found on the Company's website.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Board of Directors

The board is responsible for the effective oversight and long-term sustainable success of the Company, generating value for shareholders and controlling of all aspects of the Company's affairs, notwithstanding any delegation of responsibilities to third parties.

The board oversees the role of the investment manager who are seeking to grow net asset value over the long-term by executing on the agreed investment policy.

The board consists of three non-executive directors, one of which is an independent non-executive Chairman and all of whom are independent of the investment manager. No one individual dominates the board's decision making. The board have an Investment Manager Agreement in place and this agreement is reviewed annually.

The board considers the required time commitment annually and during the year under review all Directors continued to devote sufficient amount of time to the business of RKW. The directors possess a wide range of skills, knowledge and experience relevant to the leadership of the Company, including financial, legal, and regulatory and industry experience as well as the ability to provide constructive challenge to the views and assumptions of the Investment Manager and hold third party service providers to account.

All members of the board own shares in the Company. Further detail on each of their shareholding can be found on page 17. After consideration of the above factors, and taking into account guidance from the AIC, which encourages directors owning shares, the board is of the view that all the Non-executive Directors continue to be independent in

character and judgement and free from relationships or circumstances that could affect their judgement within the meaning of the AIC Code. The board considers that all Directors continue to be committed to their roles and have sufficient time available to meet their board responsibilities.

The names and responsibilities of the directors, together with their biographies and details of their significant commitments, are set out on page 3.

Board and Committee meetings

The board holds quarterly board meetings (with additional meetings arranged as necessary) where it considers investment performance, investor relations, share price performance and other relevant matters. Regular discussions are held with the manager and its advisers about the discount to NAV at which the shares trade and how this might be reduced. Over the past four years, the Company has undertaken share buybacks in an effort to reduce this discount.

The company secretary and investment manager regularly provide the board with relevant statutory, regulatory and corporate governance updates relating to the sector in which the Company operates. At each board meeting, representatives from the investment manager attend to present verbal and written reports covering the Company's portfolio and investment performance over the period. Communication between the board and the investment manager and other service providers is maintained between formal meetings.

The board reviews annually the performance, services and the terms of its engagement with all the Company's third-party providers to ensure they continue to be competitive and

Corporate Governance Report (continued)

effective. Strategy sessions are held annually, and the board may meet from time to time without the investment manager present, when considering the manager's performance, fees and contractual arrangements.

The board has delegated certain responsibilities to its audit committee so that it can operate efficiently and give an appropriate level of attention and consideration to relevant matters. Given the size of the board, the directors do not consider it appropriate to establish a nomination, remuneration or a management and engagement committee. The functions that would normally be carried out by these committees are dealt with by the full board.

The board and its audit committee are supported by the company secretary who ensures that appropriate policies and procedures are in place in order for the board to function effectively and efficiently. A formal agenda is produced for each meeting and papers are distributed several days before meetings take place allowing all board members to contribute even if they are unable to attend.

The directors have access to the advice and services of the company secretary and individual directors are able to take independent legal and financial advice at the Company's expense when necessary to support the performance of their duties as directors. During the year, the Chairman met regularly with the non-executive directors without the manager present.

The table below sets out the attendance record of individual directors at the scheduled board and committee meetings held during the year-ended 31 March 2022:

Current Directors	Scheduled Board Meetings	Scheduled Audit Committee Meetings
	Number attended	Number attended
Noel Lamb* (appointed 20/01/2022)	3/3	n/a
Kenneth Lever	23/23	2/2
Graham Bird (appointed 10/06/2021)	14/14	1/1

Directors that resigned during year-ended March 2022	Scheduled Board Meetings	Scheduled Audit Committee Meetings
	Number attended	Number attended
Simon Pyper* (appointed 22/01/2022 -resigned 31/03/2022)	9/10	n/a
Charles Berry (resigned 22/11/2021)	12/12	1/1
David Potter* (resigned 11/06/2021)	5/5	n/a
Helen Sinclair (resigned 05/11/2021)	11/12	1/1

*not a member of the Audit Committee

Conflicts of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. A register has been set up to record all actual and potential conflict situations which have been declared. All declared conflicts have been approved by the board. The board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the board.

Directors' appointment and re-election

All non-executive directors are appointed on the basis of letters of appointments which provide for a maximum of three months' notice of termination by the director or the Company. The letters of appointment are available for inspection at each AGM.

The board's policy on tenure is that the maximum period that any director shall serve as a director of the Company shall be limited and no director shall be eligible to serve beyond the 9th Annual General Meeting following his or her appointment. In the event that a director is appointed at an Annual General Meeting, for these purposes, that Annual General Meeting will not count towards the number.

The appointment of any new director is made on the basis of assessing the candidate's

merits and measuring his or her skills and experience against the criteria identified by the board. Whilst the board has not put in place a policy on diversity, the board fully endorses the AIC Code principle to promote diversity of gender, social and ethnic backgrounds on the board and would always consider this when making any new director appointments.

The board recognises the importance of succession planning to refresh the board and the AIC provisions relating to this. Whilst the board has no succession plans in place at this time, it is envisaged that should a board member be unable to fulfil their duties for a period of time, one of the other directors with the most appropriate experience would step in to perform the role on an interim basis until a longer-term solution is identified.

The Company considers annual re-election of directors to be good corporate governance and has therefore chosen to follow this practice. The directors have considered the performance of each director serving on the board, including the chairman, and believe that each of the directors continues to make a valuable contribution to board discussions and decisions and supports their re-election at the 2022 AGM. As stated in the Directors' biographies, Graham Bird will retire from the Board at the conclusion of the AGM to be held on 13 September 2022 and will not seek re-election.

The Company has maintained Directors' and Officers' Liability Insurance on behalf of the directors, through a policy arranged by the manager, indemnifying the directors in respect of certain liabilities which may be incurred by them in connection with the activities of the Company.

During the year there were two appointments to the Board, Simon Pyper and Noel Lamb.

Simon Pyper was appointed as a non-executive director at the request of the then largest shareholder Gresham House plc. Simon was interviewed by then interim chairman, Charles Berry and the senior independent director, Ken Lever. Simon had previously been a director of one of the investments of Rockwood Strategic plc and it was not considered necessary to use an external search firm. Simon has now left the board due to work commitments.

Noel Lamb, the current chairman was appointed following a search process conducted by an independent search firm, Fletcher Jones. A number of candidates were considered and the individuals included on the short list of candidates were met separately by Ken Lever, senior independent director, Graham Bird, non-executive director and Simon Pyper, then interim chairman.

Board evaluation

The board has formalised a process to conduct a regular evaluation of its performance and that of individual directors and its audit committee on an annual basis. This process is led by the chairman (supported by the company secretary) and is conducted internally using a questionnaire designed to assess the strengths and weaknesses of the board and its committees, the composition of the board, how effectively board members work together. Each director is required to complete a questionnaire covering the assessment of the composition, functioning and operation of the board as a whole and a similar review of the effectiveness of the audit committee and investment manager is also carried out. Given the recent changes to the composition of the board, it is envisaged that a succession plan be reviewed towards the end of the year.

The board does not consider it necessary at present to employ the services or to incur the additional expense of an external third party to conduct the evaluation process but will keep this under review.

During the year the largest shareholder proposed Graham Bird join the Board as a Non-Independent Executive Director. This was agreed by the Board. Following the resignation of the Interim Chairpersons, a process was run by the Board, with engagement with advisors and shareholder consultation resulting in the appointment of the new Chairman.

Internal controls and risk management systems

The board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company.

The board maintains a risk register to identify any new risks and makes the necessary adjustments required to existing risks and the controls and mitigation measures in place in respect of these risks.

Share capital

As at 31 March 2022, the Company's issued share capital was 2,541,046 Ordinary Shares of 50 pence each, of which none were held in treasury.

The Company's Ordinary Shares are quoted on the Alternative Investment Market of the London Stock Exchange under reference RKW.

Section 172 Statement

Section 172 of the Companies Act 2006 (the 'Act') requires directors to act in good faith and in a way that is the most likely to promote the success of the Company. In doing so, directors must take into consideration the interests of the Company's various stakeholders, the impact on the wider community and the environment when making decisions.

The Company has no employees and delegates its day-to-day management and administration to third parties. The board considers its key stakeholders to be its shareholders, its investment manager and its third-party service providers while also taking into account the Company's responsibilities to regulators and the wider community. Given the out-sourced nature of the Company's operations, the Company has very little direct impact on the community or the environment. However, the directors recognise that the investment manager can influence an investee

company's approach to Environmental, Social and Governance (ESG) matters.

The investment manager is committed to operating responsibly. The investment manager also recognises that the integration of ESG considerations into its investment assessments is important and that when these factors are addressed well they can have a positive impact on the financial performance of the fund investments.

The investment manager assesses ESG factors during due diligence and incorporates conclusions into its engagement, strategic and operational plan, investment thesis and investment risk assessment. They continue to monitor factors post-investment and engage when appropriate. The investment manager expects companies to be minimising their environmental footprint, without damaging the outlook for cash earnings and will engage where necessary to address lack of active attention in this area. The investment manager believes successful companies incorporate the interests of multiple stakeholders into their business operations and their strategy for maximising shareholder value. The governance factor is most important to our manager and investment strategy, enabling effective approaches to environmental and social factors. The manager actively engages with companies as an integrated part of their philosophy and process. This is often including through board representation, which helps ensure corporate governance is structured appropriately, 'groupthink' is avoided and the board is working effectively to deliver shareholder value.

Corporate Governance Report (continued)

Stakeholder group	Importance of engagement	Key methods of engagement	Topics of engagement	Outcome and actions
<p>Shareholders</p>	<p>Shareholders remain central to the Company's ability to access capital to support its strategic objectives and goals and in ensuring the long-term success of the business</p> <p>The board is committed to ensuring that there is open and effective communication with the Company's shareholders on a range of matters including: governance, strategy and performance against the Company's investment objective and policy to ensure that the directors understand the views of shareholders on such matters</p>	<p>The Company communicates with its shareholders in a number of ways including:</p> <ul style="list-style-type: none"> → Through its annual and half-yearly reports → Regulatory announcements → Website - the website provides all existing and potential shareholders with information about the Company, its investment policy and performance to allow shareholders to fully understand the risk/reward balance of holding shares in the Company → Informal meetings: the Chairman meets with the Company's major shareholders annually if they wish to do so to discuss matters of governance, strategy and performance against the Company's investment objective and policy → Annual General Meeting: this provides a further opportunity to communicate with shareholders who attend and for the Board to respond to their questions at the meeting. All shareholders are encouraged to attend and vote at the Company's AGM, to be held on 13 September 2022 at 11:00am. 	<p>A 'Strategic Review' was conducted during the year involving significant engagement with shareholders.</p> <p>Board composition changed to reflect the new investment policy.</p> <p>Following further material evolution of the shareholder register further discussions were held with shareholders.</p>	<p>During the year there was a continuing dialogue with the previous largest shareholder, Gresham House plc. Gresham House plc was keen to make certain changes and as a result of the engagement Gresham House plc secured the appointment of a non-independent director, Graham Bird, the initiation of a strategic review and a change of Chairman. Subsequently Gresham House plc, through the mechanism of an extraordinary meeting of shareholders also secured the appointment of a further director, Simon Pyper, a change of investment policy moving the company into run-off and a substantial return of capital to shareholders, as described in the chairman's statement. Following the sale of the shareholding of Gresham House plc to the new investment manager, Harwood Capital, there has been further engagement with shareholders at an extraordinary general meeting which resulted in overwhelming support for the return to the previous investment strategy.</p>

Stakeholder group	Importance of engagement	Key methods of engagement	Topics of engagement	Outcome and actions
Investment Manager	The board has contractually delegated the management of the portfolio to the investment manager (Harwood Capital). The performance of Harwood Capital is crucial to the Company executing its investment strategy successfully and providing attractive returns to shareholders. Therefore, maintaining a close and constructive working relationship with Harwood Capital remains important to the board and the long-term success of the Company.	<p>The board regularly engages with the investment manager and meets with the investment manager on a quarterly basis and other times throughout the year enabling the directors to discuss the performance of the investee companies (amongst other matters) and probe further should there be matters of concern or requirement for clarification on certain matters.</p> <p>The performance of the investment manager is monitored and reviewed by the board as a whole in the absence of a management and engagement Committee. In addition, an annual appraisal of the investment manager's performance is undertaken as part of the board evaluation process. It is the opinion of the board that the continuing appointment of the investment manager is in the interests of shareholders as a whole.</p>	Full review of all aspects of the investment manager agreement and suitability of manager as part of the strategic review.	Harwood Group was appointed as asset manager following the conclusion of the strategic review.
Service providers and suppliers	As an externally managed investment Company, RKW relies on a diverse range of advisors to support the Company in meeting all its relevant obligations including: the company secretary, administrator, auditors, registrar, depositary and brokers.	The board maintains regular contact with its key external providers and receives regular reporting from them, both through the board and committee meetings, as well as outside of the regular meeting cycle.	The Board assesses the performance, fees and continuing appointment of its service providers and suppliers annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service.	No specific action was undertaken in this area during the year, however the new investment manager on behalf of the board has been conducting a full review of suppliers post year-end which is leading to various supplier changes, and cost reductions. Details will be provided when the process is complete.
Regulators	RKW can only operate with the approval of its regulators who have a legitimate interest in how the Company operates in the market and treats its shareholders.	The Company continues to monitor and ensure its compliance with the relevant regulatory, legal and statutory obligations along with corporate governance best practice.	The board reviewed its compliance with the AIC Code of Governance published in February 2019 to assess the extent of its compliance and identify any gaps. Regular updates are received from the company secretary on governance matters to inform the board of any changes in market practice or any legal or statutory obligations which could affect the Company.	No specific action required

SGH Company Secretaries Limited
Company Secretary

22 June 2022

Audit Committee Report

The Audit Committee is now chaired by Ken Lever who assumed the role when the previous Chair, Charles Berry, stepped off the board. The other member is Graham Bird. Ken Lever is a Chartered Accountant and is the Audit Committee Chair of Vertu Motors plc. Until recently he also was the Audit Committee Chair of Blue Prism plc. The Chair is considered to have recent and relevant financial experience and the Audit Committee, as a whole, has competence in the investment company sector. The Chair of Rockwood Strategic plc and the investment manager are not members of the committee but are invited to attend meetings of the committee from time to time. Representatives of the Company's auditor attend the committee meetings at which the draft half year and full year accounts are reviewed. The auditor is given the opportunity to speak to the committee members without the presence of the manager.

The Audit Committee operates within a scope and remit defined by specific terms of reference determined by the board. The committee meets twice a year to review and discuss the Company's half-year and full year accounts.

The principal areas of focus of the committee are:

- Monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- Review the significant issues/judgements relating to the financial statements, and how these issues were addressed;
- Ensure that the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- Review and make recommendations to the board relating to the content of the Financial Statements and accompanying narrative included within the Annual Report;

- Review and assess the independence, objectivity and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the independent auditor;
- Approve the remuneration of the independent auditors; and
- Monitor and review the effectiveness of the Company's internal financial controls, internal control and risk management systems.

Principal activities during the year

- Considered the independent auditor's annual scope and report on the full year accounts and the key areas of focus;
- Reviewed the full year and half-year results, including the underlying accounting issues, judgements and estimates and the processes underpinning the preparation of those documents;
- Considered the report prepared by the third party service provider with respect to the review of internal controls, accounting systems and processes used to prepare the financial information,
- Reviewed the information presented in the half-year and full year reports to assess whether, taken as a whole, the reports are fair, balanced and understandable and the information presented enable the shareholders to assess the Company's performance and strategy;
- Reviewed and recommended the reappointment of BDO LLP as the external auditor for the Company and agreed the remuneration of the Auditor; and,
- Reviewed the need to establish or otherwise an internal audit function.
- Oversaw the inclusion of financial information contained in the circular to shareholders prepared for each of the extraordinary meetings of shareholders.

- Oversaw the accounting required for the return of capital to shareholders through the B share scheme and tender offer during the year.
- Reviewed the background to the need to include a tax liability in the accounts following the change to the tax legislation in 2020 with regard to the use of carry forward tax losses (as referred to in the chairman's statement).
- Reviewed the accounting and disclosures with respect to related party transactions as set out in note 15 to the financial statements.

Independent Auditor

BDO LLP has been the independent auditor for the Company since 2014. The committee reviews the appointment of BDO LLP each year, taking into account relevant legislation, guidance and best practice appropriate for a company of its size, nature and stage of development. The committee meets with the independent auditor at least once a year at the time of the approval of the full year results.

Each year the performance of the independent auditor and the effectiveness of the audit process are considered by the board including consideration of the independence and objectivity of the Independent Auditor. The committee is satisfied with the effectiveness of the independent auditor and recommends the reappointment of BDO LLP as the independent auditor for the Company at its 2022 AGM.

The breakdown of fees between audit and non-audit services paid to BDO LLP during the financial year is set out in note 4 of the Financial Statements.

Ken Lever Chair, Audit Committee

22 June 2022

Director's Remuneration Report

The report on directors' remuneration for the year-ended 31 March 2022 is set out in the table below. As mentioned previously, the full board undertake the role of the Remuneration Committee given the size of the Board.

Furthermore, as the Company is an externally managed investment company with no employees or executive directors, the board does not consider it appropriate to put in place a remuneration policy. The fees paid to the board are reviewed periodically and may also be reviewed when new non-executive directors are recruited to the board. The directors' fees were last reviewed and increased in 2020.

The fees payable per annum in respect of each of the directors who served during the financial year were as follows:

	31 March 2022 (£)	31 March 2021 (£)
Noel Lamb	40,000	n/a
Kenneth Lever	27,500	27,500
Graham Bird	27,500	n/a
Simon Pyper	27,500	n/a
(As Interim Chair)	37,500	n/a
David Potter	55,000	55,000
Charles Berry	27,500	27,500
Helen Sinclair	27,500	27,500
Total annual fees payable as at the Year End	95,000	137,500

The total aggregate annual fees payable to directors under the Company's Articles of Association (Articles) is £250,000. As per the Company's Articles, directors are entitled to be paid all reasonable expenses properly incurred in the performance of their duties as directors including their expenses travelling to and from board and committee meetings.

As the board is solely composed of non-executive directors, the consideration of their remuneration does not involve any variable or performance-related bonuses, or other benefits such as pensions. The level of remuneration has been set in order to attract individuals of a calibre appropriate to the future development of the Company and reflects the duties and responsibilities of the directors and the value and amount of time committed to the Company's affairs.

Directors and their interests

The directors serving during the year-ended 31 March 2022 had the following interests in the share capital of the Company:

	As at 23 June 2022	As at 31 March 2022	As at 31 March 2021
Noel Lamb	1,500	1,500	0
Kenneth Lever	3,555	3,555	5,830
Graham Bird	17,462	17,462	22,651
Simon Pyper	n/a	0	0
David Potter	n/a	29,483	29,483
Charles Berry	n/a	3,980	2,550
Helen Sinclair	n/a	2,277	2,277

Director's Report

The contents of the Strategic Report are spread between the Chairman's Statement and Investment Manager's Report. The directors present their Annual Report and the audited financial statements for the year-ended 31 March 2022.

Activities

Rockwood Strategic plc (the Company) is an AIM-quoted investment company invested in a focused portfolio of smaller UK public companies. The strategy identifies undervalued

shares, where the potential exists to improve returns and where the company is benefitting, or will benefit, from operational, strategic or management changes. These unlock, create or realise shareholder value for investors.

The Company has no employees but has a board consisting of three non-executive directors.

Directors

The directors in office at the date of this Annual Report are shown on page 3.

Substantial shareholdings

As at the date of this report, the Company has been notified of the following substantial interests representing 3% or more of its total voting rights:

Shareholder	% of total voting rights
Harwood Capital	28.9%
James Sharp & Co	7.2%
Unicorn Asset Management	5.4%
River & Mercantile Asset Management	4.9%
Smith & Williamson Investment Management	4.3%
Investec Wealth & Investment	3.9%
Local Pension Partnership	2.5%
Premier Miton Investors	2.5%

Dividends

The Directors have not recommended the payment of a final dividend in respect of the year-ended 31 March 2022. During the year shareholders received a significant return of capital through the B share scheme.

Financial risk management

The principal risks and uncertainties regarding the Company's future financial performance are set out in note 13 of the financial statements. The directors do not consider that the Company faces any significant credit risk, liquidity risk or cash flow risk.

Going Concern

The directors consider the Company to be well placed to operate for at least twelve months from the date of this report, as the Company has sufficient cash liquidity to pay its liabilities as and when they fall due and also to invest in new opportunities as they arise.

The cash and publicly tradeable investments when compared to the non-discretionary cash outflows of the company are more than sufficient to allow the company to continue to meet these commitments, even if investee companies cease to be able to pay dividends or loan stock interest. This has been further discussed in Note 1 to the financial statements.

Share price

The average share price of the Company's quoted Ordinary Shares in the year ended 31 March 2022 was 1,491.90 pence. In the year the share price reached a maximum of 1,710.70 pence and a minimum of 1334.71 pence. The closing share price on 31 March 2022 was 1,420.0 pence.

Subsequent events

Following the financial year-end on, 1,449,763 shares voted to approve a change of Investment Policy.

Audit information

Each of the directors who held office at the date of approval of the Report of the directors confirms that:

- (1) So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) The director has taken all the steps that they should have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Annual General Meeting

The Notice of Annual General Meeting to be held at 11:00am on Tuesday 13 September 2022 is set out on pages 43-45. Details of the business to be transacted are outlined below:

Report and accounts

As required by company law, the annual report and accounts will be laid before shareholders.

Re-election of directors

Each of the directors will stand for re-election at the AGM.

Auditor

The re-appointment of BDO LLP as auditor and a resolution allowing the Directors to determine their remuneration.

Directors' authority to allot shares

The directors are seeking the usual authority to allot shares. Resolution 6 in the Notice of Annual General Meeting seeks authority to allot Ordinary Shares up to an aggregate nominal amount of £419,272.00 (being an amount equal to 33% of the total issued share capital of the Company as at the date of this report).

Authority to allot shares outside of pre-emption rights

Subject to the passing of resolution 5, resolutions 6 and 7 will allow the Company to issue, in aggregate, up to 20 per cent. of the number of Ordinary Shares in issue as at 31 March 2022, and to sell Ordinary Shares held in treasury for cash as if section 561 of the Companies Act 2006 did not apply. The Directors recognise that this authority is beyond the standard 10 per cent. sought by investment companies, but believe that the passing of both resolution 6 and resolution 7 is in the interests of Shareholders, given that the authority is intended to be used to fund future acquisitions of investments in line with the Company's investment policy, thereby mitigating the potential dilution of investment returns for existing Shareholders. Furthermore, new Ordinary Shares issued under this authority will only be issued at a minimum price equal to the relevant prevailing net asset value per share plus a premium to cover any expenses of the relevant issue and therefore should not be dilutive to the net asset value ("NAV") per existing share.

If resolution 6 is passed but resolution 7 is not passed, Shareholders will only be granting Directors the authority to allot up to 10 per cent. of the existing issued Ordinary Share capital of the Company.

Authority to make market purchases of the Company's own shares

Resolution 8, which is a special resolution, will give the Company authority to make market purchases of up to 381,157 Ordinary Shares, representing 14.99% of the Company's issued ordinary share capital (excluding treasury shares) as at the date

of this report (the latest practicable date before publication of this document).

The resolution sets minimum and maximum prices. The Directors will only use this authority to undertake a further share buyback and consider it useful to retain the authority for the future in case circumstances alter.

The authorities contained in Resolutions 5 to 8 will continue until the AGM of the Company in 2022, or 30 September 2023 if earlier. It is intended that renewal of these authorities will be sought at each AGM.

Adopt a new set of Articles of Association

Resolution 9, which is a special resolution, will allow the Company to adopt a new set of Articles of Association, in substitution for the existing Articles of Association. The new Articles of Association would allow general meetings of the shareholders and meetings of the directors to be held both in person and electronically. The new Articles of Association also allow unclaimed dividends to be recovered by the Company after 6 years has elapsed, rather than 12 years. The Articles would also allow for the sale of shares held by shareholders that are untraceable for a period of 6 years rather than for a period of 12 years, although this provision is not currently anticipated to be used.

Recommendation

The board considers that the passing of the resolutions to be proposed at the AGM is in the interests of the Company and its shareholders as a whole and they unanimously recommend that shareholders vote in favour of those resolutions.

Approved by the Board of Directors and signed on its behalf

**SGH Company Secretaries Limited
Company Secretary**

22 June 2022

Directors' Responsibility Statement

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 Company financial statements in accordance with UK adopted International Accounting 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 Company and of the profit or loss of the 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 accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. The Directors consider the Annual Report and the financial statements, taken as a whole, provide the information necessary to assess the Company's position, performance and strategy and is fair, balanced and understandable.

Website publication

The directors are responsible for ensuring that the Annual Report and Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the Financial Statements contained herein.

Independent Auditor's Report

Independent auditor's report to the members of Gresham House Strategic plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Rockwood Strategic plc ("the Company") for the year ended 31 March 2022 which comprise the statement of comprehensive income, statement of financial position, statement of cashflows, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included: agreeing the inputs and assumptions within the forecast that forms the basis of the Board's assessment of the going concern status of the Company, to supporting

documentation and our own understanding of the Company. Considered the impact of the change in the investment strategy on the financial statements. We performed stress testing of extreme downside scenarios and cash flow forecasts, as well as conducting a robust review of the Company's liquidity position by reviewing the cash available to the entity against the operating costs.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matter	2021	2020
Valuation of investments	Yes	Yes
Materiality	<i>Financial statements as a whole</i>	
	£540k (2021: £670k) based on 1.25% (2021: 1.25%) total assets (2021: valuation of the investment portfolio).	

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of

management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Independent Auditor's Report (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How our audit addressed the key audit matter
<p>Valuation of Investments</p> <p>Valuation of Investments (See accounting policy on Note 1 and note 8)</p>	<p>Investments are primarily held in quoted companies (91% of portfolio value) which should not generally require significant judgement in their valuation.</p> <p>However, there is a higher level of estimation uncertainty involved in determining the unquoted investment valuations, making up 9% of the portfolio.</p> <p>The funds performance is largely based on the returns on these investments which is, in turn, driven by the valuation. As such, there is a potential risk of overstatement of investment valuations, although this is mitigated to an extent by the valuations being produced by the administrator and reviewed and approved by the Board.</p> <p>Due to the significance of this balance we considered it to be a key audit matter.</p>	<p>In respect of 100% of the quoted investments, we performed the following procedures:</p> <ul style="list-style-type: none"> → Agreed all additions and disposals to supporting contract notes → Confirmed that bid price has been used by agreeing to externally quoted prices; → Re-performed the calculation of the value attributable to the company based on the closing bid price → In respect of the ownership of investments we obtained direct confirmation from the custodian regarding all investments held at the balance sheet date. <p>For 100% of the unquoted investments, being the debt instruments held at fair value, we performed the following procedures:</p> <ul style="list-style-type: none"> → Agreed security held to the bond subscription agreement and considered the recoverability of loans through consideration of the investee company's ability to repay them through review of recent financial information → Checked that the assumption that fair value is not significantly different to par value by challenging the assumption that there is no significant movement in the market interest rate since acquisition by comparing the par value to the Investment Manager's assessment of the fair value of the loan instruments → Checked that the treatment of accrued redemption premium/other fixed returns in line with the requirements of applicable accounting standards → Checked whether there was a need for impairment through review of the investee's recent trading information and performance reports → Checked that the inputs and assumptions applied in valuing conversion options where applicable and benchmarked these to publicly available information. <p>Key observations:</p> <p>Based on the procedures performed we did not identify any matters to suggest that the valuation of investments was not appropriate.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2022	2021
Materiality	£540k	£670k
Materiality Basis for determining materiality	1.25% value of total assets	1.25% value of investment portfolio
Rationale for the benchmark applied	Total assets has been used as a basis as there were significant disposals during the period, significantly changing the composition of the investments and cash. The cash is available to reinvest. The Asset value of the Company is a key indicator of the performance and as such the most relevant benchmark for the users of the financial statements.	The value of the investment portfolio is the largest contributor to the Net Asset Value of the Company, which is a key indicator of performance and as such the most relevant benchmark for the users of the financial statements.
Performance materiality	£405k	£500k
Basis for determining performance materiality	75%, we considered a number of factors including the expected total value of known and likely misstatements (based on past experience and other factors) and management's attitude towards proposed adjustments.	75%, we considered a number of factors including the expected total value of known and likely misstatements (based on past experience and other factors) and management's attitude towards proposed adjustments.

Lower testing threshold

We also determined that for items impacting realised return, a misstatement of less than materiality for the financial statements as a whole, could influence the economic decisions of users. As a result, we determined a lower testing threshold for these items based on 5% gross expenditure, excluding performance fees (2021: 10% gross expenditure, excluding performance fees) of £124k (2021: £165k).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £27k (2021: £30k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report (continued)

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> → the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and → the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. <p>In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.</p>
Matters on which we are required to report by exception	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> → adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or → the 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006 and applicable accounting standards.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements.

Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the Board and relevant Service Organisations;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

We consider Investments and management override of control to be areas whereby the financial statements are susceptible to material misstatement. Unquoted investments involve significant judgments and therefore are subject to bias. Management override can manifest itself through the posting of inappropriate journals or through the selection of inappropriate accounting policies or estimates.

We addressed the risk of management override of internal controls, including targeted testing of journals based on risk-based criteria and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We also considered the risk that the valuation of the investment portfolio was subject to bias from the Investment Manager, as described in the Key Audit Matter section above.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and

regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Peter Smith, Senior Statutory Auditor

For and on behalf of BDO LLP, Statutory Auditor
London, UK

22 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

for the year ended 31 March 2022

	Notes	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Gains on investments	8	20,007	19,837
Revenue			
Bank interest income		1	2
Loan note interest income	8	563	753
Portfolio dividend income		99	-
Other income		-	1
		663	756
Administrative expenses			
Directors fees and other staff costs	3	(173)	(148)
Performance fee	11	(2,772)	(2,294)
Other costs	4	(2,302)	(1,539)
Total administrative expenses		(5,247)	(3,981)
Profit before taxation		15,423	16,612
Taxation	5	(1,580)	-
Profit for the financial year		13,843	16,612
Attributable to:			
- Equity shareholders of the Company		13,843	16,612
Basic and Diluted earnings per ordinary share for profit from continuing operations and for profit for the year (pence)	6	428.76p	477.24p

There are no components of other comprehensive income for the current year (2021: None), all income arose from continuing operations.

Statement of Financial Position

as at 31 March 2022

	Notes	31 March 2022 £'000	31 March 2021 £'000
Non-current assets			
Investments at fair value through profit or loss	8	31,609	53,888
		31,609	53,888
Current assets			
Cash and cash equivalents		10,507	1,605
Trade and other receivables	9	1,019	99
		11,526	1,704
Total assets		43,135	55,592
Current liabilities			
Trade and other payables	10	(547)	(641)
Tax liability		(1,580)	-
Performance fee payable	11	-	(2,294)
Total liabilities		(2,127)	(2,935)
Net current assets/(liabilities)		9,399	(1,231)
Net assets		41,008	52,657
Equity			
Issued capital	12	1,281	1,751
Share premium		13,063	13,063
Revenue reserve	14	15,320	26,969
Capital redemption reserve		11,344	10,874
Total equity		41,008	52,657

The NAV per share on 31 March 2022 is 1,613.8 pence (2021: 1,512.8 pence)

These financial statements were approved and authorised for issue by the Board of Directors on 22 June 2022. Signed on behalf of the Board of Directors.

Noel Lamb
Chairman

Kenneth Lever
Director

Statement of Cash Flows

for the year ended 31 March 2022

	Notes	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Cash flow from operating activities			
Cash flow from operations	a	(7,306)	(783)
Portfolio dividend income		99	-
Net cash outflow from operating activities		(7,207)	(783)
Cash flows from investing activities			
Purchase of investments	8*	(1,457)	(14,943)
Sale of investments	8*	43,122	11,334
Net cash inflow/(outflow) from investing activities		41,665	(3,609)
Cash flows from financing activities			
Dividends paid	7	(535)	(867)
Return of Capital B Share Scheme and Tender Offer		(25,021)	-
Net cash outflow from financing activities		(25,556)	(867)
Change in cash and cash equivalents		8,902	(5,259)
Opening cash and cash equivalents		1,605	6,864
Closing cash and cash equivalents		10,507	1,605

Note

a) Reconciliation of profit for the year to net cash outflow from operations

		£'000	£'000
Profit for the year	2	13,843	16,612
Rolled up interest		(224)	(345)
Gains on investments	8	(20,007)	(19,837)
Portfolio dividend income		(99)	-
Adjustment for accrued interest on redemption/conversion		(16)	-
Operating loss		(6,503)	(3,570)
Decrease in trade and other receivables		(65)	(33)
(Decrease)/Increase in trade and other payables		(738)	2,820
Net cash outflow from operations		(7,306)	(783)

* The purchase and sale of financial investments are the cash paid or received during the year and exclude unsettled investments as at 31 March 2022.

Statement of Changes in Equity

for the year ended 31 March 2022

	B shares £'000	D shares £'000	Ordinary Share Capital £'000	Share Premium £'000	Revenue Reserve £'000	Capital Redemption Reserve £'000	Total Equity £'000
Balance at 31 March 2020	-	10	1,741	13,063	11,224	10,874	36,912
Profit and total comprehensive income for the year	-	-	-	-	16,612	-	16,612
Total profit and comprehensive income for the year	-	10	1,741	13,063	27,836	10,874	53,524
Contributions by and distributions to owners							
Share buy back	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(867)	-	(867)
Balance at 31 March 2021	-	10	1,741	13,063	26,969	10,874	52,657
Profit and total comprehensive income for the year	-	-	-	-	13,843	-	13,843
Total profit and comprehensive income for the year	-	10	1,741	13,063	40,812	10,874	66,500
Contributions by and distributions to owners							
Share buy back	-	-	(470)	-	-	470	-
Dividends paid	-	-	-	-	(535)	-	(535)
Return of unclaimed special dividends and capital payments	-	-	-	-	64	-	64
Tender Offer	-	-	-	-	(14,578)	-	(14,578)
Issue of B Shares	10,443	-	-	(10,443)	-	-	-
Redemption of B Shares	(10,443)	-	-	10,443	(10,443)	-	(10,443)
Balance at 31 March 2022	-	10	1,271	13,063	15,320	11,344	41,008

Notes to the Financial Statements

1. Basis of preparation and significant accounting policies

Rockwood Strategic Plc (the Company) is a company incorporated in the UK and registered in England and Wales (registration number: 03813450). The Company was formerly named Gresham House Strategic Plc but took the opportunity to change the Articles of Association at a General Meeting held on 15 December 2021 to permit the Directors to change the company's name by a resolution of the Board. Accordingly, the name was changed to Rockwood Realisation Plc on 23 December 2021. The company subsequently changed its name to Rockwood Strategic Plc on 4 May 2022 (Note 16). The accounting policies applied are consistent with the prior year.

Basis of preparation

These financial statements for year ended 31 March 2022 have been prepared in accordance with UK adopted International Accounting Standards.

The financial statements are prepared on a historical cost basis except for the revaluation of certain financial instruments stated at fair value. Standards and interpretations applied for the first time have had no material impact on these financial statements.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report and Investment Manager's Report. The key risks facing the business and management's policy and practices to manage these are further discussed in note 13.

Going concern

In assessing the Company as a going concern, the Directors have considered the market valuations of the portfolio investments, the current economic outlook and forecasts for Company costs.

A formal decision was taken for a Managed Wind-Down of the Company and associated adoption of the New Investment Policy on 15 December 2021. Subsequently, Gresham House plc (Gresham), the parent company of its former investment manager sold its entire c.23.7% interest (being 602,866 ordinary shares) in the Company to a number of institutional investors, including the current investment manager, Harwood Capital LLP (Harwood). Harwood now owns 28.9% of the Company's issued share capital.

Harwood indicated to the Board that it believes that the investing policy does not operate in the best interests of the Company's shareholders and should be reviewed. The Board therefore engaged with Harwood, in its capacity as both the Company's investment manager and largest shareholder, to consider whether a change of investing policy is warranted.

The Board convened a general meeting for Shareholders to vote on a proposal to change its investment strategy from its current realisation strategy to instead enable the Company to continue as a going concern and to make new investments (the Proposal).

Shareholders voted in favour of the resolution to re-start active investing in U.K. small companies at a general meeting on 25 April 2022.

The Company is in a net asset position of £41.0 million (2021: £52.7 million) and approximately 91% of the Company's portfolio of Investments consist listed equities which, should the need arise, can be liquidated to settle liabilities. There are no other contractual obligations other than those already in existence and which are predictable.

The Company's forecasts and projections, taking into account the current economic environment and other factors, including reasonably possible changes in performance, show that the Company is able to operate within its available working capital and continue to settle all liabilities as they fall due for the foreseeable future. The Company has consistent, predictable ongoing costs and major cash outflows, such as for the payment of dividends, are at the full discretion of the Board.

Therefore, the directors taking into the consideration the above assessment are satisfied that the company will be able to settle their liabilities as they fall due and therefore is a going concern and the financial statements are prepared on this basis.

1. Basis of preparation and significant accounting policies (continued)

Financial instruments:

Trade debtors and creditors

Trade debtors and creditors are held at amortised cost and are accounted for at transaction value when an asset or liability is incurred as these are short term in nature.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Investments at fair value through profit or loss

Investments are included at valuation on the following basis:

- (a) Quoted investments are recognised on trading date and valued at the closing bid price at the year end.
- (b) Unquoted Investments are valued according to the to the Directors' best estimate of the Company's share of that investment's value. This value is calculated in accordance with the International Private Equity and Venture Capital Valuation Guidelines (the IPEV of December 2018 and the special valuation guidance issued in March 2020) and industry norms which include calculations based on appropriate earnings or sales multiples.

The core principles of the IPEV guidelines are:

- Fair Value should be estimated at each Measurement Date (each time Fair Value based Net Asset Value (NAV) is reported to investors (LPs)).
- The Price of a Recent Investment (if deemed Fair Value) should be used to calibrate against the alternative valuation methodologies.
- Calibration is required by accounting standards.
- Market Participant perspectives should be used to estimate Fair Value at each Measurement Date.

After considering individual facts and circumstances and applying these Guidelines, it is possible that Fair Value at a subsequent Measurement Date is the same as Fair Value as at a prior Measurement Date. This means that Fair Value may be equal to the Price of a Recent Investment; however, the Price of a Recent Investment is not automatically deemed to be Fair Value.

For measurement purposes, investments, including equity, loan and similar instruments, are designated at fair value through profit and loss, and are valued in compliance with IFRS 9 'Financial Instruments', IFRS 13 'Fair Value Measurement' and the IPEV Guidelines as recommended by the British Venture Capital Association.

The Directors consider that a substantial measure of the performance of the Company is assessed through the capital gains and losses arising from the investment activity of the Company.

Gains and losses on the realisation of investments are recognised in the statement of comprehensive income for the year and taken to retained earnings. The difference between the market value of financial investments and book value to the Company is shown as a gain or loss for the year and taken to the statement of comprehensive income.

Revenue

Dividends receivable on unquoted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received.

Dividends receivable on quoted equity shares are brought into account when the right to receive payment is established and the amount of the dividend can be measured reliably.

Interest receivable is included on an effective interest rate basis.

Notes to the Financial Statements (continued)

1. Basis of preparation and significant accounting policies (continued)

Taxation

The tax expense included in the statement of comprehensive income comprises of current and deferred tax. Current tax is the expected tax payable based on the taxable profit for the year, using tax rates that have been enacted or substantially enacted by the reporting date. Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit and are accounted for using the statement of financial position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognised in equity.

Performance fee

The Board terminated the Investment Management Agreement with Gresham House Management Ltd (GHAM) on 11 October 2021.

Under the terms of the restated Investment Management Agreement (7 April 2022), the Company will pay the Investment Manager a performance fee equal to 10 per cent. of outperformance over the higher of a 6 per cent. per annum total return hurdle and the high watermark. The 6 per cent. per annum compounds weekly and the performance fee is calculated annually. Provided that the Company's average NAV is at or below £100 million, performance fees in any performance fee period are capped at 3 per cent. of the Company's average NAV for the relevant performance fee period. In such instance, performance fees in excess of the 3 per cent. cap will not be paid and will instead be deferred into the next performance fee period. If the average NAV exceeds £100 million, the performance fee shall be further limited such that the combined investment management and performance fees shall not exceed 3 per cent. of the Company's average NAV. In such instance, performance fees in excess of the cap will not be deferred and will not become payable at any future date.

The performance fee is calculated annually for each performance fee period, which is aligned with the Company's accounting year. It is accounted for on an accrual basis and is recognised in the statement of comprehensive income once a performance fee is triggered during the performance fee period.

Harwood Capital LLP (Harwood) was appointed as the new Alternative Investment Fund Manager on 10 October 2021. Based on the new agreement with Harwood, a performance fee is not payable by the Company for the period from 10 October 2021 to 31 March 2022.

Foreign exchange

Transactions denominated in foreign currencies are translated into the functional currency at the rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the rates ruling at that date. These translation differences are recognised in the statement of comprehensive income.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. It also requires Management to exercise their judgement in the process of applying the accounting policies. The main area of estimation is in the inputs used in determination of the valuation of the unquoted investments in Note 8. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The majority of the portfolio is valued on bid price which factors in the anticipated impact of climate and ESG related issues on the portfolio companies, therefore these are incorporated into the valuations.

Management believes that the underlying assumptions are appropriate and that the Company's financial statements are fairly presented.

Segmental analysis

There is only one operating segment of the business – investment activities. The performance measure of investment activities considered by the Board is profitability and is disclosed on the face of the statement of comprehensive income.

1. Basis of preparation and significant accounting policies (continued)

New Standards issued but not yet effective

Standards and amendments will be effective for annual reporting periods beginning on or after 1 January 2023 and which have not been early-adopted by the Company include:

- IAS 1 and IFRS Practice Statement 2 -Disclosure of Accounting Policies
- IAS 8 -Definition of Accounting Estimates
- IAS 12 - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

These standards and amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore detailed disclosures have not been provided.

2. Statement of comprehensive income

The Company's profit for the year was £13.843 million (2021: profit of £16.612 million).

The Company has recognised gains on investments through the statement of comprehensive income of £20.007 million (2021: income of £19.837 million).

3. Information regarding Directors and employees

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Directors' remuneration summary		
Basic salaries	161	138
Social security costs	12	10
	173	148

	Year ended 31 March 2022			Year ended 31 March 2021		
	Emoluments £'000	Social Security costs £'000	Total £'000	Emoluments £'000	Social Security costs £'000	Total £'000
Analysis of Directors' remuneration						
C Berry (Resigned on 22 November 2021)	25.9	-	25.9	27.5	-	27.5
D Potter (Resigned on 11 June 2021)	24.4	-	24.4	55.0	-	55.0
H Sinclair (Resigned on 5 November 2021)	41.3	-	41.3	27.5	-	27.5
K Lever	27.5	-	27.5	27.5	-	27.5
G Bird (Appointed 10 June 2021)	22.2	-	22.2	-	-	-
S Pyper (Resigned on 31 March 2022)	11.4	-	11.4	-	-	-
N Lamb (Appointed on 20 January 2022)	8.3	-	8.3	-	-	-
Social security costs	-	12	12	-	10	10
	161.0	12	173.0	137.5	10	147.5

The Company has no employees.

	Year ended 31 March 2022 No.	Year ended 31 March 2021 No.
Directors		
Investment and related administration	3	4
	3	4

As at 31 March 2022, the Board comprises 1 Chairman and 2 Non-executive Directors (2021: 1 Chairman and 3 Non-executive Directors).

Notes to the Financial Statements (continued)

4. Other costs

Profit for the year has been derived after taking the following items into account:

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Auditors remuneration		
Fees payable to the current auditor for the audit of the Company's annual financial statements	40	34
Fees payable to the Company's current auditor and its associates for other services:		
Fees for agreed upon procedures in relation to financial information	10	-
Fees for agreed upon procedures for performance fee	5	-
Fees paid for review of interim report	3	-
Other services relating to taxation	5	10
Under provision of tax fee	3	-
Recharge cost	1	-
Analysis of other costs:		
Professional fees*	1,539	534
Management fee	593	832
Other general overheads	103	129
	2,302	1,539

* The company's corporate activity during the year led to significant costs, with professional fees totalling £0.67m and legal fees totalling £0.37m.

5. Taxation

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
UK corporation tax		
Corporation tax liability at 19% (2021: 19%)	1,580	-
	1,580	-
Current tax	1,580	-
Deferred tax	-	-
Tax on profit from ordinary activities	1,580	-

Factors affecting the tax charge for the current period

The tax assessed for the year is different than that resulting from applying the standard rate of corporation tax in the UK: 19% (2021: 19%).

The differences are explained below:

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Current tax reconciliation		
Profit before taxation	15,423	16,612
Current tax charge at 19% (2021: 19%)	2,930	3,156
Effects of:		
Non-taxable income	(553)	(3,396)
Non-deductible expenditure	21	-
Chargeable gains	(27)	-
Deferred tax not recognised	(791)	240
Tax on profit on ordinary activities	1,580	-

5. Taxation (continued)

Deferred tax

There remains an unrecognised deferred tax asset in respect of tax losses and other temporary differences. The unrecognised deferred tax asset is £34 million (2021: £29 million) for the Company. The increase in the balance for unrecognised deferred tax is due to the rate of corporation tax being raised to 25% with effect from 1 April 2023. The assessed loss on which no deferred tax has been recognised amounts to £136 million (2021: £152 million).

An estimated deferred tax liability on the unrealised gains in the portfolio at year end is de-minimus (approximately £29k) and has therefore not been recognised as a liability due to the likelihood that brought forward losses in the future will offset this amount.

The movement in the year is taken to the statement of comprehensive income.

6. Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to ordinary shareholders by the weighted average number of Ordinary Shares during the year. Diluted earnings per share is calculated by dividing the profit/loss attributable to shareholders by the adjusted weighted average number of Ordinary Shares in issue.

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Earnings		
Profit for the year	13,843	16,612
Number of shares ('000)		
Weighted average number of ordinary shares in issue for basic EPS	3,229	3,481
Weighted average number of ordinary shares in issue for diluted EPS	3,229	3,481
Earnings per share		
Basic EPS	428.76p	477.24p
Diluted EPS	428.76p	477.24p

As at 31 March 2022, the total number of shares in issue was 2,541,046 (2021: 3,480,884). During the year, the Company cancelled nil Treasury shares (2021: nil). A Tender Offer was made during the year and 939,838 shares were bought back by the Company (2021: nil). There are no share options outstanding at the end of the year.

7. Dividends

The Company paid £534,664 in dividends to shareholders in the year ended 31 March 2022 (2021: £866,740). Unclaimed historic dividends amounting to £63,834 were reclassified to revenue reserve during the year (2021: nil).

Notes to the Financial Statements (continued)

8. Investments at fair value through profit or loss

	Year ended 31 March 2022						Value at 31 March 2022 £'000
	Value at 1 April 2021 £'000	Additions £'000	Disposal proceeds £'000	Gain on disposals £'000	Revaluation £'000	Transfer between levels £'000	
Investments in quoted companies (Level 1)	47,565	596	(41,173)	15,667	4,298	1,739	28,692
Other unquoted investments (Level 3)	6,323	1,079	(2,788)	-	42	(1,739)	2,917
Total investments at fair value through profit or loss	53,888	1,675	(43,961)	15,667	4,340	-	31,609

	Year ended 31 March 2021						Value at 31 March 2021 £'000
	Value at 1 April 2020 £'000	Additions £'000	Disposal proceeds £'000	Gain on disposals £'000	Revaluation £'000	Transfer between levels £'000	
Investments in quoted companies (Level 1)	23,558	13,680	(8,246)	1,165	17,408	-	47,565
Other unquoted investments (Level 3)	6,402	1,545	(2,888)	796	468	-	6,323
Total investments at fair value through profit or loss	29,960	15,225	(11,134)	1,961	17,876	-	53,888

For the year ended 31 March 2022, there was a transfer from Level 3 to Level 1 of £389,886 Northbridge loan notes converted to equity shares and National World amounting to £1,348,931 converted to equity shares as a result of its admission to AIM. For the year ended 31 March 2021, there were no transfers of the investments between the fair value hierarchy levels.

The revaluations and gains on disposal above are included in the statement of comprehensive income as gains on investments.

	Value at 31 March 2022 £'000	Value at 31 March 2021 £'000
Opening valuation	53,888	29,960
Acquisitions	1,675	15,225
Unrealised and realised gains on investment	20,007	19,837
Disposals	(43,961)	(11,134)
Closing valuation	31,609	53,888

The following table analyses investment carried at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurement is categorised. The different levels are defined as follows:

- (i) level one measurements are at quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

8. Investments at fair value through profit or loss (continued)

The fair values of the Company's investments is summarised as follows:

	31 March	
	2022 £'000	2021 £'000
Level 1	28,692	47,565
Level 2	-	-
Level 3	2,917	6,323
	31,609	53,888

Fair values of financial assets and financial liabilities

Financial assets and liabilities are carried in the statement of financial position at either their fair value (investments), or the statement of financial position amount is a reasonable approximation of the fair value (dividends receivable, accrued income, accruals, and cash at bank).

As at 31 March 2022 and 31 March 2021, all investments, except for the investments in the table below, fall into the category 'Level 1' under IFRS 7 fair value hierarchy.

A summary of the level 3 investments are as follows:

	31 March 2022		31 March 2021	
	Investments included	£'000s	Investments included	£'000s
Fair value	The Lakes Distillery Company	2,917	The Lakes Distillery Company	2,693
			Northbridge Industrial Services plc convertible bonds	2,430
			National World PLC	1,200
Contracted sales proceeds in post balance sheet period	None	-	None	-
		2,917		6,323

Valuation policy: Every six months, the investment manager within Harwood Capital LLP is asked to revalue the investments that he looks after and submit his valuation recommendation to the Investment Committee and the finance team. The Investment Committee considers the recommendation made, and assuming the finance team confirm that the investment valuation calculations are correct, submits its valuation recommendations to the Board of the Company to consider. The final valuation decision taken by the Board is made after taking into account the recommendation of the Manager.

Level 3 investments have been valued in accordance with the IPEV guidelines, and represent the following:

- The Lakes Distillery Company plc Convertible Bond was purchased on 20 June 2019. It is valued at fair value which approximates to the bond issue amount plus rolled up "payment in kind" notes and capitalised interest.
- Hanover Co- Invest S.C.A. SICAV-RAIF Sub Fund 1 was purchased on 2 September 2021. It is valued based on the NAV of the Limited Partnership which is a proxy for fair value as its underlying investments are held at fair value. The Company agreed to dispose of the investment in Hanover Co-Invest S.C.A. SICAV-RAIF Sub-Fund 1 on 17 March 2022 to Gresham House Plc or its nominees.
- Northbridge Convertible Bond was purchased on 10 April 2018, and a further investment was made on 3 July 2018. 20% of Northbridge Industrial Services plc loan notes were converted into equity shares and 80% were redeemed on 14 June 2021. The strike price of each option was 90 pence for every £1 nominal value converted into 433,207 ordinary shares. The accrued interest (£32,045) and redemption premium (£389,886) on the loan notes up to this period were paid at the time of redemption therefore no further interest is accrued. As a result of this, there was a transfer from Level 3 to Level 1 of £389,886 Northbridge loan notes converted to equity shares.
- National World plc Bond was purchased on 11 February 2021. It was fully converted into 12,263,013 equity shares on 7 May 2021. The conversion premium and accrued interest up to the date of conversion were given in the form of equity shares and included in the above. As a result of this, there was a transfer from Level 3 to Level 1 of £1,348,931 National World plc loan notes converted to equity shares.

Investments in quoted companies (Level 1) have been valued according to the quoted bid price as at 31 March 2022.

Notes to the Financial Statements (continued)

9. Trade and other receivables

	31 March 2022 £'000	31 March 2021 £'000
Other debtors	1,001	66
Prepayments	18	33
	1,019	99

10. Trade and other payables

	31 March 2022 £'000	31 March 2021 £'000
Other creditors	-	5
Unclaimed historic special dividends and capital payments	356	420
Trade creditors	64	112
Accrued expenses	122	98
Social security	5	6
	547	641

There were no other creditors as at 31 March 2022. (2021: Other creditors of £5k were related to the acquisition of further equities in Van Elle Holdings Plc which was settled in April 2021).

The unclaimed special dividends and capital payments amounting to £420k between the periods of 2009 to 2014 were returned to the company in 2021, out of which £64k was reclassified to revenue reserves during the year as its reclaim period has lapsed. The remaining will be used for the benefit of the company until claimed by the relevant person or forfeited (2021: £420k).

11. Performance fees payable

	31 March 2022 £'000	31 March 2021 £'000
Performance fees payable	-	2,294
	-	2,294

As a result of the Board terminating the investment management contract with GHAM, a performance fee of £2,772k became payable on 11 October 2021 (2021: £2,294k). This was subsequently paid in November 2021 (2021: August 2021).

12. Issued capital

	31 March 2022 £'000	31 March 2021 £'000
Called up, allotted and fully paid:		
2,541,046 (2021: 3,480,884) Ordinary Shares of 50 pence (2021: 50 pence)	1,271	1,741
2,000,000 (2021: 2,000,000) D shares of 0.50 pence (2021: 0.50 pence)	10	10
	1,281	1,751

As at 31 March 2022, the total number of shares in issue were 2,541,046 (2021: 3,480,884).

During the year, the Company established a B Shares Scheme as defined in the circular to Shareholders dated 29 November 2021 to return £10,443k to Shareholders via an issue and redemption of B Shares.

Also during the year, 939,838 Shares were bought back at the Tender Price of 1,551.17 pence with a total cost of £14,578k.

The average share price of Rockwood Strategic Plc quoted Ordinary Shares in the year-ended was 1,491.90 pence. In the year, the share price reached a maximum of 1,710.70 pence and a minimum of 1334.71 pence. The closing share price on 31 March 2022 was 1,420.0 pence.

The Company's shares are listed on London's AIM market under reference RKW.

13. Financial instruments and financial risk management

The Company invests in quoted and unquoted companies in accordance with the investment policy. In addition to investments in smaller listed companies in the UK, the Company maintains liquidity balances in the form of cash held for follow-on financing and debtors and creditors that arise directly from its operations. As at 31 March 2022, £28.7 million of the Company's net assets were invested in quoted investments, £2.9 million in unquoted investments and £11.5 million in liquid balances (31 March 2021: £47.6 million in quoted investments, £6.3 million in unquoted investments and £1.7 million in liquidity).

In pursuing its investment policy, the Company is exposed to risks that could result in a reduction in the value of net assets and consequently funds available for distribution by way of dividend or for re-investment.

The main risks arising from the Company's financial instruments are due to fluctuations in market prices (market price risk), credit and liquidity risk and cash flow interest rate risk; credit risk and liquidity risk are also discussed below. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These have been in place throughout the current and preceding years.

All financial assets with the exception of investments, which are held at fair value through profit or loss, are categorised as financial assets at amortised cost and all financial liabilities are categorised as amortised cost.

a) Market risk

i) Price risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding its investment portfolio in the face of market movements, which was a maximum of £31.6 million (2021: £53.9 million).

The investments in fixed interest stocks of unquoted companies that the Company holds are not traded and as such the prices are more uncertain than those of more widely traded securities.

The Board's strategy in managing the market price risk is determined by the requirement to meet the Company's investment objective. Risk is mitigated to a limited extent by the fact that the Company holds investments in several companies. At 31 March 2022, the Company held interests in 9 companies (2021: 16 companies). The Directors monitor compliance with the investment policy, review and agree policies for managing this risk and monitor the overall level of risk on the investment portfolio on a regular basis.

Market price risk sensitivity

The Board considers that the value of investments in quoted equity instruments is ultimately sensitive to changes in quoted share prices. The value of investments in CLN, where the valuation methodology is to estimate the value of the conversion option of the instrument, is similarly linked to quoted share prices. The table below shows the impact on the return and net assets if there were to be a 25% (2020: 25%) movement in overall share prices.

As at 31 March 2022

Security	Valuation basis	Fair value	+25%		-25%	
			Impact £'000	Impact per share (in pence)	Impact £'000	Impact per share (in pence)
Quoted investments	Latest share price	28,692	7,173	282.29	(7,173)	(282.29)

As at 31 March 2021

Security	Valuation basis	Fair value	+25%		-25%	
			Impact £'000	Impact per share (in pence)	Impact £'000	Impact per share (in pence)
Quoted investments	Latest share price	47,565	11,891	341.62	(11,891)	(341.62)
Unquoted investments						
- Northbridge CLN	Bond issue amount + conversion right	2,430	328	9.42	(309)	(8.87)

The impact of a change of 25% (2021: 25%) has been selected as this is considered reasonable given the current level of volatility, observed both on a historical basis, and market expectations for future movement.

Notes to the Financial Statements (continued)

13. Financial instruments and financial risk management (continued)

A sensitivity has not been performed for the other unquoted investments held by the Company, as there is no exposure to market price risk in the valuation methodology applied for these investments. Interest rates are less volatile than market prices; therefore, the company has deemed it inappropriate to consider a 25% upward or downward move in interest rates. Interest rates are determined by monetary policy and have been kept historically low due to quantitative easing and therefore we do not believe that interest rates will be as volatile as share prices.

ii) Currency risk

The Company does not hold any significant assets or liabilities denominated in a currency other than sterling, the functional currency. The transactions in foreign currency for the Company are highly minimal. Therefore, currency risk sensitivity analysis was not performed as the results would not be significantly affected by movements in the value of foreign exchange rates.

iii) Cash flow interest rate risk

As the Company has no borrowings, it only has limited interest rate risk. The impact is on income and operating cash flow and arises from changes in market interest rates. Some of the Company's cash resources are placed in an interest paying current account to take advantage of preferential rates and are subject to interest rate risk to that extent.

b) Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Company.

The Company's maximum exposure to credit risk is:

	31 March 2022 £'000s	31 March 2021 £'000s
Loan stock investments	2,917	6,323
Cash and cash equivalents	10,507	1,605
Trade and other receivables	1,019	99
	14,443	8,027

Credit risk relating to loan stock investments in unquoted companies is considered to be part of market risk.

The Company's cash balances at 31 March 2022 and 2021 were held in institutions currently rated A or better by Fitch. Given these ratings, the Company does not expect any counterparty to fail to meet its obligations and therefore, no allowance for impairment is made for bank deposits.

c) Liquidity risk

The Directors consider that there is no significant liquidity risk faced by the Company. The Company maintains sufficient liquidity in cash and liquid investments to pay accounts payable and accrued expenses. All liabilities are current and repayable upon demand.

14. Capital disclosures

The Company's objective has been to maximise shareholder value from all assets, which in recent years has been to realise its portfolio at the most advantageous time and reinvest the proceeds to grow shareholder value per share over the long-term.

The capital subscribed to the Company has been managed in accordance with the Company's objectives. The available capital at 31 March 2022 is £41.0 million (31 March 2021: £52.7 million) as shown in the statement of financial position, which includes the Company's share capital and reserves.

The total amount of revenue reserve for the year is £15.32 million (2021: £26.969 million) which is fully distributable and can be utilised for any future dividends.

The Company has no borrowings and there are no externally imposed capital requirements other than the minimum statutory share capital requirements for public limited companies.

15. Related party transactions

The related parties of Rockwood Strategic Plc are its Directors, persons connected with its Directors, its previous Investment Manager, Gresham House Asset Management (GHAM), former significant shareholder, Gresham House Plc (Gresham), and its new Investment Manager and significant shareholder Harwood Capital LLP (Harwood). Gresham sold its entire c23.7% interest in March 2022 to a number of institutional investors, including Harwood, making Harwood a significant shareholder.

During the year to 31 March 2022, Rockwood Strategic Plc was charged management fees of £593k (2021: £832k) and performance fee of £2,772k (2021: £2,294k) by Gresham House Asset Management.

The total payable to GHAM is as follows:

Particulars	31 March 2022	31 March 2021
Performance fee (includes VAT)	nil	£2.29 million
Management fee	nil	£0.08 million
Other miscellaneous	nil	£0.01 million
Total	nil	£2.38 million

The company terminated the Investment Management Agreement with Gresham House Asset Management Ltd (GHAM) on 11 October 2021. As a result of termination of this agreement by the Board, no performance fee is payable (31 March 2021: £2,294k).

Harwood Capital LLP, as investment manager, waived its entitlement to both management and performance fees, amounting to £127k (ex. VAT) for the period from their appointment as Investment Management from 11th October 2021 to 15th December 2021 when a wind down resolution passed enacting an amended deed. No fees were payable to the Investment Manager from this date until the investment policy resolution was passed post year end enacting an amended deed.

As at 31 March 2022, the following shareholders of the Company that are related to Harwood and GHAM had the following interests in the issued shares of the Company as follows:

	As at 31 March 2022	As at 31 March 2021
A L Dalwood	21,947 Ordinary Shares	31,183 Ordinary Shares
G Bird	17,462 Ordinary Shares	22,651 Ordinary Shares
Gresham House Holdings Ltd	nil	812,913 Ordinary Shares
Harwood Holdco Limited	734,000 Ordinary Shares	nil
R Staveley	25,689 Ordinary Shares	7,689 Ordinary Shares

The Company signed a co-investment agreement with SPE Fund LP, a sister fund to the Company launched by Gresham House Asset Management Ltd (GHAM) on 15 August 2016. Under the agreement, the Company undertook to co-invest £7.5 million with the SPE Fund LP. This agreement ended after the Investment Agreement with GHAM was terminated by the Board during the year.

The Company agreed to dispose of an investment in Hanover Co-Invest S.C.A. SICAV-RAIF Sub-Fund 1 that was made in mid-2021, to Gresham or its nominees during the year. This investment was acquired by the Company for £855,586 and Gresham agreed to acquire it for the same.

On 1 October 2020, as disclosed in Note 8 of last year's Annual Report, the investment in Hanover Equity Partners II LP was disposed for £214,566 (the current book value at the time of the transfer, therefore at no gain, no loss). This was to the Gresham House Strategic Equity Fund LP, a related party to the former Investment Manager, Gresham House Asset Management Ltd.

The Directors' remuneration and their interest in the Company are disclosed in the Director's remuneration review in the annual report.

Graham Bird, through a Company of which he is a Director of, received payments during the period of £277,951 due to historic carry fee arrangements, accrued when previously fund manager to GHS Plc from Gresham House Plc, which were directly linked to the performance fees paid by the Company to Gresham House Asset Management under the IMA. These arrangements were between Gresham House Plc and Graham Bird and not the Company.

During the year, the Company disposed of its entire holding of 7,044,018 shares in Fulcrum Utility Services Ltd at 12 pence per share through a placing to Harwood Capital LLP.

There are no other related party transactions of which we are aware in the year ended 31 March 2022.

Notes to the Financial Statements (continued)

16. Subsequent events note

Proposal for change of investment strategy, adoption of new investment policy and Notice of General Meeting

The Board convened a General Meeting on 25 April 2022 for Shareholders to vote on a proposal by way of an ordinary resolution (the resolution) to change its investment strategy from its realisation strategy to instead enable the Company to continue as a going concern and to make new investments (the Proposal).

The Proposal was approved by Shareholders and the new investment strategy will be overseen by the Company's current investment manager, Harwood Capital LLP.

With effect from the passing of the Resolution, Harwood will receive the following:

Investment Management Fees:

A monthly management fee of £10,000 (inclusive of VAT, if any) until the company's NAV equals £60 million or higher (NAV threshold).

Once the NAV Threshold has been met, Harwood will be entitled to a management fee of 1/12th of an amount equal to 1 per cent. of the Net Asset Value before deduction of that month's Investment Management Fee and before deduction of any accrued Performance Fees.

Performance Fees:

Harwood will also be entitled to a performance fee equal to 10 per cent. of outperformance over the higher of a 6 per cent. per annum total return hurdle and the high watermark. The 6 per cent. per annum compounding weekly and the performance fee will be calculated annually.

Provided that the Company's average NAV is at or below £100 million, performance fees in any performance fee period will be capped at 3 per cent. of the Company's average NAV for the relevant performance fee period. In such instance, performance fees in excess of the 3 per cent. cap will not be paid and will instead be deferred into the next performance fee period.

Change of Name

Following the change of investment policy, the Company proceeded to change its name to Rockwood Strategic plc on 4 May 2022.

Notice of Annual General Meeting

NOTICE IS GIVEN that the Annual General Meeting of the Company will be held at the offices of Shakespeare Martineau LLP, 60 Gracechurch Street, London EC3V 0HR at 11:00am on Tuesday 13 September 2022 to consider the following resolutions, of which resolutions 1 to 5 will be proposed as ordinary resolutions and resolutions 6 to 9 will be proposed as special resolutions:

Ordinary Resolutions

1. To receive the Annual Report and Accounts for the year-ended 31 March 2022
2. To re-elect Noel Lamb as a Director of the Company
3. To re-elect Ken Lever as a Director of the Company
4. To reappoint BDO LLP as auditors to the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the members and to authorise the Directors to determine their fees.
5. THAT the Directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for, or convert any security into, shares in the Company (Rights) up to an aggregate nominal amount of £419,272.50 during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the next Annual General Meeting of the Company or on 30 September 2023, whichever is earlier, and provided further that the Company shall be entitled before such expiry to make an offer or agreement which would or might require shares

to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights under such offer or agreement as if this authority had not expired.

Special Resolutions

6. THAT, subject to and conditional upon the passing of resolution 5 above, the Directors of the Company be empowered under section 570 of the Companies Act 2006 (the Act) to allot equity securities (within the meaning of section 560 of the Act) for cash and/or to sell or transfer shares held by the Company in treasury (as the directors shall deem appropriate) under the authority conferred on them under section 551 of the Act by resolution 5 above 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 any rights issue or other pro-rata offer in favour of the holders of Ordinary Shares of 50 pence each in the Company where the equity securities respectively attributable to the interests of all such holders of shares are proportionate (as nearly as may be) to the respective numbers of shares held by them, provided that the Directors of the Company may make such arrangements in respect of overseas holders of shares and/or to deal with fractional entitlements as they consider necessary or convenient; and
 - (b) the allotment (otherwise than under sub-paragraph (a) above) of equity securities and/or the sale or transfer of shares held by the Company in treasury (as the Directors shall deem appropriate)

up to an aggregate nominal amount of £127,052.00 (equating to 254,104 Ordinary Shares and representing approximately 10.0% of the ordinary share capital of the Company at the latest practicable date before publication of this Notice).

and this authority shall expire on the earlier of 30 September 2023 or the conclusion of the Company's Annual General Meeting in 2023 provided 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 of the Company may allot equity securities under such offers or agreements as if the power conferred by this resolution had not expired and provided further that this authority shall be in substitution for, and to the exclusion of, any existing authority conferred on the Directors.

7. THAT, subject to and conditional upon the passing of resolution 5 above, and in addition to the authority granted in resolution 6, the Directors of the Company be empowered under section 570 of the Companies Act 2006 (the Act) to allot equity securities (within the meaning of section 560 of the Act) for cash and/or to sell or transfer shares held by the Company in treasury (as the directors shall deem appropriate) under the authority conferred on them under section 551 of the Act by resolution 6 above 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 any rights issue or other pro-rata offer in favour of the holders of Ordinary Shares of 50 pence each in the Company where

Notice of Annual General Meeting (continued)

the equity securities respectively attributable to the interests of all such holders of shares are proportionate (as nearly as may be) to the respective numbers of shares held by them, provided that the Directors of the Company may make such arrangements in respect of overseas holders of shares and/or to deal with fractional entitlements as they consider necessary or convenient; and

- (b) the allotment (otherwise than under sub-paragraph (a) above) of equity securities and/or the sale or transfer of shares held by the Company in treasury (as the Directors shall deem appropriate) up to an aggregate nominal amount of £127,052.00 (equating to 254,104 Ordinary Shares and representing approximately 10.0% of the ordinary share capital of the Company at the latest practicable date before publication of this Notice).

and this authority shall expire on the earlier of 30 September 2023 or the conclusion of the Company's Annual General Meeting in 2022 provided 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 of the Company may allot equity securities under such offers or agreements as if the power conferred by this resolution had not expired and provided further that this authority shall be in substitution

for, and to the exclusion of, any existing authority conferred on the Directors.

8. THAT, the Company be generally and unconditionally authorised to make market purchases (as defined in the Companies Act 2006) of Ordinary Shares of 50 pence 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:
- (a) the maximum number of Ordinary Shares authorised to be purchased shall be 380,903;
 - (b) the minimum price which may be paid for an Ordinary Share is 50 pence;
 - (c) the maximum price which may be paid for an Ordinary Share is an amount equal to 105% of the average of the middle market quotations for an Ordinary Share (as derived from the Daily Official List) for the five business days immediately preceding the date on which the Ordinary Share is contracted to be purchased;
 - (d) the minimum and maximum prices per Ordinary Share referred to in sub-paragraphs (b) and (c) of this resolution are in each case exclusive of any expenses payable by the Company;
 - (e) the authority conferred by this resolution shall expire at the end of the Annual General Meeting in 2023 (or if earlier at the close of business

on 30 September 2023) unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting; and

- (f) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiration of such authority.

9. To adopt the new articles of association attached hereto, as the Company's articles of association in substitution for, and to the exclusion of, the Company's existing articles of association.

The Directors consider that all the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that shareholders vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.

By order of the Board

SGH Company Secretaries Limited
Company Secretary

22 June 2022

Registered Office: 6th Floor 60 Gracechurch Street, London, EC3V 0HR

Notice of Meeting Notes:

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on Friday 9 September 2022. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting at 9:40am (UK time) on Tuesday 13 September 2022 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder 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 Ordinary Share or Ordinary Shares held by that shareholder. A proxy need not be a shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. You can vote either:
 - by logging on to www.signalshares.com and following the instructions; you can also vote by downloading the new shareholder app, LinkVote+, on Apple App Store or Google Play and following the instructions.
 - You may request a hard copy form of proxy directly from the registrars, Link Asset Services (previously called Capita), on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by 10 am on Friday 9 September 2022.

7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so. As mentioned above, the Company advises shareholders to vote electronically, or to appoint the Chair as their proxy as physical attendance in person may now be permitted.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 11:00am on Friday 9 September 2022. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application 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.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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 system providers 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.

12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
13. As at 22 June 2022 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 2,541,046 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 22 June 2022 are 2,541,046.
14. Any shareholder attending the Meeting 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.
15. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from 10am on the day of the Meeting until the conclusion of the Meeting: copies of the Directors' letters of appointment or service contracts.
16. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website.

Corporate Information

Directors

N Lamb (Chairman)
G Bird
K Lever

Company Secretary

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EC3V 0HR

Registered Office

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EC3V 0HR

Investment Manager

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Bankers

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Please contact a member of the Rockwood Strategic team if you wish to discuss your investment or provide feedback on this document. Rockwood Strategic is committed to meeting the needs and expectations of all stakeholders and welcomes any suggestions to improve its service delivery.
<https://www.rockwoodstrategic.co.uk/>

