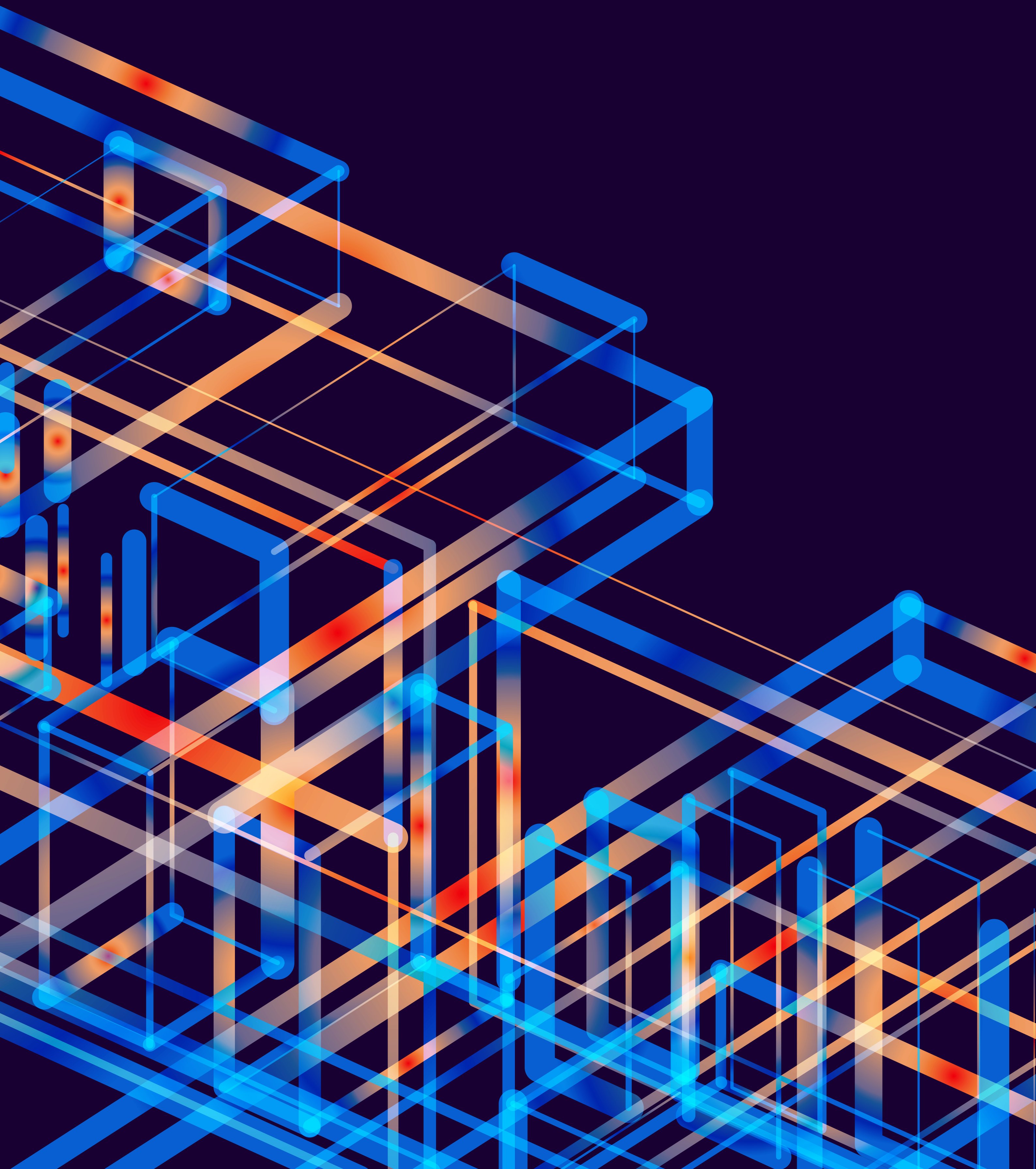
ANNUAL REPORT 2022



Directors, Officer and Advisers

DIRECTORS

RICHARD GRIFFITHS	CHAIRMAN
MICHAEL BRETHERTON	CHIEF EXECUTIVE OFFICER
JAMES EDE-GOLIGHTLY	NON-EXECUTIVE DIRECTOR

REGISTERED OFFICE
FLOOR 1 LIBERATION STATION
THE ESPLANADE
ST HELIER
JERSEY
JE2 3AS

COMPANY SECRETARY
JAMES SUTCLIFFE

INDEPENDENT AUDITOR
GRANT THORNTON LIMITED
KENSINGTON CHAMBERS
46/50 KENSINGTON PLACE
ST HELIER
JERSEY
JE1 1ET

REGISTRAR AND TRANSFER AGENT
NEVILLE REGISTRARS
NEVILLE HOUSE
STEELPARK ROAD
HALESOWEN
B62 8HD

Contents

Directors, Officer and Advisers	IFC
Chairman’s Statement	2
Strategic Report	5
Directors’ Report	8
Independent Auditors’ Report	13
Statement of Comprehensive Income	16
Statement of Changes in Equity	16
Statement of Financial Position	17
Statement of Cash Flows	18
Notes to the Financial Statements	19
Notice of Annual General Meeting	31
Explanatory Notes to the Notice of Annual General Meeting	32

Chairman's Statement

Sarossa Plc ('Sarossa' or 'the Company') reported a net loss of (£6.44) million for the year to 30 June 2022, compared to a net profit of £7.89 million the previous year. This result reflects difficult financial market conditions and included a gross investment loss of (£5.39) million compared with an investment profit of £8.94 million in the previous year.

The gross investment loss comprises unrealised losses of (£5.07) million on the value of portfolio investments, inclusive of foreign exchange rate movements, coupled with realised investment losses of (£0.50) million and dividend and other income of £0.18 million (2021: unrealised investment gains of £7.80 million, realised investment gains of £0.95 million and dividend and other income of £0.19 million). Administrative expenses for the year amounted to £1.04 million (2021: administrative expenses of £1.05 million).

A significant element of the Company's unrealised investment losses in the year arose on our Silence Therapeutics Plc investment where prior year unrealised gains were partially reversed as US biotech valuations declined sharply over recent months.

During the year, the Company spent £1.75 million on additional portfolio investments and realised cash proceeds of £2.53 million from the sale of portfolio investments. The Company currently holds 7 portfolio investments, all of which are quoted and for which the carrying value at 30 June 2022 was £20.46 million (30 June 2021: £26.82 million represented by 9 quoted holdings).

Cash balances at 30 June 2022 amounted to £0.27 million (30 June 2021: to £0.76 million).

Net assets attributable to holders of Sarossa at 30 June 2022 were £20.74 million (equivalent to £519.07 per share) compared with £27.18 million (equivalent to £680.10 per share) at the previous year end. The decrease in net assets per share reflects the loss of (£6.43) million recorded for the year.

Investment portfolio update

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

An overview of the activities of the portfolio investment businesses in which Sarossa has a holding of over 3% of the issued share capital or where the value of the investment comprises at least 5% of Sarossa's net asset value, is given below:

Silence Therapeutics Plc ('Silence') has a listing of American Depositary Shares ("ADSs") on the Nasdaq Capital Market. The company is developing a new generation of medicines by harnessing the body's natural mechanism of RNA interference, or RNAi, to inhibit the expression of specific target genes thought to play a role in the pathology of diseases with significant unmet need. Silence's proprietary mRNAi GOLD™ platform can be used to create siRNAs (short interfering RNAs) that precisely target and silence disease-associated genes in the liver, which represents a substantial opportunity. Silence's wholly owned product candidates include SLN360 designed to address the high and prevalent unmet medical need in reducing cardiovascular risk in people born with high levels of lipoprotein(a) and SLN124 designed to address rare hematological diseases. Silence also maintains ongoing research and development collaborations with AstraZeneca, Mallinckrodt Pharmaceuticals, and Hansoh Pharma, among others. In January 2022, Silence announced positive topline first-in-human data results in its phase 1 single-ascending dose study of SLN360 which reinforces the company's confidence in its potential to substantially lower Lp(a) levels with long-lasting action and address a major unmet need in cardiovascular disease. Silence reported a loss after tax of £39.4 million for the year to 31 December 2021, driven primarily by continued R&D spend, and the company held cash balances of £73.5 million at that date versus £27.5 million at the previous 2020 year end. The improved cash position reflects a successful £30.9 million private placement fund raise in 2021, together with the receipt of approximately £30.8 million of non-dilutive capital from its AstraZeneca collaboration and the receipt of approximately £10.7 million from its Hansoh Pharma collaboration, coupled with milestone payments from Mallinckrodt Pharmaceuticals amounting to approximately £2.9 million. Silence also subsequently benefited by the cash receipt in August 2022 of approximately US$56.5 million under an ADSs fundraise offering. Sarossa's shareholding at 30 June 2022 was 2.11% of the issued share capital of Silence and has since been diluted to 1.73%, following the new ADSs issue in August 2022.

Caretech Holdings Plc ("Caretech") is an AIM listed leading provider of specialist residential care home and social care services, supporting adults and children with a wide range of complex needs in the UK. Caretech's core services provide for adults with learning disabilities, individuals who have or are recovering from mental illness, people with autistic spectrum disorder and people who have one or more physical impairments. Its children services cover assessment, residential care, education and fostering options. Caretech has a national presence with around 10,000 staff supporting some 4,500 vulnerable young people and adults. For the six months ended 31 March 2022 revenue increased by 2.6% to £249.2 million and underlying profit after tax decreased to £12.98 million. Caretech completed a number of bolt-on acquisitions in the year to strengthen its digital alternative communications technology that helps disabled people without speech to have a voice and live more independently, and also to build on its existing portfolio of companies in the UAE. Subsequently, on 27 June 2022, the Caretech independent board and the board of Amalfi Bidco Limited ("Bidco") announced that they had reached agreement on the terms of a recommended offer by Bidco for the entire issued share capital of Caretech at 750 pence in cash per share and with a partial share alternative offer also being made available and which alternative offer Sarossa elected to accept. The offer received Court and Caretech shareholder approval on 8 September and is expected to complete on 28 September 2022. Sarossa's shareholding at 30 June 2022 was 0.59% of the issued share capital of Caretech. The Bidco transaction is structured such that the existing Caretech shareholders total portion of equity in the private company will be capped. On 27 September 2022, (being the latest practicable date prior to the publication of this annual report), it had not been confirmed as to the split of shares in Bidco and cash that Sarossa would receive in respect of the offer.

Niox Group Plc ("Niox") (formerly known as Circassia Group Plc) is an AIM listed global medical device company focused on point of care asthma diagnosis and management. Following a major restructuring and the transfer of the Tudorza and Duaklir products back to AstraZeneca in March 2021, Niox has now been transformed into a debt-free business with a strong NIOX® asthma management products based continuing operations business. The group is continuing its transition to a distributor-led business model with new arrangements in the USA and China expected to drive scalable growth as it continues to implement access to a large and underserved population of patients suffering from asthma. For the six months ended 30 June 2022, NIOX sales increased 11% to £15.5 million and generated an EBITDA profit of £3.2 million (excluding corporate overheads). The profit after tax for the period amounted to £9.2 million inclusive of an £8.1 million settlement consideration recognised on milestone payments due from Beyond Air Inc., following FDA approval for its LungFit PH device, together with a profit of £0.3 million on discontinued operations. The company had net cash balances of £13.8 million at 30 June 2022 and had increased to £17.6 million at 31 August 2022 following receipt of the first of 3 milestone payments due from Beyond Air. The shareholding of Sarossa at 30 June 2022 was, and continues to be, 2.38% of the issued share capital of Niox.

Griffin Mining Limited ("Griffin") is an AIM listed mining and investment company that has been the leader in foreign investment in mining in China, having been engaged in developing the Caijiaying zinc and gold project since 1997. In January 2021, Griffin announced a major achievement in finally securing a significant new mining license from the Chinese Ministry of Land and Natural Resources which elevates Griffin to being one of the largest zinc producers in China. Revenues increased by 61% to US$121.6 million for the year to 31 December 2021 and generated a profit after tax of US$25.4 million. The results benefited from record amounts of ore mined and processed and a significant improvement in the market price for zinc and lower smelter treatment charges. This bodes well for future results once the new mining licence area is commissioned and in full production and for which the development plans and design have now been completed and with development expected to commence in July 2022. The shareholding of Sarossa in Griffin as at 30 June 2022 was, and continues to be, 1.82 per cent of the Griffin shares in issue.

Redde Northgate Plc ("Redde") is an LSE listed provider of integrated mobility solutions across the full automotive vehicle lifecycle covering vehicle rental, vehicle data, accident management, vehicle repairs, fleet management, service and maintenance, vehicle ancillary services and vehicle sales. The company services its customers, which include businesses, fleet operators, insurers and OEMs, through a network and diversified fleet of over 126,000 owned and leased vehicles, supporting over 600,000 managed vehicles, with around 175 branches across the UK, Ireland and Spain and a specialist team of over 6,700 employees. Redde aims to utilise its scale, reach and comprehensive suite of integrated services to offer a market-leading customer proposition and drive revenue growth in conjunction with bolt on acquisitions. Those acquisitions have included Electric Vehicle (EV) infrastructure and charging equipment assets in order to provide an EV platform to expand its offerings in this important and growing area as both its own EV fleet and its customers' EV fleets evolve. Redde reported revenues of £1,243.6 million in the year to 30 April 2022 and a profit after tax of £101.5 million, together with a final dividend of 15p per share to give a total dividend for the year of 21p. The shareholding of Sarossa at 30 June 2022 was, and continues to be, 0.16% of the issued share capital of Redde

Chairman's Statement (continued)

Plant Health Care Plc ('PHC') is an AIM listed leading provider of novel patent-protected biological products to the global agriculture markets. PHC's proprietary products protect plants against disease and increase crop yields and quality by enhancing natural processes within the plant. PHC offers products to improve the health, vigour and yield of major field crops such as corn, soybeans, potatoes and rice, as well as specialty crops such as fruits and vegetables. The company's lead product is Harpin and PHC also has a new technology segment focused on its PREtec (Plant Response Elicitor technology) platform used to selectively activate the innate growth and defense mechanisms of crop plants. For the year ended 31 December 2021, PHC reported a 28% increase in revenues to US$ 8.4 million in addition to improved margins and a cash flow positive commercial business. However, continued R&D investment its PREtec platform technology resulted in a loss after tax for the year of US$6.3 million. The company held reported US$9.20 million of cash and liquid investment balances held at the 31 December 2021 year end. PHC subsequently reported a strong performance for the first half of 2022 with revenue up 60% to US$5.6 million driven by the growing demand for Harpin αβ in North America and the launch of a new PREtec product called Saori into the world's largest soybean market in Brazil.Sarossa's shareholding at 30 June 2022 was, and continues to be, 3.62% of the issued share capital of PHC.

In addition to the above, Sarossa has 1 further AIM listed holding of below 3% of the issued share capital and less than 5% of Sarossa's net asset value, being Source Bioscience International Plc, which is an international provider of state-of-the art laboratory services, clinical diagnostics and analytical testing services.

Outlook

World economies are currently facing many uncertainties associated with the Russia-Ukraine conflict as well as soaring energy prices and rising inflation. In addition, whilst the arrival of a number of Covid-19 vaccines and the associated roll-out of global vaccination programs has allowed for a full reopening of society in many countries during the first half of 2022, uncertainties remain as to the scope of the recovery and the impact of the pandemic in accelerating changes to consumer trends and employee working practices which may severely disrupt certain sectors whilst benefitting others.

The financial support measures taken during the Covid-19 period have also left governments heavily indebted and now facing a slowdown in global economic growth, coupled with rising inflation and interest rates.

These factors and uncertainties make the current environment a challenging one for investors. Your Board will, therefore, continue to maintain a rigorous and highly selective investment approach with a focus on special situation opportunities that are expected to deliver additional value for shareholders. We remain confident in the underlying fundamentals, technologies and long-term potential for growth at the companies within our investment portfolio.

Richard Griffiths
Chairman

29 September 2022

Strategic Report

The Directors present their Strategic Report with the Financial Statements for Sarossa Plc ('Sarossa' or 'the Company') for the year ended 30 June 2022.

Principal activity and business model

Sarossa is an investment holding and management company whose principal activity is the 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 Company's performance and future prospects is included in the Chairman's Statement on pages 2 to 4.

Share capital and funding

Full details of the Company's share capital movements are given in Note 13 of the financial statements. The Company has an authorised share capital of 100,000 ordinary shares of £100 each, of which 39,962 were in issue at the 30 June 2022 financial year end.

Financial review

The Financial Statements have been prepared for the year to 30 June 2022.

Key performance indicators

Key performance indicators are set out below:

	30 June 2022	30 June 2021
Net assets (£ million)	20.74	27.18
Net asset value per share (£)	519.07	680.10
(Loss)/gain after tax (£ million)	(6.44)	7.89
Cash and cash equivalents (£ million)	0.27	0.76

Profit and loss

The loss after tax for the year ended 30 June 2022 was (£6.43) million, compared to a profit of £7.89 million in the previous year. The result for the current year reflects tough market conditions which has seen significant falls in quoted stock prices globally.

Administrative costs were £1.04 million for the year, compared to costs of £1.05 million in the prior financial year.

Interest from deposits for the year was immaterial for the financial year and in the previous year.

Strategic Report (continued)

Statement of Financial Position
Net assets at 30 June 2022 amounted to £20.74 million compared with £27.18 million at 30 June 2021, with the decrease reflecting the loss for the year.

The carrying value of portfolio investments at 30 June 2022 was £20.46 million represented by 7 quoted investment holdings (30 June 2021: £26.82 million represented by 9 quoted holdings).

Cash and short-term deposit balances were £0.27 million at 30 June 2022 compared to cash and short term deposit balances of £0.76 million at 30 June 2021.

Cash flow
The Company's cash position decreased by (£0.49) million during the year. This decrease in cash balances reflects investment additions of (£1.75) million, together with overhead costs and working capital outflows of (£1.45) million, partially offset by proceeds of £2.53 million on the disposal of investments and £0.18 million received in dividend and other income.

Directors and employees
The Company has 5 employees, 2 of whom are executive directors and 1 of which is a non-executive director. The profile of the directors and their remuneration is detailed in the Directors' Report on pages 8 and 9.

Risk review
Risk management
The Company's risk management objectives and exposure to various risks are detailed in Note 12.

The main risks arising from the Company'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 Company is exposed to market price risk in respect of its portfolio investments. The Company mitigates this risk by having established investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board.

Foreign exchange rate risk
The Company holds a portfolio investment which is quoted in $USD as set out in note 11 (iii). The Company does not currently take any measures to reduce its foreign exchange rate risk but may make use of forward contracts at such time that the timing and quantum of future foreign currency cash inflows can be predicted with some confidence.

Interest rate risk
The Company 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 mitigated partially by using an element of fixed-rate accounts and short term deposits.

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

Liquidity risk
The Company seeks to manage liquidity by ensuring sufficient funds are available to meet foreseeable needs and to invest cash assets safely and profitably. The Company had cash and cash equivalents of £0.27 million as at 30 June 2022 (2021: £0.76 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 Directors are satisfied that the current cash balances, the liquidity of portfolio investments and the relatively low running cost base of the Company ensures that the going concern assumption remains valid.

External risks
The full economic fallout from the two year Covid19 pandemic continues to cause significant disruption to business operations and increased economic uncertainty moving forward. In addition, the current Russia-Ukraine conflict is driving ever higher energy prices and rising inflation and other risk factors to growth include the relationship and ongoing negotiations between the UK and the EU, continued tensions as the US and China attempt to assert global commercial dominance, and the inherent impact of changing consumer trends and the advent and adoption of new commercial technologies which may be hastened by the Covid19 pandemic.

Future developments
The Board will continue to seek accretive capital growth for shareholders as the primary key performance indicator of the Company. It is hoped that through maintaining a disciplined, balanced and realistic investment criteria, and through exploiting market opportunity via a positive and flexible investment mandate, that this objective can be achieved in the medium to long term.

Approved on behalf of the Board

Michael Bretherton
Chief Executive Officer

29 September 2022

Directors' Report

The Directors present their report and the audited financial statements for Sarossa Plc ('Sarossa or 'the Company') for the year ended 30 June 2022.

Principal activity

Sarossa is an investment holding and management company whose principal activity is the investment in and growth and development of businesses which present opportunities for value creation. Further information on the principal activity is given in the Strategic Report on page 5.

Business review

A review of the Company's performance and future prospects is given in the Chairman's Statement on pages 2 to 4 and in the Strategic Report on pages 5 to 7.

Results and dividends

The loss and total comprehensive loss for the year ended 30 June 2022 was (£6.43) million (2021: gain and total comprehensive gain of £7.89 million).

No interim dividend was declared (2021: £nil) during the year and the Directors do not recommend payment of a final dividend in respect of the year ended 30 June 2022 (2021: £nil).

Share Capital

There were no changes in the share capital of the Company during the financial year. Full details of the Company's share capital movements are given in Note 13 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 Director	Non-Executive Directors
Richard Griffiths Michael Bretherton	James Ede-Golightly

Directors' remuneration

	Salary and fees £'000	Benefits £'000	2022 Total £'000	2021 Total £'000
Richard Griffiths	125	7	132	132
Michael Bretherton	125	9	134	133
James Ede-Golightly	25	6	31	30
	275	22	297	295

It is the Company's policy that executive Directors should have employment/service 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.

The non-executive Director, James Ede-Golightly, is engaged on a letter of appointment which may not be terminated on less than six months notice.

Directors' interests

The interests of Directors in the shares of the Company as at 30 June 2022 are given below:

	Ordinary shares of £100 each 30 June 2022	Ordinary shares of £100 each 30 June 2021
Richard Griffiths	27,917	27,898
Michael Bretherton	1,127	1,127
James Ede-Golightly	94	94

Profiles of the directors

Richard Griffiths, Chairman

Richard Griffiths was appointed chairman of Sarossa on 1 December 2017. He has had a long career founding, running, investing in and advising growth companies. Previously, Richard was founder and executive chairman of the Evolution Group PLC, a diversified financial group, taking it from start up to FTSE 250 membership within 5 years. Richard subsequently went on to become founder and chairman of ORA Capital Partners Plc in 2006 and later distributed the company's profits and assets back to shareholders in 2013, before setting up ORA Limited in Jersey in 2014 and at which he remains chairman. In addition, Richard has been a venture or strategic investor in many successful UK companies including IP Group Plc, Nanoco Group Plc, Tissue Regenix Group Plc, GVC Holdings Plc, Oxford Nanopore Technologies Limited and Plectrum Petroleum Limited (sold to Cairn Energy Plc).

Michael Bretherton, Chief Executive Officer

Michael Bretherton was appointed as a non-executive director of Sarossa's predecessor entity Sarossa Capital plc in March 2011 and took on the role of finance director on admission to AIM in January 2012, before being appointed chairman on 25 October 2012. He subsequently moved from the role of chairman to that of chief executive officer on 1 December 2017. Michael is also chairman of Adams Plc and Hardy Plc and is a non-executive director of E-Therapeutics Plc. In addition, Mr Bretherton has been a director of seven other AIM quoted companies during the last twelve years, including DeepMatter Group Plc, Nanoco Group Plc, Ceres Power Holdings Plc and Tissue Regenix 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 seven years in London and Abu Dhabi.

James Ede-Golightly, Non-Executive Director

James Ede-Golightly was appointed as a non-executive Director on 1 April 2018. He is chairman of East Balkan Properties Plc and Oxford Advanced Surfaces Limited and non-executive Chairman of DeepMatter Group Plc. James has extensive experience as a non-executive on the boards of AIM-quoted companies with international business interests. James was also a founder of ORA Capital Partners in 2006, having previously worked as an analyst at Merrill Lynch Investment Managers and Commerzbank. He is a CFA Charterholder and holds an MA in economics from Cambridge University. In 2012 he was awarded New Chartered Director of the Year by the Institute of Directors.

Substantial shareholdings

Richard Griffiths, by way of his shareholding, individually exercises control over the Company. Richard Griffiths holding in the Company, along with those who had an interest in 3% or more of the issued ordinary share capital of the Company as at 20 September 2022, as far as the Directors are aware, is as follows:

Shareholder	Number of ordinary shares	% Holding
Mr Richard Griffiths	27,917	69.86

Directors' Report (continued)

Corporate governance

The Directors recognise the importance of sound corporate governance and observe the principles of the UK Corporate Governance Code 2014. As a consequence, the Company follows the Quoted Companies Alliance ("QCA") Corporate Governance Code to the extent that they consider the principles appropriate for the Company's size and nature.

The Board

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

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 James Ede-Golightly, who acts as chairman.

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 of James Ede-Golightly, who acts as chairman.

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

The Directors have considered their obligation in relation to the assessment of the going concern of the Company and have reviewed the current cash forecasts and assumptions as well as the main risk factors facing the Company. The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

Risk management

The Company's risk management objectives and exposure are detailed in the Strategic Report on pages 5 to 7 and in Note 12 to the financial statements.

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

Creditor payment policy
The Company 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 Company does not have a standard policy that deals specifically with the payment of suppliers.

At the end of the year outstanding invoices for the Company represented 13 days purchases (2022: 8 days).

Electronic communication with shareholders
The Sarossa board believes that the use of electronic communication to send or supply certain documents and information ("Documents") to shareholders by making such Documents available electronically via a website will deliver cost savings to the Company in terms of administration, printing and postage, and environmental benefits through the reduced consumption of energy, paper and inks, as well as speeding up the provision of information to shareholders.

In order to do this, the Company is required to ask shareholders to confirm their agreement to the supply of such Documents in this fashion and accordingly a letter of request and preferred option for receipt of Documents is sent to all shareholders.

Annual General Meeting
The next Annual General Meeting will take place on 30 November 2022 at 11.00 am at the Company's registered office at Floor 1 Liberation Station, The Esplanade, St Helier, Jersey JE2 3AS.

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.

The Directors are required by the Companies (Jersey) Law 1991 to prepare Company financial statements for each financial period in accordance with generally accepted accounting principles. The directors have elected under Jersey Company law, to prepare Company financial statements in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the United Kingdom ("UK").

The Company's financial statements are required by law to give a true and fair view, and are required by IFRS adopted by the UK to present fairly, the financial position and performance of the Company.

In preparing the financial statements, the Directors should:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

Directors' Report (continued)

c. state whether they have been prepared in accordance with IFRSs adopted by the UK, subject to any material departures disclosed and explained in the financial statements; and

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping accounting records which are sufficient to show and explain the Company's transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements are properly prepared and in accordance with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

So far as the Directors are aware, there is no relevant information of which the Company's auditors are unaware and each Director has taken all the steps that he ought to have taken 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.

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

Michael Bretherton
Chief Executive Officer

29 September 2022

Independent Auditor's Report to the Members of Sarossa Plc

Opinion

We have audited the financial statements of Sarossa Plc (the 'Company') for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the United Kingdom ("UK").

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its loss for the year then ended;
- are in accordance with IFRSs as adopted by the UK; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey, including the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Company financial statements are not in agreement with the accounting records; or
- we have not received proper returns adequate for our audit from branches not visited by us; 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.

Independent Auditor's Report to the Members of Sarossa Plc (continued)

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 11 and 12, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Use of our report

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Budworth

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

29 September 2022

Statement of Comprehensive Income

for the year ended 30 June 2022

	Notes	2022 £'000	2021 £'000
(Loss)/gain on portfolio investments	2	(5,568)	8,752
Dividend and other income	2	176	187
Gross investment (loss)/return		(5,392)	8,939
Administrative expenses		(1,043)	(1,048)
Operating (loss)/profit	5	(6,435)	7,891
Finance income/(expense)		–	–
Loss before taxation		(6,435)	7,891
Taxation	6	–	–
(Loss)/profit for the year and total comprehensive income		(6,435)	7,891
Earnings per ordinary share			
Basic and diluted	7	(£161.03)	£197.46

There are no other comprehensive income or loss items.

Statement of Changes in Equity

as at 30 June 2022

	Notes	Share Capital £'000	Capital Redemption Reserve £'000	Retained Earnings Reserve £'000	Total £'000
At 30 June 2020		3,996	2,398	12,893	19,287
Total comprehensive income for the year		–	–	7,891	7,891
At 30 June 2021		3,996	2,398	20,784	27,178
Total comprehensive (loss) for the year		–	–	(6,435)	(6,435)
At 30 June 2022		3,996	2,398	14,349	20,743

The notes on pages 19 to 30 form part of these financial statements

Statement of Financial Position
at 30 June 2022

	Notes	2022 £'000	2021 £'000
Assets			
Non-current assets			
Portfolio Investments	8	20,464	26,817
		20,464	26,817
Current assets			
Other receivables	9	49	30
Cash and cash equivalents	11	270	764
		319	794
Total assets		20,783	27,611
Liabilities			
Current liabilities			
Trade and other payables	10	(40)	(433)
Total liabilities		(40)	(433)
Net current assets		279	361
Net assets		20,743	27,178
Shareholders' equity			
Share capital	12	3,996	3,996
Capital redemption reserve	13	2,398	2,398
Retained earnings reserve	14	14,349	20,784
Total shareholders' equity		20,743	27,178

The financial statements on pages 16 to 30 were approved by the Board of Directors and authorised for issue on 29 September 2022 and signed on its behalf by:

Michael Bretherton
Chief Executive Officer

Company number – 115158

The notes on pages 19 to 30 form part of these financial statements

Statement of Cash Flows

for the year ended 30 June 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
(Loss)/profit before tax		(6,435)	7,891
Adjustments for:			
Realised (loss)/ gain on sale of portfolio investments	2	503	(948)
Unrealised Foreign Exchange gain	8	(607)	–
Unrealised (loss)/gain on revaluation of portfolio investments	8	5,672	(7,804)
Operating cash outflows before movements in working capital		(867)	(861)
Purchase of portfolio investments	8	(1,747)	(1,602)
Proceeds from sales of investments		2,532	2,617
Increase in trade and other receivables		(19)	(1)
(Decrease) / increase in trade and other payables		(393)	405
Net cash (used in)/generated from operations		(494)	558
Net (decrease)/increase in cash and cash equivalents		(494)	558
Cash and cash equivalents at beginning of year		764	206
Cash and cash equivalents at end of year		270	764

The notes on pages 19 to 30 form part of these financial statements

Notes to the 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 registered office of Sarossa Plc is Floor 1 Liberation Station, The Esplanade, St Helier, Jersey JE2 3AS.

Basis of preparation

The financial statements have been prepared by Sarossa Plc in accordance with International Financial Reporting Standards ('IFRS'), as adopted for use by the United Kingdom ("UK"), 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

New Accounting Standards, interpretations and amendment adopted

The accounting policies adopted are consistent with those of the previous financial year.

New standards and amendments to IFRS effective as for the financial reporting period have been reviewed by the Company and there has been no material impact on the financial statements as a result of these standards and amendments.

Standards issued but not yet effective

New Accounting Standards, interpretations and amendment adopted.

The following were new standards and amendments to existing standards which are relevant to the Company and are effective for annual periods commencing on or after 1 July 2021:

- Updates to IFRS9 "Financial Instruments"
- Interest Rate Benchmark Reform (Amendments to IFRS9, IAS39, IFRS7, IFRS4 and IFRS16)
- Reference to the Conceptual Framework (Amendment to IFRS3)
- Classification of Liabilities of Current or Non-current (Amendments to IAS1)
- Definition of Accounting Estimates (Amendments to IAS8)
- Annual Improvement Cycle 2018-2020

Adoption of these new and amended standards has had no material impact on the financial statements of the Company.

Accounting Standards or interpretations, not yet early adopted

A number of new standards, amendments to existing standards and interpretations which have been issued or amended by IASB, are not yet effective and have not been applied in preparing these financial statements. The Directors are considering the standards, however, at this time they are not expected to have a significant impact on the Company.

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.

Notes to the Financial Statements (continued)

1. Principal accounting policies (continued)

Critical accounting estimates and areas of judgement

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 Company's accounting policies. The Notes to the 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 2022 at a valuation of £20.46 million (2021: £26.82 million). For further detail see Note 9.

Income

Income is measured at the fair value of the consideration received or receivable in the normal course of business, net of discounts and other sales related taxes. The Company 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 Company.

(i) Gross investment return

Gross investment 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 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 Company's right to receive payment has been established.

(ii) Interest income

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

(iii) Other income

All other income is recognised as other income in the period to which it relates.

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 the Company 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 Company at the transaction date rate 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 any foreign operations are translated into the Company'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 functional and presentational currency of the Company is Pounds Sterling.

1. Principal accounting policies (continued)

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost.
- fair value through profit or loss (FVTPL).
- fair value through other comprehensive income (FVOCI).

The classification is determined by both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- held under a business model objective to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and trade and most other receivables fall into this category of financial instrument.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The Company's Investment Portfolio assets fall into this category and are further described below:

Investment Portfolio Assets

Investment assets that are held by the Company 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 portfolio assets are designated at fair value through profit or loss on initial recognition which is considered most appropriate as investment portfolio assets are assessed and evaluated on a fair value basis. Any gains or losses arising from subsequent changes in fair value are presented in the Statement of Comprehensive Income as they arise.

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

Notes to the Financial Statements (continued)

1. Principal accounting policies (continued)

(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.

Derivative Trading Contracts
Purchases and sales of derivative financial instruments are recognised at the trade date which is the date that the Company became a party to the contractual provisions of the instrument. The Company 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 the Statement of Comprehensive Income as they arise.

Financial assets at fair value through other comprehensive income (FVOCI)
The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- held under a business model objective to "hold to collect" the associated cash flows and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

In the periods presented the Company does not have any financial assets categorised as FVOCI.

Impairment of financial assets
IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses- the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'.

Instruments within the scope of the new requirements include loan commitments and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

1. Principal accounting policies (continued)

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities
As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

The Company's financial liabilities includes trade and other payables.

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 are disclosed separately as short-term deposits.

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 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 Company intends to settle its current tax assets and liabilities on a net basis.

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.

Notes to the Financial Statements (continued)

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 Company has only one reportable segment, being Gross 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 Company in the two years ended 30 June were:

	2022 £'000	2021 £'000
Unrealised (loss)/gain on revaluation of portfolio investments	(5,672)	7,804
Unrealised foreign exchange rate gain	607	–
(Loss)/gain on disposal of portfolio investments	(503)	948
(Loss)/gain on portfolio investments	(5,568)	8,752
Dividend income	161	136
Other income	15	51
Gross investment return	(5,392)	8,939

Geographic Information

Portfolio return and revenue from external customers were:

	2022 £'000	2021 £'000
Jersey (country of domicile)	(5,392)	8,939

The location is based upon either the location of the customer 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 Company are as follows:

	2022 £'000	2021 £'000
Aggregate emoluments		
Gross emoluments and benefits	297	295
Highest-paid Director		
Emoluments and benefits	134	133

4. Employee information

The monthly average number of persons, (excluding non-executive directors who are engaged on service agreements), employed by the Company during the year was:

	2022	2021
By activity		
Administration	4.00	3.33

4. Employee information (continued)

The cost relating to the above employees and all directors including non-executive directors is as follows:

	2022 £'000	2021 £'000
Staff costs		
Wages and salaries	432	384
Social security costs	20	12
Employee benefit	22	23
	474	419

5. Operating profit

The following items have been charged in arriving at the operating profit:

	2022 £'000	2021 £'000
Auditors' remuneration (see below)	13	11
Auditors' remuneration		
Fees payable to Company auditor for the audit of the Company financial statements	11	8
Tax services	2	3
	13	11

6. Taxation

a) Tax charges and credits in the Income Statement

	2022 £'000	2021 £'000
Current tax on result for the year	–	–
Deferred tax	–	–
Tax charge for the year	–	–

The tax on the Company's profit or loss before tax does not differ from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Company as follows:

	2022 £'000	2021 £'000
Factors affecting the tax charge for the year:		
Jersey (country of domicile)		
The tax assessed for the year per the standard rate of income tax as explained below:		
(Loss)/gain on ordinary activities before taxation	(6,435)	7,891
Result on ordinary activities multiplied by the standard rate of income tax at nil%	–	–
Jersey tax charge for the year	–	–

Notes to the Financial Statements (continued)

7. Earnings per share

Earnings per ordinary share	2022	2021
(Loss)/gain for the year (£'000)	(6,435)	7,891
Average number of shares	39,962	39,962
Basic (loss) / earnings per ordinary share	(£161.03)	£197.46
Diluted (loss)/ earnings per ordinary share	(£161.03)	£197.46

Basic earnings per share is calculated by dividing the profit or loss 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. There were no dilutive potential ordinary shares in issue at 30 June 2022 (30 June 2021: nil).

8. Portfolio investments

	Quoted Equity Shares £'000
Fair value at 30 June 2020	19,080
Additions in the year	1,602
Investment disposals	(1,669)
Unrealised gain on the revaluation of investments	7,804
Fair value at 30 June 2021	26,817
Additions in the year	1,747
Investment disposals	(3,035)
Unrealised foreign exchange gain on investments	607
Unrealised (loss) on the revaluation of investments	(5,672)
Fair value at 30 June 2022	20,464

9. Other receivables

	2022 £'000	2021 £'000
Other receivables	32	13
Prepayments and accrued income	17	17
	49	30

The Company considers that the carrying amount of 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.

10. Trade and other payables

	2022 £'000	2021 £'000
Trade payables	6	5
Other payables	17	13
Accruals	17	415
	40	433

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

11. Financial risk & capital management

The Company'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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company'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 Company is exposed to market price risk in respect of its portfolio investments. The Company mitigates this risk by having established investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board.

The Company 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 movements in the Company's investment portfolio are given in note 9 to the financial statements.

Price risk sensitivity

The table below summarises the impact on the Company'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

	2022 £'000	2021 £'000
Portfolio investments	2,046	2,682

ii) Interest rate risk

The Company has no borrowings and as such 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 Company, 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 Company's liquidity needs.

Interest rate sensitivity

The principal impact to the Company 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.

	2022			2021		
	Fixed rate £'000	Floating rate £'000	Total £'000	Fixed rate £'000	Floating rate £'000	Total £'000
Cash, cash equivalents and short term deposits	270	–	270	764	–	764

At 30 June 2022, 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 an immaterial amount as a result of higher/lower interest received on floating rate cash deposits.

Notes to the Financial Statements (continued)

11. Financial risk & capital management (continued)

iii) Currency risk profile

In prior periods, the Company had a limited level of exposure to foreign exchange rate risk through its foreign currency denominated cash balances and trade receivable balances, however The Company now holds a significant investment position in a company whose shares are quoted in $USD.

	Cash and cash equivalents 2022 £'000	Portfolio investments 2022 £'000	Trade & other receivables 2022 £'000	Cash and cash equivalents 2021 £'000	Portfolio investments 2021 £'000	Trade & other receivables 2021 £'000
GB Pounds Sterling	270	14,425	32	764	26,817	13
US Dollars	–	6,039	–	–	–	–
	270	20,464	32	764	26.817	13

Foreign exchange risk sensitivity

The Company holds a portfolio investment which is quoted in $USD. The foreign exchange risk sensitivity presented below shows the impact a 10% increase/decrease in the relevant foreign exchange rate versus the pound sterling rate would have on the pre-tax result for the year and on equity.

Impact of 10% increase/(decrease) in the USD vs GBP exchange rate

	2022 £'000	2021 £'000
10% Increase/(decrease) in USD to GBP foreign exchange rate	671 / (549)	-

Management of credit risk

The Company's principal financial assets are portfolio investments and bank balances. The credit risk associated with other receivables is considered to be minimal as the balances are due from counterparties with no history of default.

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

The credit risk associated with portfolio investments is considered minimal.

Credit risk sensitivity

	2022 £'000	2021 £'000
Cash, cash equivalents and short term deposits		
A3	146	26
A2	13	12
No rating provided*	111	726
	270	764

The credit ratings provided above are the long-term credit ratings assessed as per Moody's, both of which include are provided with a stable outlook.

*These monies are held with reputable international brokerages.

11. Financial risk & capital management (continued)

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

	Amortised cost £'000	Fair value through profit and loss £'000	Total £'000
Portfolio investments	–	20,464	20,464
Other receivables	32	–	32
Cash and cash equivalents	270	–	270
Trade and other payables	(40)		(40)
Net total at 30 June 2022	262	20,464	20,726
Portfolio investments	–	26,817	26,817
Other receivables	13	–	13
Cash and cash equivalents	764	–	764
Trade and other payables	(433)	–	(433)
Net total at 30 June 2021	344	26,817	27,161

The Company does not consider that any changes in the 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 Company 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 Company 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 Company had cash, cash equivalents and short term deposits at 30 June 2021 as set out below:

	2022 £'000	2021 £'000
Instant access	270	764
Maturing in 1 – 3 months	–	–
	270	764

Capital Management

The Company's policy is to maintain a strong capital base. The Company 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 Company is entirely equity financed with no external capital requirements imposed upon it. In order to preserve capital the Company 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 Company's net asset value is monitored on an ongoing basis.

	30 June 2022 £'000	30 June 2021 £'000
Capital (net assets / shareholders' equity)	20,743	27,178
Movement from prior year	(24%)	40.9%

Notes to the Financial Statements (continued)

12. Share capital

Ordinary Shares	Number	£'000
Authorised ordinary shares		
At 30 June 2022 and 30 June 2021 (ordinary shares of £100)	100,000	10,000
Allotted, issued and fully paid ordinary shares		
At 30 June 2022 and 30 June 2021 (ordinary shares of £100)	39,962	3,996

A consolidation of the Company's ordinary share capital took place on 29 October 2018 on the basis of one new ordinary share of £100 for every ten thousand existing ordinary shares of 1p held.

13. Capital redemption reserve

	Capital Redemption Reserve £'000
30 June 2022 and 30 June 2021	2,398

The capital redemption reserve arose on historic buybacks of the Company's own shares.

14. Retained earnings surplus

	2022 £'000	2021 £'000
At 1 July	20,784	12,893
(Loss)/profit for the year	(6,435)	7,891
At 30 June	14,349	20,784

15. Related party transactions

Transactions with related parties:
Purchases from and sales to 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.

There were no material costs charged through the Statement of Comprehensive Income in respect of related parties during the financial year ended 30 June 2022, (2021: nil). Other related party income of £15,000 was received in the year (2021: 15,000). This was received from Hardy Plc, a company of which Mike Bretherton is a director and which also has the same controlling shareholder as Sarossa. The other income fee received was in respect of financial and operational support provided to Hardy Plc. No amounts remained outstanding at the year end (2021: nil outstanding).

Directors' remuneration.
The remuneration and benefits of the individual Directors is provided in the Directors' Report on page 8 and is also disclosed in Note 3. The Directors are also considered to be the key management of the Company.

16. Ultimate controlling party

At 30 June 2022 Richard Griffiths is considered to be the ultimate controlling party by virtue of his shareholding.

17. Events after the balance sheet date

A recommended offer by Amalfi Bidco Limited ("Bidco") for the entire issued share capital of Caretech Holdings Plc was approved by shareholders on 8 September 2022. The offer was affected by way of a scheme of arrangement, with Caretech shareholders being offered a choice to elect to receive either £7.50 in cash per Caretech share held, or the partial alternative offer of unlisted shares in the newly formed private Bidco entity. Sarossa elected to receive the partial share alternative offer for the Company's entire holding. The transaction is structured such that the existing Caretech shareholders total portion of equity in the private company will be capped. On 27 September 2022, (being the last practicable date prior to the publication of this annual report), it had not been confirmed as to the split of shares in Bidco and cash that Sarossa would receive in respect of the offer.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2022 Annual General Meeting of Sarossa Plc (the "**Company**") will be held at 11.00 a.m. on 30 November 2022 at the Company's registered office at Floor 1 Liberation Station, The Esplanade, St Helier, Jersey, JE2 3AS for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Directors' Report, the audited Financial Statements and Independent Auditors' Report for the year ended 30 June 2022.

2. To consider and, if thought fit, to approve the re-appointment of Michael Bretherton 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 5 which 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 £1,332,066.67 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 2023 or 31 December 2023 (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 4 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 £799,240.00 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 2023 or 31 December 2023 (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

Sarossa Plc
Registered office:
Floor 1 Liberation Station
The Esplanade
St Helier
Jersey
JE2 3AS
James Sutcliffe
Company Secretary

29 September 2022

Notice of Annual General Meeting (continued)

EXPLANATORY NOTES TO THE NOTICE OF AGM

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 28 November 2022; 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**").

Voting rights

2. 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.

Appointment of proxies

3. 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.

4. 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.

5. 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

6. 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, Steelpark Road, Halesowen, B62 8HD; and received by Neville Registrars no later than 11.00 a.m. on 28 November 2022.

   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

7. 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

8. 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, Steelpark Road, Halesowen, B62 8HD.

   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

9. 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 notarial 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 28 November 2022. 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

10. As at 6 p.m. on 28 September 2022, the Company's issued ordinary share capital comprised 39,962 ordinary shares of 1p each. Each ordinary share carries the right to one vote at a general meeting of the Company.

Quorum

11. 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.

12. 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.

13. 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

14. The following documents will be available for inspection at the registered office of the Company during normal business hours on any business day and will be available for inspection at the place where the meeting is being held from 15 minutes prior to and during the Meeting:

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

    b. a copy of the letter of appointment of the non-executive director of the Company.

Perivan 264319