SAROSSA

Annual Report 2015

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Directors, Officers and Advisers

Directors

Michael Bretherton	Chairman
Ross Hollyman	Non-executive director
Jonathan Morley-Kirk	Non-executive director

Registered Office

17 The Esplanade
St Helier
Jersey
JE2 3QA

Company Secretary

Whitmill Secretaries Limited
(At the registered office address)

Broker and Nominated Adviser

WH Ireland Limited
24 Martin Lane
London
EC4R 0DR

Independent Auditor

Grant Thornton Limited
Kensington Chambers
46/50 Kensington Place
St Helier
Jersey
JE1 1ET

Registrar and Transfer Agent

Neville House
18 Laurel Lane
Halesowen
B63 3DA

Legal Adviser

Walkers
Walker House
28-34 Hill Street
St Helier
Jersey
JE4 8PN

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Chairman's Statement

Sarossa Plc (Sarossa or the Company) delivered a strong performance in the year ended 30 June 2015, with Group profits after tax for the period of £2.69 million compared to a profit of £2.09 million in the previous year (excluding an exceptional release of a legacy biotechnology cost provision of £1.60 million which increased the total prior year profit to £3.69 million). The profit in the year includes unrealised revaluation gains of £2.41 million (2014: unrealised gains of £1.08 million) on the carrying values of Sarossa's investment portfolio holdings and includes no further biotechnology income (2014: biotechnology income of £0.59 million).

The results for the year also include the benefit of a partial disposal of one of the Company's investments which generated cash proceeds of £0.91 million and realised a gain of £0.40 million. The balance of this investment, which was in a care sector support services business, was sold post the end of the year and increased the total cash generated on disposal of this investment to £1.77 million.

As a mechanism for enhancing capital efficiency, the Company used part of its investment disposal proceeds towards undertaking the buy-back and cancellation of 93.08 million of its own shares at a cost of £1.60 million, representing an average buy-back price of 1.72p per share.

During the year, the Company spent £0.32 million on the purchase of additional shares in an existing portfolio investment. The Company holds currently 4 portfolio investments, all of which are quoted on AIM, and for which the carrying value at 30 June 2015 was £12.84 million (30 June 2014: £10.62 million represented by 4 quoted holdings).

Subsequent to the year end, the Company entered into an agreement to subscribe for up to £2.0 million of new ordinary shares potentially issuable by GVC Holdings Plc ("GVC") in which Sarossa has an existing investment, in connection with its recommended bid offer for bwin.party digital entertainment plc ("bwin.party"). The subscription will only proceed if GVC is able to complete the bwin.party transaction, which it hopes will become effective in late Q4 2015 or in early 2016.

Net assets attributable to holders of Sarossa at 30 June 2015 were £18.31 million (equivalent to 3.35p per share) compared with £17.22 million (equivalent to 2.69p per share) at the previous year end. The increase in net assets per share reflects both the profit performance in the year and the lower share capital base as reduced by the share buy-backs and cancellations.

The Group continues to benefit from a strong balance sheet with cash and short term deposit balances of £5.52 million at 30 June 2015 compared to cash and short term deposit balances of £6.13 million at 30 June 2014.

Sarossa is an investment holding and management company whose principal activity is investment in and growth and development of businesses which present opportunities for value creation. The Company is mainly focused on portfolio businesses with product and service platforms targeting major international markets through customers and partners with an international profile.

Investment portfolio update

An overview of the activities of the portfolio businesses in which Sarossa has a holding of over 3 per cent. is given below:

Silence Therapeutics Plc ('Silence'), which is AIM listed, is a global leader in the discovery, development and delivery of novel RNAi therapeutics for the treatment of serious diseases. The core technology of Silence is its proprietary form of a short interfering RNA molecule, known as AtuRNAi, which enables the development of novel molecular entities that "silence" or inactivate the genes expressed in some diseases. As well as the ability to switch genes off using its modified siRNA and delivery systems, the company has added the ability to switch genes on by using the same delivery systems with a messenger RNA. The discovery of the significance of RNA activity in cell protein production is one of the most important medical breakthroughs in recent years. Silence Therapeutics has developed its own RNA technology, along with proprietary delivery systems. Combined, these enable the development of therapeutics for diseases with high unmet medical needs. Atu027 is the company's leading Oncology product and the company achieved a further key milestone during 2015 when it announced highly encouraging data in its phase 2a pancreas cancer trial. Silence now expects to begin recruitment for a Phase 1b combination study for Atu027 in head and neck cancer. Additionally, initial preclinical results have been encouraging in pulmonary arterial hypertension and the potential shown by the Company's newest delivery formulation, MacPLEX, is exciting, targeting liver macrophages which are key immune cells. The Company continues to review its plans for Atu111 which targets acute lung injury. Silence is working on several further projects and collaborations which are at earlier stages. It currently has collaborations in place with world-leading academic institutions, including the University of Oxford, the University of Cambridge and Imperial College London. The company has a robust IP estate protecting its proprietary technology and also has a strong balance sheet with net cash and deposits at 31 March 2015 of £19.2m. Silence further strengthened its balance sheet in May 2015 with an additional share issue fundraise of £40.0 million. Sarossa's shareholding at 30 June 2015 was, and continues to be, 4.21 per cent. of the issued share capital of Silence.

Plant Health Care Plc ('PHC') which is AIM listed, is a leading provider of novel patent protected biological products to the global agriculture markets. The company has a portfolio of established products based on its proprietary Harpin and Myconate® technologies. PHC's products increase crop yields by enhancing natural processes within the plant. Revenues in the year to December 2014 were US$6.9 million and during the first half of 2015, sales grew by 7.1% in constant currency terms. Accelerating revenues of existing products will be driven through existing partnership and distribution agreements, including with Arysta LifeScience, SymAgro and Dux Agri, as well as by concluding new agreements with strong partners who can develop sales in-market. PHC is also focused on the discovery and development of new patent-protected products and in late 2014 the company released a platform of peptide products as Innatus 3G. These show great potential in delivering yield improvements and invoking disease and pest resistance in crop plants. During the first half of 2015, PHC announced the first 2 evaluation agreements for Innatus with major industry players which envisage completion of evaluation at the end of 2016, with a competitive licensing process for rights to develop Innatus based products from 2017 onwards. Progress on evaluation agreements with major industry players is an important validation of the technology and is a key driver of longterm value for PHC shareholders. PHC continues to maintain a sound balance sheet and at 30 June 2015 had no debt and US$12.6 million in cash and investments. Sarossa's holding in PHC at 30 June 2015 was, and continues to be, 5.35 per cent.

In addition to the above, Sarossa has holdings of below 3 per cent. in two profitable AIM listed companies, one of which operates in the online gaming and sports betting markets and the other is a care sector support services business. Both of these companies have solid dividend yield and favourable growth records.

Outlook

The potential for volatility in capital markets remains, given the continued worries over persistent geopolitical risks in Ukraine and the Middle East and the need for further structural reforms to restore European public finances to a sustainable path, as well as an outlook for slowing global growth.

We remain committed, however, to delivering additional value for our shareholders and will continue to maintain a rigorous and highly selective investment approach with a view to exploiting opportunities as they emerge. We will also retain the management disciplines and shareholder alignment under which Sarossa now operates, whilst running a low cost base. We are confident that this approach will enable us to build considerable value for shareholders going forward.

Michael Bretherton
Chairman

25 September 2015

Strategic Report

The Directors present their Strategic Report with the Group Financial Statements for Sarossa Plc ('Sarossa' or 'the Company') and its subsidiaries (the 'Sarossa Group' or 'the Group') for the year ended 30 June 2015.

PRINCIPAL ACTIVITY AND BUSINESS MODEL

Sarossa is an investment holding and management company whose principal activity is investment in and growth and development of businesses which present opportunities for value creation.

The Company has an investing strategy to identify investment opportunities offering the potential to deliver a favourable return to shareholders over the medium term, primarily in the form of capital gain. A particular consideration is to identify businesses which, in the opinion of the Board, are under-performing and present opportunities for value creation.

Sarossa is mainly focused on portfolio businesses with product and service platforms targeting major international markets through customers and partners with an international profile. The Company's equity interest in a potential investment may range from a minority position to 100 per cent. ownership and the interest may be either quoted or unquoted.

BUSINESS REVIEW

A review of the Group's performance and future prospects is included in the Chairman's Statement on pages 2 and 3.

SHARE CAPITAL AND FUNDING

Full details of the Company's share capital movements are given in note 14 of the financial statements. The Company has an authorised share capital of 1,000,000,000 ordinary shares of 1p each, of which 639,360,364 were in issue at 30 June 2014; 93,077,565 shares were subject to buyback and cancellation in the year leaving 546,282,779 shares in issue at 30 June 2015. The 93,077,565 shares were acquired on the open market for a total consideration of £1,603,000. The maximum and minimum share prices paid were 1.71p and 1.72p respectively. All shares acquired were cancelled. A total of 2,826,490 further shares were purchased and cancelled post year end (see note 18) so that there are 543,456,309 shares in issue at the date of this report.

FINANCIAL REVIEW

The Consolidated Financial Statements have been prepared for the year to 30 June 2015.

Key performance indicators

Key Group performance indicators are set out below:

	30 June 2015	30 June 2014
Net assets (£ million)	**18.31**	17.22
Net asset value per share (pence)	**3.35**	2.69
Profit after tax (£ million)	**2.69**	3.69
Operating profit before exceptional items (£ million)	**2.64**	2.08
Cash and short term deposits with banks (£ million)	**5.52**	6.13

Profit and loss

Group profit after tax for the year ended 30 June 2015 was £2.69 million compared to a profit of £3.69 million in the previous year but this prior year included an exceptional release of a legacy biotechnology cost provision of £1.60 million. Operating profit before exceptional items increased by £0.56 million to £2.64 million in the year due principally to higher revaluation gains on portfolio investments, partially offset by the absence of £0.59 million of legacy biotechnology income received in the previous year.

The Group continued to run a low cost base with administrative costs of £0.37 million which were in line with those for the previous year (2014: £0.33 million).

Interest from deposits for the year amounted to £0.03 million versus £0.05 million in the previous year. This reduction was driven by a lower monthly average cash balance and the continued absence of attractive interest rates in the current market.

Balance Sheet

The Group continues to benefit from a strong balance sheet with net assets at 30 June 2015 of £18.31 million compared with £17.22 million at 30 June 2014.

The carrying value of portfolio investments at 30 June 2015 was £12.84 million represented by 4 AIM quoted investment holdings (30 June 2014: £10.62 million represented by 4 quoted holdings).

During the year, the Company spent £1.60 million on the buy-back and cancellation of its own shares, which had the impact of reducing cash and net assets, whilst increasing net assets per share.

Cash and short term deposit balances were £5.52 million at 30 June 2015 compared to cash and short term deposit balances of £6.13 million at 30 June 2014.

Cash flow
The Group's overall cash and short-term deposits position reduced by £0.61 million during the year. This reduction mainly reflects £1.60 million spent on the purchase of own shares and £0.32 million spent on the purchase of additional shares in a portfolio investment, partially offset by proceeds of £0.91 million from a partial realisation of an investment, together with operating cash inflows and working capital reductions of £0.40 million.

DIRECTORS AND EMPLOYEES
The Group has 4 employees, all of whom are male and 3 of whom are directors. The profile of the directors and their remuneration is detailed in the Directors' Report on page 7.

Michael Bretherton is 1 of the 3 directors and is Chairman of the Company.

The Group previously entered in to a consultancy agreement with ORA Capital Services Limited (including related ORA Group companies) "ORA" and Mr Bretherton pursuant to which Mr Bretherton was appointed as part-time consultant Finance Director to the Company with effect from January 2012. This agreement allowed for additional fees for other ORA staff that provide work on behalf of the Company. Following the successful reorganisation of Sarossa into a Jersey, Channel Islands based Company in May 2014, Mr Bretherton also moved to Jersey in August of that year to take on a full time role at the Company going forward. The consultancy agreement was terminated with effect from early November 2014 at which point Mr Bretherton signed a service agreement with Sarossa Plc, under which he is now acting as full time Finance Director and Executive Chairman of the Company. The transactions with ORA during the year are set out in note 17.

RISK REVIEW
Risk management
The Group's risk management objectives and exposure to various risks are detailed in Note 13.

The main risks arising from the Group's operations are market risk, credit risk and liquidity risk. The Directors review and agree policies for managing risk at least annually.

Market risk
Price risk
The Group is exposed to market price risk in respect of its portfolio investments. The Group mitigates this risk by having established investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board.

Interest rate risk
The Group has no external financing facility, therefore its interest rate risk is limited to the level of interest received on its cash surpluses. Interest rate risk on cash, cash equivalents and short term deposits is partially mitigated by using an element of fixed rate accounts and short term deposits.

Credit risk
The Group's principal financial assets are its portfolio investments, its bank balances and cash held on deposit with institutions. The Group seeks to reduce the credit risk associated with cash by only holding cash with institutions that have good credit ratings. The credit risk associated with portfolio and trading investments is considered to be minimal.

Liquidity risk
The Group seeks to manage liquidity by ensuring sufficient funds are available to meet foreseeable needs and to invest cash assets safely and profitably. The Group had cash, cash equivalents and short-term deposit balances of £5.52 million as at 30 June 2015 (2014: £6.13 million).

In order to minimise risk to the Company's capital, funds are invested across a number of financial institutions with strong credit ratings. Cash forecasts are updated regularly to ensure that there is sufficient cash available for foreseeable requirements. The

Strategic Report (continued)

Directors are satisfied that the current cash balances and the low running cost base of the Group ensures that the going concern assumption remains valid.

External risks

The key external risks identified by the Group during the financial year continue to be the adverse global economic conditions in certain markets. This economic and political uncertainty continues to impact the markets in which the Group operates, both in terms of investment valuations and the risk for the operations and growth of investment portfolio companies. The key factors include the risk of below trend economic growth and the impact of government deficit reduction programmes.

FUTURE DEVELOPMENTS

The Board remains committed to delivering additional value for our shareholders and will continue to maintain a rigorous and highly selective investment approach with a view to exploiting opportunities as they emerge.

Approved on behalf of the Board

Jonathan Morley-Kirk

25 September 2015

Directors' Report

The Directors present their report and the audited consolidated financial statements for Sarossa Plc ('Sarossa' or 'the Company') and its subsidiaries (the 'Sarossa Group' or 'the Group') for the year ended 30 June 2015.

REORGANISATION INTO A JERSEY, CHANNEL ISLANDS, BASED GROUP

Sarossa Plc was incorporated in Jersey on 7 March 2014 specifically to implement a reorganisation under which the former Sarossa Capital parent company became a wholly owned subsidiary of the new Jersey holding company. The reorganisation was completed on 2 May 2014 at which time Sarossa Plc was admitted to the AIM market of the London Stock Exchange.

PRINCIPAL ACTIVITY

Sarossa is an investment holding and management company whose principal activity is investment in and growth and development of businesses which present opportunities for value creation. Further information on the principal activities is given in the Chairman's Statement on pages 2 and 3.

BUSINESS REVIEW

A review of the Group's performance and future prospects is given in the Chairman's Statement on pages 2 and 3 and in the Strategic Report on pages 4 to 6.

RESULTS AND DIVIDENDS

The profit and total comprehensive income for the year ended 30 June 2015 was £2,687,000 (2014: £3,690,000).

No interim dividend (2014: £nil) was declared during the year and the Directors do not recommend payment of a final dividend in respect of the year ended 30 June 2015 (2014: £nil).

SHARE CAPITAL

Full details of the Company's share capital movements are given in note 14 of the financial statements.

DIRECTORS

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
Michael Bretherton	Ross Hollyman
	Jonathan Morley-Kirk

DIRECTORS' INDEMNITY INSURANCE

As permitted by the Articles of Association, the Company purchased and maintained directors' and officers' liability insurance, in respect of itself and its Directors, throughout the financial year.

DIRECTORS' REMUNERATION

	Salary and fees £'000	Benefits £'000	2015 Total £'000	2014 Total £'000
Michael Bretherton	87	3	90	10
Ross Hollyman	15	–	15	15
Jonathan Morley-Kirk	15	–	15	15
	117	3	120	40

It is the Company's policy that executive Directors should have contracts with an indefinite term providing for a maximum of six months notice. In the event of early termination, the Directors' contracts provide for compensation up to a maximum of basic salary for the notice period. Further details of Michael Bretherton's remuneration arrangements are given in the Strategic Report on page 5.

The non-executive Directors, Ross Hollyman and Jonathan Morley-Kirk, are employed on letters of appointment which may be terminated on not less than six months notice.

DIRECTORS' INTERESTS

The interests of Directors in the shares of the Company as at 30 June 2015 are given below:

Directors' Report (continued)

	Ordinary shares of 1p each	
	30 June 2015	30 June 2014
Michael Bretherton	9,744,140	9,744,140
Ross Hollyman	–	–
Jonathan Morley-Kirk	–	–

PROFILE OF THE DIRECTORS

Michael Bretherton, BA, ACA, Chairman

Michael was appointed as a non-executive Director in March 2011 and subsequently took on the role of Finance Director in January 2012, before being appointed Chairman in October 2012. He is a non-executive director of a number of other AIM listed companies and is also a director of Ora Limited, which provides investment capital for early stage technology companies. In addition, Michael has been a director of six other AIM quoted companies during the last five years, including Nanoco Group Plc, Ceres Power Holdings Plc, Tissue Regenix Group Plc and Oxford Pharmascience Group Plc. He has a degree in Economics from Leeds University and is a member of the Institute of Chartered Accountants in England and Wales. His early career included working as an accountant and manager with PriceWaterhouse for 7 years in London and the Middle East, followed by finance roles at the Plessey Company Plc, Bridgend Group Plc, Mapeley Limited and Lionhead Studios Limited.

Ross Hollyman, Non-Executive Director

Ross was appointed as a non-executive Director on 7 December 2011. He has been employed in the investment industry in the UK for over 20 years. He has previously been an investment director at GAM Limited and JP Morgan Fleming Asset Management, and Head of Global Equities at Liontrust Asset Management plc. Ross is currently a director of Orchard Wealth Management Limited and is the investment manager of the Sabre Global Opportunities Fund, an equity Long/Short hedge fund.

Jonathan Morley-Kirk, Non-Executive Director

Jonathan was appointed as a non-executive Director on 25 October 2012. He is a Fellow of the Chartered Securities and Investment Institute and a Fellow of the Institute of Chartered Accountants in England and Wales. He has extensive experience of capital markets and structuring investments and has served as a director on a range of public and private companies, including as Chairman of Fox-Davies Capital from 2003 to 2008 and, previously, he also served as a director of S G Warburg Securities and Samuel Montagu & Co. He is currently a non-executive director of EastSiberian PLC (formerly PetroKamchatka), which is listed on the Toronto Stock Exchange.

SUBSTANTIAL SHAREHOLDINGS

No single person directly or indirectly, individually or collectively, exercises control over the Company. The Directors are aware of the following persons, who had an interest in 3% or more of the issued ordinary share capital of the Company as at 22 September 2015:

Shareholder	Number of ordinary shares	% Holding
Mr Richard Griffiths and controlled undertakings	177,199,249	32.61
Mrs N J Powell	48,000,000	8.83
Leventis Holding SA	44,402,831	8.17
Mr D H Richardson	20,369,090	3.75

At this date no other person had notified any interest in the ordinary shares of the Company required to be disclosed to the Company in accordance with Chapter 5 of the Disclosure and Transparency Rules of the Financial Services Authority in respect of holdings exceeding the 3% notification threshold.

CORPORATE GOVERNANCE

The Company is not required to and does not comply with the UK Corporate Governance Code. However the Directors recognise the importance of sound corporate governance and observe the principles of the UK Corporate Governance Code 2014, to the extent that they consider them appropriate for the Group's size.

The Board

The Board comprises currently one executive Director and two non-executive Directors.

Audit committee
The Audit Committee's primary responsibilities are to monitor the integrity of the financial affairs and statements of the Company, to ensure that the financial performance of the Company and any subsidiary of the Company is properly measured and reported on, to review reports from the Company's auditors relating to the accounting and internal controls and to make recommendations relating to the appointment of the external auditors.

The Audit Committee comprises Jonathan Morley-Kirk, who acts as chairman, and Ross Hollyman.

Remuneration committee
The Remuneration Committee's primary responsibilities are to review the performance of the executive directors of the Company and to determine the broad policy and framework for their remuneration and the terms and conditions of their service and that of senior management (including the remuneration of and grant of options to such persons under any share scheme adopted by the Company). The remuneration committee comprises Ross Hollyman, who acts as chairman, and Jonathan Morley-Kirk.

The remuneration of non-executive Directors shall be a matter for the executive Director of the Company.

Internal Control
The Board is responsible for maintaining a sound system of internal control. The Board's measures are designed to manage, but not eliminate, risk and such a system provides reasonable but not absolute assurance against material misstatement or loss.

Some key features of the internal control system are:

(i) Management accounts information, budgets, forecasts and business risk issues are regularly reviewed by the Board which meets at least four times per year;

(ii) The Company has operational, accounting and employment policies in place;

(iii) The Board actively evaluates the risks inherent in the business and ensures that appropriate controls and procedures are in place to manage these risks; and

(iv) There is a clearly defined organisational structure and well-established financial reporting and control systems.

Going Concern
At 30 June 2015, the Group had £5.5m (2014: £6.1m) of cash, cash equivalents and short term deposits available to it. The Directors have considered their obligation in relation to the assessment of the going concern of the Group and each statutory entity within it and have reviewed the current budget cash forecasts and assumptions as well as the main risk factors facing the Group.

After due enquiry, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

RISK MANAGEMENT
The Group's risk management objectives and exposure are detailed in the Strategic Report on pages 4 to 6.

EMPLOYMENT POLICY
When applicable, the Directors are committed to continuing involvement and communication with employees on matters affecting both the employees and the Company.

The Group supports employment of disabled people wherever possible and through recruitment, by retention of those who become disabled and generally through training, career development and promotion.

CREDITOR PAYMENT POLICY
The Group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Group does not have a standard code of conduct that deals specifically with the payment of suppliers.

At the end of the year outstanding invoices for the Group and Company represented 9 days purchases (2014: 30 days).

Directors' Report (continued)

ANNUAL GENERAL MEETING

The next Annual General Meeting will take place on 26 November 2015 at 11.00 am at the Company's registered office at 17 The Esplanade, St Helier, Jersey JE2 3QA.

VOTING RIGHTS

On a show of hands at a general meeting of the Company every holder of shares present in person and entitled to vote, and every proxy duly appointed by a member entitled to vote, has one vote and on a poll every member present in person or by proxy and entitled to vote has one vote for every share held. Further details regarding voting at the Annual General Meeting can be found in the Notice of Annual General Meeting at the back of this document. None of the shares carry any special rights with regard to control of the Company. Electronic and paper proxy appointments and voting instructions must be received by the Company's transfer agent not later than 48 hours (not counting non-working days) before the meeting.

Statement of Directors' Responsibilities

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

Jersey company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under Jersey company law the Directors have to approve the financial statements which must give a true and fair view of the state of affairs of the Company and its profit or loss for that period. The Directors are required to prepare these financial statements in accordance with prescribed generally accepted accounting principles which includes IFRS.

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 the Directors to ensure that any financial statements comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible, as a matter of general law, 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 the maintenance and integrity of the company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS

A resolution to reappoint the auditors, Grant Thornton Limited, will be proposed at the Annual General Meeting.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all the steps that he ought to have taken in his duty as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by order of the Board

Jonathan Morley-Kirk

25 September 2015

Independent Auditors' Report to the Members of Sarossa Plc

We have audited the financial statements of Sarossa Plc for the year ended 30 June 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Equity and the Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities on page 10, the Directors are responsible for the preparation of the financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Company's affairs as at 30 June 2015 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- comply with the Companies (Jersey) Law 1991.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the Companies (Jersey) Law 1991 we are required to report to you, if in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Adam Budworth

For and on behalf of Grant Thornton Limited
Chartered Accountants
St Helier, Jersey, Channel Islands

25 September 2015

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2015

	Notes	2015 £'000	2014 £'000
Gain on portfolio investments	2	3,008	1,816
Other income		–	594
Portfolio return and revenue		3,008	2,410
Research and development legacy credit		–	6
Release of legacy biotechnology cost provision		–	1,603
Administrative expenses		(371)	(333)
Operating profit	6	2,637	3,686
Analysed as:			
Operating profit before exceptional items		2,637	2,083
Exceptional items		–	1,603
Operating profit		2,637	3,686
Finance income	5	50	47
Finance expense	5	–	(43)
Profit before taxation		2,687	3,690
Taxation	7	–	–
Profit for the year and total comprehensive income		2,687	3,690
Earnings per ordinary share			
Basic and diluted	8	0.43p	0.58p

There are no other items of other comprehensive income.

Consolidated Statement of Changes in Equity

as at 30 June 2015

	Notes	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Merger Reserve £'000	Other Reserve £'000	Retained Earnings Deficit £'000	Total £'000
At July 2013		10,725	122,091	–	–	8,282	(127,564)	13,534
Total comprehensive income for the year		–	–	–	–	–	3,690	3,690
Group re-organisation		(4,331)	(122,091)	–	126,422	(8,282)	8,282	–
At 30 June 2014		6,394	–	–	126,422	–	(115,592)	17,224
Total comprehensive income for the year		–	–	–	–	–	2,687	2,687
Purchase of shares for cancellation	14 & 15	(931)	–	931	–	–	(1,603)	(1,603)
At 30 June 2015		5,463	–	931	126,422	–	(114,508)	18,308

Consolidated Statement of Financial Position

at 30 June 2015

	Notes	2015 £'000	2014 £'000
ASSETS			
Non-current assets			
Portfolio Investments	9	12,836	10,624
		12,836	10,624
Current assets			
Trade and other receivables	11	29	594
Short-term deposits	13	–	2,603
Cash and cash equivalents	13	5,515	3,530
		5,544	6,727
Total assets		18,380	17,351
LIABILITIES			
Current liabilities			
Trade and other payables	12	(72)	(127)
Total liabilities		(72)	(127)
Net current assets		5,472	6,600
Net assets		18,308	17,224
Shareholders' equity			
Share capital	14	5,463	6,394
Capital redemption reserve	15	931	–
Merger reserve	15	126,422	126,422
Retained earnings deficit	16	(114,508)	(115,592)
Total shareholders' equity		18,308	17,224

The financial statements on pages 12 to 29 were approved by the Board of Directors and authorised for issue on 25 September 2015 and signed on its behalf by

Michael Bretherton
Chairman

Company number – 115158

Consolidated Statement of Cash Flows

for the year ended 30 June 2015

	Notes	2015 £'000	2014 £'000
Cash flows from operating activities			
Profit before tax		2,687	3,690
Adjustments for:			
Foreign exchange gains	6	(25)	(48)
Release of legacy biotechnology provision	6	–	(1,603)
Finance income	5	(25)	(47)
Realised gain on sale of portfolio investments		(397)	–
Unrealised gain on revaluation of portfolio investments	9	(2,406)	(1,763)
Operating cash (outflows)/inflows before movement in working capital		(166)	229
Purchase of portfolio investments	9	(316)	(1,085)
Proceeds from sale of investments		907	–
Decrease in trade and other receivables		565	87
(Decrease)/increase in trade and other payables		(55)	31
Cash generated/(used) in operations		935	(738)
Interest received	5	25	47
Net cash generated/(used) in operating activities		960	(691)
Cash flows from investing activities			
Reduction/(increase) of short-term deposits with banks		2,603	(1,103)
Net cash generated/(used) from investing activities		2,603	(1,103)
Cash flows from financing activities			
Purchase of own shares for cancellation	14	(1,603)	–
Net cash (used) from financing activities		(1,603)	–
Net increase/(decrease) in cash and cash equivalents		1,960	(1,794)
Exchange gains/(losses) on cash balances	5	25	(43)
Cash, cash equivalents at beginning of year		3,530	5,367
Cash and cash equivalents at end of year		5,515	3,530
Short term deposits at end of year		–	2,603
Cash, cash equivalents and short term deposits at end of year	13	5,515	6,133

Notes to the Consolidated Financial Statements

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Sarossa Plc was incorporated in Jersey on 7 March 2014. The Company was specifically created to implement a re-organisation in relation to Sarossa Capital Limited (formerly Sarossa Capital Plc). Under the re-organisation, Sarossa Capital Limited became a wholly owned subsidiary of Sarossa Plc on 2 May 2014 at which time Sarossa Plc was also admitted to the AIM market of the London Stock Exchange. The address of Sarossa Plc's registered office is 17 The Esplanade, St Helier, Jersey JE2 3QA.

Shareholders in Sarossa Capital Limited at the time of re-organisation received shares in Sarossa Plc in the same proportionate interest as they had in Sarossa Capital Limited immediately prior to the re-organisation. The business, operations, assets and liabilities of the Sarossa Group under the new Jersey holding company immediately after the re-organisation were no different from those immediately before the re-organisation and the Directors have therefore treated this combination as a simple re-organisation using the pooling of interests method of accounting.

BASIS OF PREPARATION

The consolidated financial statements have been prepared by Sarossa Plc in accordance with International Financial Reporting Standards ('IFRS'), as adopted for use by the EU, and International Financial Reporting Interpretation Committee interpretations ('IFRIC') and with those parts of the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention except for investment portfolio assets and certain financial instruments which are included at fair value.

The financial statements are prepared on the going concern basis.

ADOPTION OF NEW ACCOUNTING STANDARDS

Accounting developments

There are no standards, amendments and interpretations to existing standards that are not yet effective and which have been early adopted by the Group.

The following standards, amendments to standards and interpretations have been issued, are effective and are relevant to the Group:

- IFRS 10, "Consolidated financial statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. Certain consolidation exemptions are provided for entities which meet the criteria of Investment Entities. The introduction of this standard has not impacted the entities which are consolidated.
- IAS 27 (Revised 2011) "Separate Financial statements" (amended as a result of the issuance of IFRS 10). This standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. The standard has not impacted the Group.

The following standards, amendments to standards and interpretations have been issued and are effective but are not considered relevant to the Group:

- IFRS 11 "Joint Arrangements"
- IAS 28 (revised 2011) "Associates and joint ventures"
- Amendments to IFRS 12 "Disclosures of interest in other entities"
- Amendments to IAS 19, "Employee Benefits" on defined benefit plans: employee contributions.
- Amendments to IAS 32 on financial instruments asset and liability offsetting.
- Amendments to IAS 36 on recoverable amount disclosures for non-financial assets.
- Amendments to IAS 39 on novation of derivatives and continuation of hedge accounting.

Notes to the Consolidated Financial Statements (continued)

The following standards, amendments to standards and interpretations have been issued and may be relevant to the Group but are not yet effective:

- IFRS 9, "Financial instruments" – IFRS 9 is effective for accounting periods beginning on or after 1 January 2018. Early application is permitted provided that all of the requirements in the standard are applied at the same time. IFRS 9 will replace IAS 39 "Financial Instruments: Recognition and Measurement". The Group is in the process of evaluating the impact of IFRS 9.
- Amendments to IAS 1: Disclosure Initiative – The Amendments are effective for accounting periods beginning on or after 1 January 2016. The Amendments represent the first authoritative output from the IASB's Disclosure Initiative project. The Amendments themselves are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. Furthermore, the Amendments clarify that companies should use judgement in determining where and in what order information is presented in the financial disclosures.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The Notes to the consolidated financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements. 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 estimate and assumption that has the most significant effect on the carrying amounts of assets and liabilities in the financial statements is the valuation of quoted investments. These are valued at closing bid market price and in accordance with IFRS, no discount is applied for liquidity of the stock or any dealing restrictions. However, it may not always be possible to trade at the quoted bid market price. Quoted portfolio investments are carried in the financial statements as at 30 June 2015 at a valuation of £12.84 million (2014: 10.62 million). For further detail see note 9.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial information of the Company and all its subsidiary undertakings. Subsidiary undertakings are entities over which the Group has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date which control begins and are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

The re-organisation on 2 May 2014 under which the Company became a 100 per cent. holding company of Sarossa Capital Limited, has been accounted for as a re-organisation using the pooling of interests ('merger') method of accounting and the Group's activity has been treated as a continuation of that of the legal subsidiary, Sarossa Capital Limited and its subsidiaries. Comparative numbers presented in the Group financial statements are those reported in the Group financial statements issued in the name of the legal subsidiary, Sarossa Capital Limited, for the year to 30 June 2013.

The historic acquisition of Antisoma Research Limited by Sarossa Capital Limited was a business combination involving entities under common control. The financial statements of Antisoma Research Limited have been consolidated using the principles of 'merger accounting'. The principles of merger accounting are that the assets and liabilities of the acquired company are not restated to fair value, no goodwill arises and the consolidated financial information incorporates the combined companies' results as if the companies had always been combined.

In line with the provisions of IFRS 1, acquisitions completed before 1 July 2004 have not been accounted for under IFRS 3. Instead, the historical UK GAAP accounting treatment has been retained.

All other subsidiaries have been consolidated using the principles of acquisition accounting under IFRS 3. Under IFRS 3, the results of acquired subsidiaries are included in the consolidated income statement from the date that they are acquired. The cost of an acquisition is measured as the fair value of consideration, including costs directly attributable to the acquisition. All of the subsidiary's identifiable assets and liabilities that exist at the date of acquisition are recorded at their fair values. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

SUBSIDIARIES

Subsidiary entities are entities over which the Group has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date which control begins and are deconsolidated from the date that control ceases.

All intra-group transactions, balances, and unrealised gains on transactions between Group companies are eliminated on consolidation. Subsidiaries' accounting policies are amended where necessary to ensure consistency with the policies adopted by the Group. All financial statements are made up to 30 June 2015.

INVESTMENT PORTFOLIO ASSETS

Investment assets that are held by the Group with a long-term view to the ultimate realisation of capital gains are classified as investment portfolio assets and are stated at the Directors' estimate of their fair value determined in accordance with International Private Equity and Venture Capital Valuation Guidelines ("IPEVCVG") on the basis set out below. Investment assets are designated at fair value through profit or loss on initial recognition and any gains or losses arising from subsequent changes in fair value are presented in profit or loss as they arise. A fair value method of valuation for portfolio investments is considered the most appropriate for assessing their performance.

(i) Quoted investments for which an active market exists are valued at closing bid-market price at the reporting date.

(ii) Unquoted investments are measured at fair value by the Directors as follows:

- Investments in companies that are still in a development phase continue to be valued based on cost unless there have been more recent benchmark subscriptions and investments which give a guide to fair value ("Price of Recent Investment") or where there are factors that indicate a change in fair value has occurred.
- Once the business becomes established, investments are valued based on an estimate of the fair value for the investee company derived using methodologies which include applying an average sector earnings multiple to operating profits, valuation by reference to net asset base and discounted cash flows.

CASH, CASH EQUIVALENTS AND SHORT TERM DEPOSITS

Cash and cash equivalents comprise cash in hand and deposits with banks that have a maturity of three months or less from the date of inception.

Deposits that have a maturity greater than three months but less than a year from the date of inception have been disclosed separately as short-term deposits.

TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

Notes to the Consolidated Financial Statements (continued)

DERIVATIVE TRADING ASSETS

Purchases and sales of derivative financial instruments are recognised at the trade date which is the date that the Group became a party to the contractual provisions of the instrument. The Group only trades in derivative financial instruments that are quoted in active markets and the related financial assets and liabilities are stated at fair value based on the quoted market prices of those instruments. Changes in the fair value of the derivative financial instruments are recognised in profit or loss as they arise.

TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently stated at amortised cost.

SEGMENTAL REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date and are discounted to present value where the effect is material. Provisions are not recognised for future operating losses.

TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current income tax is calculated on the basis of the tax rates and laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns in regard to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements in accordance with IAS 12 – 'Income Taxes'. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those 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 (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable nor the accounting profit or loss. Deferred tax assets and liabilities are calculated using tax rates and laws that have been substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

INCOME

Income is measured at the fair value of the consideration received or receivable in the normal course of business, net of discounts, VAT and other sales related taxes. The Group recognises income when the amount of income can be reliably measured and when it is probable that the future economic benefits will flow into the Group.

(i) Business portfolio return

Business portfolio return represents the sum of realised gains and losses on the disposal of investment portfolio assets and derivative financial instruments and the unrealised gains and losses on the revaluation of these, together with and any related investment income received and receivable.

Realised gains and losses on the disposal of investments is the difference between the fair value of the consideration received less any directly attributable costs on the sale and the fair value of the investments at the start of the accounting period or acquisition date if later.

Unrealised gains and losses on the revaluation of investments is the movement in carrying value of investments between the start of the accounting period or acquisition date if later and the end of the accounting period.

Dividends from investments are recognised when the shareholders' rights to receive payment have been established.

(ii) Interest income
Interest income is recognised as interest accrues using the effective interest rate method.

(iii) Other income
Revenue relating to amounts received from third parties in respect of the divestment of product rights, patents and intellectual property to those third parties is recognised as other income, in the period in which the associated rights, patents and intellectual property are substantially transferred to the acquiring party and for which any key representations have been substantially met.

EXCEPTIONAL ITEMS
Exceptional items are material items which derive from transactions or events and are disclosed separately when such presentation is relevant to the Group's financial position and performance.

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

FOREIGN CURRENCY
The functional currency of each Group entity is the currency of the primary economic environment in which the entity operates. Transactions denominated in foreign currencies have been translated into the functional currency of the Group entity at month end rates of exchange. Monetary assets and liabilities denominated in foreign currencies have been translated at rates ruling at the statement of financial position date. Exchange differences have been taken to operating results in the income statement.

The results of foreign operations are translated into the Group's presentational currency at month end exchange rates and their statement of financial positions are translated at the rates ruling at the statement of financial position date. Exchange differences arising on translation of the opening net assets and results of overseas operations are dealt with through reserves.

The presentational currency of the Group and the Company is Sterling.

SHARE CAPITAL
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. SEGMENTAL REPORTING

Sarossa's operating segments are reported based on the financial information provided to the Board, which is used to make strategic decisions. The Directors are of the opinion that under IFRS 8 – 'Operating segments' the Group has only one reportable segment, being Portfolio Investment return.

The Board assesses the performance of the operating segment based on financial information which is measured and presented in a manner consistent with that in the financial statements.

The principal sources of revenue for the Group in the two years ended 30 June 2015 were:

	2015 £'000	2014 £'000
Portfolio Investment income	3,008	1,816
Recognition of income from the divestment of oral fludarabine	–	594
Portfolio return and revenue	3,008	2,410

Notes to the Consolidated Financial Statements (continued)

Disposal of oral fludarabine – During the year ended 30 June 2009, the Group sold the US rights to oral fludarabine to Sanofi-Aventis LLC for a consideration which included an entitlement to receive contingent payments of $1,000,000 per annum for the following five years subject to certain conditions being met in each of those years to June 2014. These payments were recognised in the Group's income statement when the conditions relating to the payment had been satisfied. The final payment of $1,000,000 was recognised in the financial year to 30 June 2014.

Geographic Information

Portfolio return and revenue from external customers were:

	2015 £'000	2014 £'000
Jersey (country of domicile)	3,008	422
England	–	1,394
USA	–	594
Total portfolio return and revenue	3,008	2,410

The location is based upon either the location of the customer for fee income or the country in which the gain or loss on investments is recognised.

3. DIRECTORS' EMOLUMENTS

Directors' emoluments receivable by Directors of Sarossa Plc from the Sarossa Company are as follows:

	2015 £'000	2014 £'000
Aggregate emoluments		
Gross emoluments and benefits	120	40
Highest-paid Director		
Emoluments and benefits	90	15

4. EMPLOYEE INFORMATION

The monthly average number of persons (including Executive and Non-Executive Directors) employed by the Group during the year was:

	2015	2014
By activity		
Administration	4	3

The cost relating to the above employees and all directors is as follows:

	2015 £'000	2014 £'000
Staff costs		
Wages and salaries	155	40
Social security costs	5	1
Employee benefits	4	–
	164	41

5. FINANCE INCOME/(COST)

	2015 £'000	2014 £'000
On short-term deposits	15	22
On cash and cash equivalents	10	25
Total interest income	25	47
Net foreign exchange gains/(losses) on financing activities	25	(43)
Net finance income	50	4

6. OPERATING PROFIT

The following items have been charged/(credited) in arriving at the operating profit:

	2015 £'000	2014 £'000
Net foreign exchange (gain)/loss differences	–	(48)
Release of biotechnology provision*	–	(1,603)
Auditors' remuneration (see below)	26	57
Auditors' remuneration		
Fees payable to Company auditor for the audit of the Company and consolidated financial statements	20	30
Fees payable to the Companys' auditor and its associates for other services:		
The audit of Companys' subsidiaries pursuant to legislation	6	5
Services in respect of admission of Sarossa Plc to AIM	–	16
Tax services	–	6
	26	57

* The Group has a small number of potential obligation claims that arose from historic biotechnology development activities. All such activities were discontinued in early 2011 and it is considered that the best estimate of potential future payments in relation to these obligation claims is £nil.

7. TAXATION

(a) Tax charges and credits in the Income Statement

	2015 £'000	2014 £'000
Current tax on profit for the year	–	–
Deferred tax	–	–
Tax charge for the year	–	–

Notes to the Consolidated Financial Statements (continued)

The tax on the Group's profit or loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits or losses of the consolidated entities as follows:

	2015 £'000	2014 £'000
Factors affecting the tax charge for the year:		
Jersey (country of domicile)		
The tax assessed for the year varies from the standard rate of corporation tax as explained below:		
Profit on ordinary activities before taxation	2,614	108
Profit on ordinary activities multiplied by the standard rate of corporation tax at nil%	–	–
Jersey tax charge for the year	–	–
UK		
The tax assessed for the year varies from the standard rate of corporation tax as explained below:		
Profit on ordinary activities before taxation	73	3,582
Profit on ordinary activities multiplied by the standard rate of UK corporation tax at 20% (2014: 22.5%)	15	806
Effects of:		
Brought forward losses utilised	(15)	(806)
UK tax charge for the year	–	–
Total tax charge for the year	–	–

(b) Deferred tax

Unrecognised UK deferred tax assets at 20% tax rate (2014: 20%):

	2015 £'000	2014 £'000
Tax effect of timing differences		
Losses carried forward	19,457	19,440
	19,457	19,440

At 30 June 2015, the Group had UK tax losses available for carry forward of approximately £97.3 million (2014: £97.2 million) subject to agreement with the relevant tax authority. The tax losses have not been recognised as a deferred tax asset as the recoverability of these is considered unlikely.

(c) Change in Corporation Tax rate

Legislation has been passed to reduce the rate of UK tax for which deferred tax assets and liabilities are measured to 20 per cent from 1 April 2015 and this rate has, therefore, been used to calculate the potential deferred tax asset at 30 June 2015 included in note 7(b).

8. EARNINGS PER SHARE

Earnings per ordinary share

	2015	2014
Profit for the year (£'000)	2,687	3,690
Weighted average number of shares ('000)	630,031	639,360
Basic earnings per ordinary share	0.43p	0.58p
Diluted earnings per ordinary share	0.43p	0.58p

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue during the year to assume conversion of all dilutive potential ordinary shares.

9. PORTFOLIO INVESTMENTS

	Quoted Equity Shares £'000
Fair value at 30 June 2013	7,606
Additions in the year	1,085
Transfer from derivative trading assets	854
Unrealised gain on the revaluation of investments	1,079
Fair value at 30 June 2014	10,624
Additions in the year	316
Cost of investments sold	(510)
Unrealised gain on the revaluation of investments	2,406
Fair value at 30 June 2015	12,836

All portfolio investments are held by Sarossa Plc.

10. GROUP SUBSIDIARIES

At 30 June 2015 the Group has investments in subsidiaries where it holds more than 50 per cent. of the issued ordinary share capital of the following companies:

Name of Undertaking	Country of incorporation	Description of shares held	% of equity value of issued shares held	Principal business activity
Sarossa Capital Limited	Great Britain	1p ordinary and £1 redeemable preference	100	Holding company and administration services
Antisoma Research Limited	Great Britain	1p 'A' ordinary	100	Commercialisation of divested product rights, patents and IP relating to existing assets from prior pharmaceutical activities

Sarossa Plc holds the investment in Sarossa Capital Limited, which in turn holds the investment in Antisoma Research Limited.

The former dormant subsidiary, Antisoma Development Limited, was voluntarily wound up and dissolved during the year.

11. TRADE AND OTHER RECEIVABLES

	2015 £'000	2014 £'000
Trade receivables	–	587
Other receivables	14	6
Prepayments and accrued income	15	1
	29	594

The Group considers that the carrying amount of trade and other receivables approximates to their fair value. No impairment has been recognised on any receivable amounts and none are past due at the date of the financial statements.

Notes to the Consolidated Financial Statements (continued)

12. TRADE AND OTHER PAYABLES

	2015 £'000	2014 £'000
Trade payables	5	35
Other payables	7	–
Accruals	60	92
	72	127

The Group has no non-current payables at fair value but does have 4,331,683 zero coupon, convertible, redeemable, preference shares of £1 each held in a subsidiary and which, given the terms of these shares, are considered to have a nil fair value on a going concern basis. Subsequent to year end these preference shares were repurchased for cancellation by the subsidiary for a consideration of $25,000 USD.

The Group considers that the carrying amount of trade and other payables approximates to their fair value.

13. FINANCIAL RISK & CAPITAL MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The management of these risks is vested in the Board of Directors. The policies for managing each of these risks are summarised below:

Management of market risk

(i) Price risk

The Group is exposed to market price risk in respect of its portfolio investments and its derivative financial instruments. The Group mitigates this risk by having established investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board.

The Group has in place procedures and levels of authority designed to control the level of commitments, either in single investments or in aggregate.

Details of the Group's investment portfolio are given in note 9 to the financial statements.

Price risk sensitivity

The table below summarises the impact on the Group's profit before taxation for the year and on equity of a 10 per cent. increase/decrease in the underlying share price of the investment portfolio. The price sensitivity of 10 per cent. represents Management's estimate of the premium/discount that may be achieved on sale of investment portfolio assets relative to the closing bid market price.

Impact of 10% price change

	2015 £'000	2014 £'000
Portfolio investments	1,284	1,062

(ii) Interest rate risk

As the Group has no borrowings, the risk is limited to the impact of interest received on cash surpluses held. Interest rate risk is managed in accordance with the liquidity requirements of the Group, with a minimum appropriate level of its cash surpluses held within an instant access account, which has a variable interest rate attributable to it, to ensure that sufficient funds are available to cover the Group's liquidity needs.

Interest rate sensitivity

The principal impact to the Group is the result of interest-bearing cash and short term deposit (cash equivalent) balances held as set out below. The sensitivity is based on the maximum expected market volatility in the current climate and the previous 12 months.

	2015			2014		
	Fixed rate £'000	Floating rate £'000	Total £'000	Fixed rate £'000	Floating rate £'000	Total £'000
Cash, cash equivalents and short term deposits	–	5,515	5,515	2,628	3,505	6,133

At 30 June 2015, the impact of a 5 per cent. increase or decrease in interest rates would have increased/decreased the profit for the year and equity by £1,000 (2014: £2,000) as a result of higher/lower interest received on floating rate cash deposits.

(iii) Currency risk profile

In prior periods, the Group had a limited level of exposure to foreign exchange rate risk through its foreign currency denominated cash balances and trade receivable balances as shown below. The Group manages its foreign exchange risk at Board level.

	Cash and cash equivalents 2015 £'000	Trade receivables 2015 £'000	Cash and cash equivalents 2014 £'000	Trade receivables 2014 £'000
Sterling	5,515	29	3,530	–
US dollars	–	–	–	587
	5,515	29	3,530	587

Foreign exchange risk sensitivity

The table below summarises the impact of a 10 per cent. increase/decrease in the relevant foreign exchange rates versus the pound sterling rate on the Group's pre-tax profit for the year and on equity. The sensitivity is based on the effect of the market volatility in the current climate and the previous 12 months:

	Cash and cash equivalents 2015 £'000	Trade receivables 2015 £'000	Cash and cash equivalents 2014 £'000	Trade receivables 2014 £'000
Increase/decrease on post-tax profit/(loss):				
US dollar	–	–	–	59

Management of credit risk

The Group's principal financial assets are bank balances and short term deposits. Credit risk associated with trade receivables is considered to be minimal as the balance is due from one customer with no history of default.

The Group seeks to limit the level of credit risk on the cash balances by only depositing surplus liquid funds with counterparty banks with high credit ratings.

The credit risk associated with portfolio investments is considered minimal.

Credit risk sensitivity

Cash, cash equivalents and short term deposits	2015 £'000	2014 £'000
A	2,764	6,133
No rating provided*	2,751	–
	5,515	6,133

*These monies are held with a reputable international brokerage despite no credit rating being available.

Notes to the Consolidated Financial Statements (continued)

The maximum exposure to credit risk on the Group's financial assets is represented by their carrying amount, as outlined in the categorisation of financial instruments table below.

	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Financial assets at fair value through profit and loss £'000	Total £'000
At 30 June 2015				
Portfolio investments	–	–	12,836	12,836
Trade and other receivables	14	–	–	14
Cash and cash equivalents	5,515	–	–	5,515
Trade and other payables	–	(72)	–	(72)
NET TOTAL	5,529	(72)	12,836	18,293
At 30 June 2014				
Portfolio investments	–	–	10,624	10,624
Trade and other receivables	593	–	–	593
Cash and cash equivalents	6,133	–	–	6,133
Trade and other payables	–	(127)	–	(127)
NET TOTAL	6,726	(127)	10,624	17,223

The Group does not consider that any changes in fair value of financial assets in the year are attributable to credit risk.

Portfolio investments are valued at closing bid market price at the reporting date and are all classed as Level 1 investments.

No aged analysis of financial assets is presented as no financial assets are past due at the reporting date.

Management of liquidity risk
The Group seeks to manage liquidity risk to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

No maturity analysis for financial liabilities is presented, as the Directors consider that liquidity risk is not material.

The Group had cash, cash equivalents and short term deposits at 30 June 2015 as set out below:

	2015 £'000	2014 £'000
Instant access	5,515	3,530
Maturing in 1 - 3 months	–	2,603
	5,515	6,133

At 30 June 2015 and 30 June 2014, with the exception of investment portfolio assets, all financial assets and liabilities mature for payment within one year.

Capital Management

The Group's policy is to maintain a strong capital base. The Group manages all elements of shareholder's equity as financial capital, and seeks to increase this figure as a stated business objective over the medium to long term. The Group is entirely equity financed with no external capital requirements imposed upon it. In order to preserve capital the Group maintains a balanced investment portfolio and appropriate levels of cash and cash equivalents in order to remain liquid and take advantage of market opportunities as they arise. The Group's net asset value is monitored on an ongoing basis.

	30 June 2015 £'000	30 June 2014 £'000
Capital (net assets/shareholders' equity)	18,308	17,224
Increase from prior year	6.3%	27.3%

14. SHARE CAPITAL

Ordinary Shares

	Number	£'000
Authorised ordinary shares of 1p:		
At 30 June 2014 and 30 June 2015	1,000,000,000	10,000
Allotted, issued and fully paid ordinary shares of 1p:		
At 7 March 2014	–	–
Issue of shares	639,360,364	6,394
At 30 June 2014	639,360,364	6,394
Purchase and cancellation of own shares	(93,077,565)	(931)
At 30 June 2015	546,282,799	5,463

Sarossa Plc was incorporated in Jersey on 7 March 2014. The Company was created to implement a re-organisation in relation to Sarossa Capital Limited (formerly called Sarossa Capital Plc and prior to that Antisoma Plc), under which Sarossa Capital Limited became a wholly owned subsidiary of Sarossa Plc on 2 May 2014. Shareholders in the company at the time of re-organisation received 639,360,364 ordinary shares of 1p issued by Sarossa Plc in the same proportionate interest as they had in Sarossa Limited, immediately prior to the re-organisation. Costs of the re-organisation and re-admission to AIM amounted to £239,000.

Under the accounting principles governing the re-organisation, as set out in note 1, the ordinary share capital presented for the Group at 30 June 2015 is that of the legal parent, Sarossa Plc and the comparative at 30 June 2014 is that of the legal parent also.

Sarossa Plc had no preference share capital at 30 June 2015 or 30 June 2014 but its wholly owned subsidiary Sarossa Capital Limited had 4,331,683 zero coupon, convertible, redeemable, preference shares of £1 each at both 30 June 2015 and 30 June 2014. Given the terms of the preference shares, these are considered to have a nil fair value on a going concern basis as more fully detailed in note 12.

During the year the Company acquired 93,077,565 of its own 1p ordinary shares. These shares were acquired on the open market for a total consideration of £1,603,000. The maximum and minimum share prices paid were 1.71p and 1.72p respectively. All shares acquired were cancelled and charged to the retained earnings deficit (see note 16). Further own share re-purchases also occurred post year end (see note 18).

Notes to the Consolidated Financial Statements (continued)

15. EQUITY CAPITAL AND MERGER RESERVE

	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Merger Reserve £'000
At 30 June 2013	10,725	122,091	–	–
Transfer on group reorganisation	(4,331)	(122,091)	–	126,422
At 30 June 2014	6,394	–	–	126,422
Purchase of shares for cancellation	(931)	–	931	–
At 30 June 2015	5,463	–	931	126,422

During the year the Company acquired 93,077,565 of its own 1p ordinary shares all of which were cancelled and an amount equal to the nominal value of the cancelled shares was transferred to a capital redemption reserve.

The merger reserve arose on the shares issued by the Company to shareholders of Sarossa Capital Limited (formerly called Sarossa Capital Plc and prior to that Antisoma Plc) under the re-organisation on 2 May 2014 in a process that did not change the economics, operations or shareholder structure of the Group.

Sarossa Capital Limited had 4,331,683 zero coupon, convertible, redeemable, preference shares of £1 each at the time of the re-organisation. Given the terms of the preference shares (as more fully detailed in note 12), these are considered to have a nil fair value on a going concern basis and have been transferred from equity capital to merger reserve on consolidation.

16. RETAINED EARNINGS DEFICIT

	2015 £'000	2014 £'000
At 1 July	(115,592)	(127,564)
Profit for the year	2,687	3,690
Purchase of own shares for cancellation (see note 14)	(1,603)	–
Transfer from other reserve*	–	8,282
At 30 June	(114,508)	(115,592)

*The other reserve relates to foreign exchange movements on consolidation in respect of certain assets and liabilities that were previously held in its US subsidiaries. These US subsidiaries had all been loss making before being closed down in early 2011. Following a period of dormancy during which these held only net liabilities represented by amounts owed to group companies and which had been fully provided against, the US subsidiaries were abandoned in early 2014 and this reserve was therefore transferred to the retained earnings deficit reserve.

17. RELATED PARTY TRANSACTIONS

Transactions with related parties:

There were no sales to related parties. Purchases from related parties are made at normal market prices. When balances are outstanding at the year-end, these are unsecured, interest free and settlement occurs in cash.

During the year ended 30 June 2015, consultancy fees have been charged through the Consolidated Statement of Comprehensive Income in respect of the following related parties:

£42,327 (2014: £12,000) by ORA Limited of which Sarossa's chairman, Michael Bretherton, is also a director.

The outstanding balance owed by Sarossa to these related parties at 30 June 2015 was £nil (2014: £12,000).

Directors' remuneration.

The remuneration of the individual Directors is provided in the Directors' Report on page 7 and is also disclosed in note 3. The Directors are also considered to be key management.

18. EVENTS AFTER THE BALANCE SHEET DATE

On the 23 July 2015 the Company purchased a further 2,826,490 Sarossa ordinary 1p shares for cancellation at a price of 1.72p. This purchase took the cumulative share repurchases to 95,904,055 shares, representing 15% of the issued share capital and concluding the share repurchase facility approved as a special resolution at the General Meeting of the Company held on 13 May 2015. As a result there are 543,456,309 shares in issue at the date of this report.

Company Information
Company Statement of Financial Position
as at 30 June 2015

	Notes	At 30 June 2015 £'000	At 30 June 2014 £'000
ASSETS			
Non-current assets			
Investments in subsidiaries	C3	1,235	3,137
Portfolio investments	9	12,836	10,624
		14,071	13,761
Current assets			
Trade and other receivables	C4	29	4
Cash and cash equivalents		5,453	3,005
		5,482	3,009
LIABILITIES			
Current liabilities			
Trade and other payables	C5	(5,598)	(4,524)
Net current liabilities		(116)	(1,514)
Net assets		13,955	12,246
Shareholders' equity			
Share capital	15	5,463	6,394
Capital redemption reserve		931	–
Other distributable reserve	C6	5,565	5,565
Retained earnings		1,996	287
Total shareholders' equity		13,955	12,246

The financial statements shown on pages 30 to 33 were approved by the Board of Directors and authorised for issue on 25 September 2015 and signed on its behalf by:

Michael Bretherton
Chairman

Company number – 115158

Company Information
Company Statement of Changes in Equity
as at 30 June 2015

	Notes	Share Capital £'000	Capital Redemption Reserve £'000	Other Reserve £'000	Retained Earnings £'000	Total £'000
At 7 March 2014		–	–	–	–	–
Total comprehensive income for the period		–	–	–	287	287
Issue of shares on acquisition of Sarossa Capital Ltd	15	6,394	–	5,565	–	11,959
At 30 June 2014		6,394	–	5,565	287	12,246
Total comprehensive income for the period		–	–	–	3,312	3,312
Purchase of shares for cancellation	15	(931)	931	–	(1,603)	(1,603)
At 30 June 2015		5,463	931	5,565	1,996	13,955

Company Statement of Cash Flows
for the period ended 30 June 2015

	2015 £'000	2014 £'000
Cash flows from operating activities		
Profit for the year	3,312	287
Unrealised gain on revaluation of portfolio investments	(2,406)	(422)
Realised gain on sale of investments	(397)	–
Impairment of investments	1,902	8,822
Operating cash inflows before movement in working capital	2,411	8,687
Purchase of portfolio investments	(316)	(10,202)
Proceeds from disposal of investments	907	–
Increase in intercompany loan payables	1,104	4,454
Increase in trade and other receivables	(25)	(4)
(Decrease)/increase in trade and other payables	(30)	70
Net cash generated from operating activities	4,051	3,005
Cash flows from financing activities		
Purchase of own shares for cancellation	(1,603)	–
Net cash used from financing activities	(1,603)	–
Net increase in cash and cash equivalents	2,448	3,005
Cash and cash equivalents at start of period	3,005	–
Cash and cash equivalents at end of period	5,453	3,005

Notes to the Company Information

C1. Principal accounting policies

Sarossa Plc was incorporated in Jersey on 7 March 2014. The Company was specifically created to implement a re-organisation in relation to Sarossa Capital Limited (formerly Sarossa Capital Plc). Under the re-organisation, Sarossa Capital Limited became a wholly owned subsidiary of Sarossa Plc on 2 May 2014 at which time Sarossa Plc was also admitted to the AIM market of the London Stock Exchange.

The separate financial statements of the Company are presented in accordance with IFRS as adopted by the EU.

The principal accounting policies adopted are the same as for those set out in the Group's financial statements.

C2. Company profit for the period

As permitted by the Companies (Jersey) Law 1991, the parent company's (the Company's) income statement and statement of comprehensive income have not been included with these financial statements. The results for the Company are presented under IFRS.

The Company's result for the year to 30 June 2015 was a profit of £3,312,000 comprising of profit on ordinary activities of £2,614,000 coupled with intercompany dividend and net impairment gains of £698,000 (7 March 2014 to 30 June 2014: profit of £287,000, comprising of a profit on ordinary activities of £108,000 coupled with net intercompany dividend and impairment gains of £179,000).

C3. Investment in subsidiary company

Company	Shares £'000
Cost and valuation of interests in Group undertakings	
At 7 March 2014	–
Additions	11,959
Impairment provision	(8,822)
As at 30 June 2014	3,137
Impairment provision	(1,902)
As at 30 June 2015	1,235

The investment in subsidiary is stated in the Company balance sheet at cost less any provision for impairment.

During the current period, an impairment charge of £1.902 million was made to the investment in subsidiary in order to write down the valuation of the investment to the assessed recoverable value of assets in that subsidiary, following dividend outflows of £2.5 million declared by the subsidiary to the Company (2014: dividends declared of £9.0 million). Impairment in subsidiary undertakings is assessed through a review of the underlying financial position of the subsidiary companies.

C4. Trade and other receivables

	At 30 June 2015 £'000	At 30 June 2014 £'000
Prepayments	15	–
Other receivables	14	4
As at 30 June 2015	29	4

C5. Trade and other payables

	At 30 June 2015 £'000	At 30 June 2014 £'000
Trade payables	5	14
Other payables	7	–
Accruals	28	56
Intercompany loan payables	5,558	4,454
As at 30 June 2015	5,598	4,524

The intercompany loan payables are repayable on demand and carry interest at a rate of 0.5% above UK bank base rate.

C6. Other distributable reserve

	Other distributable reserve £'000
At 7 March 2014	–
Arising on acquisition of Sarossa Capital Limited in period to June 2014 (see notes 1 and 14)	5,565
At 30 June 2015 and 30 June 2014	5,565

The other distributable reserve arose on the shares issued by the Company to shareholders of Sarossa Capital Limited (formerly Sarossa Capital Plc) under the re-organisation on 2 May 2014 in a process that did not change the economics, operations or shareholder structure of the Group.

C7. Related party transactions

Details of related party transactions are included in note 17 to the Group financial statements.

C8. Financial Risk & Capital Management

Financial risk and capital management is managed at a Group level, which is considered appropriate given the similar nature of both the Group and Company statements of financial position. Please refer to note 13 to the Group Financial Statements.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2015 Annual General Meeting of Sarossa Plc (the "**Company**") will be held at 11.00 a.m. on 26 November 2015 at the Company's registered office at 17 The Esplanade, St Helier, Jersey, JE2 3QA for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Directors' Report, the audited consolidated Financial Statements and Independent Auditors' Report for the year ended 30 June 2015.

2. To consider and, if thought fit, to approve the re-appointment of Jonathan Morley-Kirk as a director of the Company, who retires pursuant to the articles of association of the Company (the "**Articles**") and who is recommended by the board of directors of the Company (the "**Board**") for re-appointment.

3. To consider and, if thought fit, to approve the re-appointment of Grant Thornton Limited as auditors of the Company and to authorise the Board to determine their remuneration.

SPECIAL BUSINESS

As special business to consider and, if thought fit, pass the following resolutions, of which resolution 4 will be proposed as an ordinary resolution and resolution 5 will be proposed as a special resolution:

Allotment of shares

4. **THAT** the Board be hereby generally and unconditionally authorised, in substitution for all previous powers granted to it, pursuant to article 5.3 of the Articles to exercise all the powers of the Company to allot and make offers to allot relevant securities (as defined in article 5.11 of the Articles) up to an aggregate nominal amount of £1,811,521.03 provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2016 or 31 December 2016 (whichever is earlier) save that the Company may before such expiry make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

Disapplication of pre-emption rights

5. **THAT** the Board be authorised and empowered, in substitution for all previous power granted to it, pursuant to article 5.10 of the Articles to allot equity securities (as defined in article 5.11 of the Articles) for cash pursuant to the authority referred to in resolution 6 above as if articles 5.4 to 5.8 of the Articles do not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:

   5.1 on a pro rata basis to the holders of ordinary shares in the Company where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with any fractional entitlements or any legal or practical problems under law or the requirements of any regulatory body or any recognised stock exchange in any territory; and

   5.2 up to an aggregate nominal amount of £1,086,912.62 otherwise than pursuant to paragraph 5.1 above,

   and this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2016 or 31 December 2016 (whichever is earlier) save that the Company may before such expiry make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

On behalf of the Board

Whitmill Secretaries Limited

25 September 2015

Sarossa Plc
Registered office:
17 The Esplanade
St Helier
Jersey
JE2 3QA

Notice of Annual General Meeting (continued)

EXPLANATORY NOTES

Entitlement to attend and vote

1. The Company specifies that only those members registered on the Company's register of members at:

   - 11.00 a.m. on 24 November 2015; or,
   - if this Meeting is adjourned, at 11.00 a.m. on the day two working days prior to the adjourned meeting (not counting non-working days),

   shall be entitled to attend and vote at the Annual General Meeting (the "**Meeting**").

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the chairman of the Meeting (the "**Chairman**") or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. A vote withheld will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy may vote or abstain from voting at his or her discretion. Your proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote.

   To appoint a proxy using the proxy form, the form must be:

   - completed (although no voting indication need be given if you wish your proxy to exercise their discretion) and signed;
   - sent or delivered to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, B63 3DA; and received by Neville Registrars no later than 11.00 a.m. on 24 November 2015.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the proxy form is signed (or a copy of such power or authority certified notarially or in some other way approved by the board of directors of the Company) must be included with the proxy form.

Appointment of proxy by joint members

6. 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).

Changing proxy instructions

7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, but have not retained a copy of the blank proxy form, please contact Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, B63 3DA.

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment as above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a copy of such power or authority certified notarially or in some other way approved by the board of directors of the Company) must be included with the revocation notice.

   The revocation notice must be received by Neville Registrars no later than 11.00 a.m. on 24 November 2015. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

   Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

9. As at 6 p.m. on 22 September 2015, the Company's issued ordinary share capital comprised 543,456,309 ordinary shares of 1p each. Each ordinary share carries the right to one vote at a general meeting of the Company.

Quorum

10. The quorum for the Meeting is not less than two shareholders present either in person or by proxy. The majority required for the passing of each of the ordinary resolutions is a simple majority of the total number of votes cast on each such ordinary resolution. The majority required for the passing of each of the special resolutions is three-quarters of the total number of votes cast on each such special resolution.

11. At the Meeting the votes may be taken on the resolutions by a show of hands or on a poll. On a show of hands every shareholder whether present in person or by proxy has one vote. On a poll every shareholder who is present, in person or by proxy, shall have one vote for every ordinary share held. A shareholder entitled to more than one vote need not use all of their votes or cast all of their votes in the same way.

12. To allow effective constitution of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.

Documents on display

13. The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (weekends excepted) from the date of this notice until and for 15 minutes prior to and during the Meeting:

    a. copies of the service contracts of executive directors of the Company; and

    b. copies of letters of appointment of the non-executive directors of the Company.

Sarossa Plc
17 The Esplanade
St Helier
Jersey
JE2 3QA

Incorporated in Jersey with
registered no. 115158