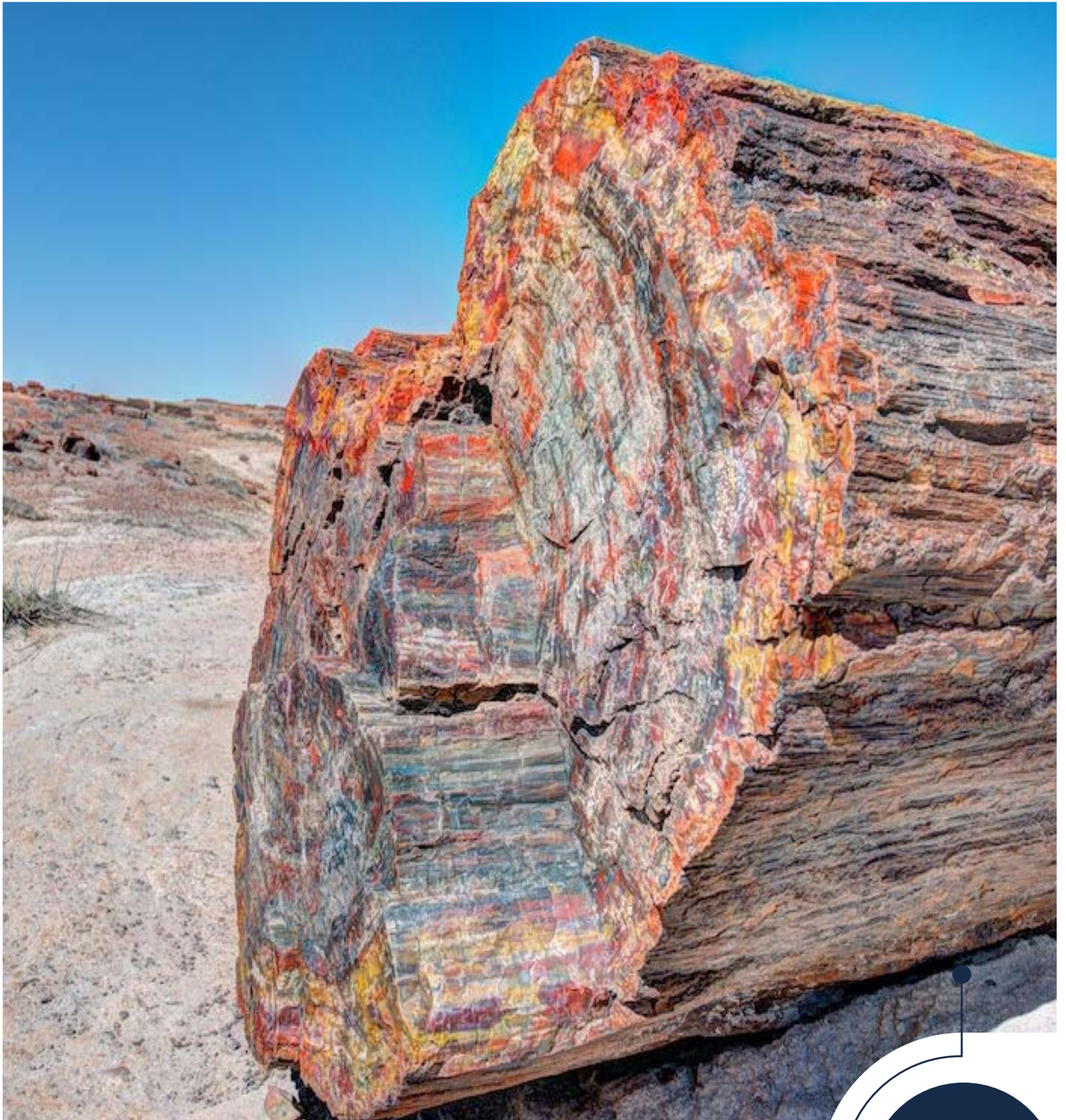




31 March

2025

Compounding wealth long-term

Rockwood Strategic Plc

Report and Accounts for the year ended 31 March 2025

ROCKWOOD
STRATEGIC 

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

Rockwood Strategic plc ("RKW") is an Investment Trust listed on the Main Market of the London Stock Exchange that invests in a focused portfolio of smaller UK public companies. The strategy identifies undervalued investment opportunities, where the potential exists to improve returns and where the company is benefitting, or will benefit, from operational, strategic or management changes. These unlock, create or realise value for investors.

Highlights

Highlights for the period include:

- NAV Total Return performance in the twelve months to 31 March 2025 of 21.0% to 248.79p/share*, which compares to a decline in the FTSE Aim All-Share of 8.2% and a rise in the FTSE Small Cap (ex-ITs) of 3.4%.
- The Total Shareholder Return in this period was 20.8%*.
- NAV Total Return performance in the three years to 31 March 2025 of 54.5%, which compares to the FTSE Small Cap (ex-ITs) of -6.6% and the FTSE Aim All-Share of -34.6%. The Total Shareholder Return in this period was 78.6%*.
- Maintained price of shares at an average premium to NAV of 2.9%*.
- Significant new investor demand resulted in issuance of 7.6 million new shares, increasing share count by 24.5% and, alongside performance, growing NAV to £96.6m from £64.3m. NAV has grown 135.6% in the last three years, building scale.

* These are considered to be Alternative Performance Measures (APMs). See APMs on page 49.

Chairman's Statement



Noel Lamb

Chairman
Rockwood Strategic Plc

Dear Shareholder,

I am pleased to report another successful year for Rockwood Strategic plc ("RKW"). RKW has grown Net Asset Value ("NAV") per share, increased assets through new issuance and maintained the share price at a premium to NAV. RKW remains one of the very best performing UK small companies funds, according to Association of Investment Companies data for the previous one, three and five years ended 31 March 2025.

NAV Total Return performance in the twelve months to 31 March 2025 was 21.0%¹ which compares to an increase in the FTSE Small Cap (ex-ITs) of 3.4% and a fall in the AIM All-Share Index of 8.2%. The Total Shareholder Return in this period was 20.8%. Our approach is clearly differentiated from other UK small company funds; concentrated, 'value' focused, and adding value through active engagement with our investments. It seems clear that the pressure of UK market outflows and desire for liquidity by many professional investors is creating opportunities for our Manager to uncover the resulting pricing inefficiencies and opportunities for successful capital deployment to generate our medium and longer term performance targets.

The market had an eventful year and a further 7 new holdings were established during the period. As a result, half of the top ten holdings have changed in the last year. This ability to re-cycle and renew our portfolio provides confidence in the dynamism of our approach and that the seeds of future NAV growth are being sown.

Geo-political and macro-economic headlines continue to dominate sentiment. However, it is clear this highly stock specific approach is identifying opportunities which can create value for shareholders irrespective of external events. A number of operational turnarounds within the portfolio now appear on track, strategic initiatives continue to progress and a range of new or evolved management teams and Boards have either concluded or are underway. It is worth remembering that performance in any short period under review will be primarily due to the individual performances of a handful of our holdings. I have made this comment before and will again, as in 2025 it was indeed the case due to the outstanding contribution from Filtronic Plc and Funding Circle Plc to Shareholders' NAV growth.

I am also delighted to report that the shares have maintained an average 2.9% price premium to NAV. This has allowed RKW under its authorities to issue shares to new investors satisfying demand. Issuance continued during the financial year and as the Trust reached its limits under existing authorities we issued a Prospectus and conducted a General Meeting to expand this limit which was overwhelmingly supported by shareholders, for which I thank those who participated. We warmly welcome all our new fellow shareholders.

It was also pleasing to see external industry recognition of our progress with Rockwood Strategic winning 'Best UK Exposure' at the Quoted Data Awards, 'Investment Company of the Year - UK Small Companies' at the Investment Week Awards and 'UK Smaller Companies Trust' of the year at the Citywire Investment Trust Awards. The Board also noted Richard Staveley, your manager, was awarded the coveted AAA status by Citywire during the period.

The Board believes that, until the Company has gained greater scale, it will retain the maximum capital allowable to maximise the compounding of NAV growth. Our Dividend policy is that at least 85% of net income after expenses will be paid to shareholders. During the period, modest levels of portfolio income did not exceed running expenses and thus no dividend will be paid. Our AGM will be held on 29 July for those that would like to meet the Board members and Investment Manager in person.

Yours sincerely,

Noel Lamb
Chairman RKW

17 June 2025

¹ These are considered to be Alternative Performance Measures (APMs). See APMs on page 49.

Board of Directors



Noel Lamb

Independent, Non-Executive Chairman

Noel graduated from Exeter College, Oxford and is a barrister-at-law. Commissioned into the 5th Royal Inniskilling Dragoon Guards, he served as ADC to the Commandant of the Royal Military Academy Sandhurst and Adjutant of the North Irish Horse. He joined Lazard Brothers & Co Limited in 1987 and from 1990 to 1997 he was the managing director of Lazard Japan Asset Management where he was the fund manager for their Japanese equities. In 1997, he moved to the Russell Investment Group where he established the investment management capability of Russell in London. In 2002, he was promoted to Chief Investment Officer in North America where he managed assets of \$150bn until his departure in 2008. Noel is also currently a director of Guinness Asset Management Funds and served as chairman of Alantis Japan from 2014 to 2023.



Kenneth Lever

Senior Non-Executive Director
Chairman of the Audit Committee

Chairman of the Audit Committee at Rockwood Strategic plc, Ken is Chairman of Marston's plc, Chairman of Cirata plc and Deputy Chairman and NED of Rainier Developments Limited. Ken was previously Chairman of Biffa plc and RPS Group plc and also Chief Executive of Xchanging plc. During his career Ken has held listed company executive board positions with Tomkins plc, Albright and Wilson plc, Alfred McAlpine plc and private equity owned Numonyx BV.

In his early career Ken qualified as a Chartered Accountant and became a partner in Arthur Andersen. Ken is Chairman of the Advisory Board of the Alliance Manchester Business School. Ken graduated from the University of Manchester with a degree in Management Sciences.



Paul Dudley

Non-Executive Director

Paul Dudley is a Fellow of the Institute of Chartered Accountants of England and Wales and is a Member of the UK's Chartered Institute of Securities and Investment. Paul founded Aer Ventures in 2011, a corporate advisory business, where he is Managing Partner. He has previously worked as an approved Qualified Executive acting as the Corporate Finance adviser on AIM corporate transactions. Paul graduated from Durham University and began his career at PricewaterhouseCoopers. He is currently a director of a number of public and private companies including Celsius Resources Ltd and Pyne Gould Corporation Ltd.

Investment Manager's Report

Highlights

- NAV Total Return performance in the twelve months to 31 March 2025 of 21.0% to 248.79p share, which compares to a decline in the FTSE Aim All-Share of 8.2% and a rise in the FTSE Small Cap (ex-ITs) of 3.4%.
- The Total Shareholder Return in this period was 20.8%.
- NAV Total Return performance in the three years to 31 March 2025 of 54.5%, which compares to the FTSE Small Cap (ex-ITs) of -6.6% and the FTSE Aim All-Share of -34.6%. The Total Shareholder Return in this period was 78.6%.
- Maintained price of shares at an average premium to NAV of 2.9%.
- Significant new investor demand resulted in issuance of 7.6 million new shares, increasing share count by 24.5% and, alongside performance, growing NAV to £96.6m from £64.3m. NAV has grown 135.6% in the last three years, building scale.

Market backdrop

Rockwood Strategic derives its main investment 'edge' from individual stock picking rather than broader market and economic insights which the media tend to focus on. Of course, the health of the general economy, the level of political interference in economies and the cost of money (interest rates) all affect the outlook for our holdings, in particular the context in which they are improving profitability and undertaking strategic initiatives.

Finally, for the first time since March 2020 interest rates started falling. This is an important development as what Ed Chancellor calls "The Price of Time" has such an influence over the cost of capital, asset allocation decision-making and return expectations. It also signalled that the main Central Banks were happy the recent inflationary period was behind us. However, in their culturally conservative approach, the pace of cuts has been pedestrian and during the year the Bank of England reduced the base rate from 5.25% to 4.5%. For many mortgage holders and businesses used to the extended period of zero rates, this remains a challenging policy setting.

The adoption of aggressive Tariffs by the U.S. are widely expected to create an inflationary impulse, despite equal unanimity that they will lead to weaker economic activity, which could offset this (for illustration the oil price has fallen from c.\$82 in March 2024 to \$61 at time of writing). This may temper further cuts, its frankly unclear. However, in the UK the Consumer Price Index hit 2.6% in the 12 months to March; broadly on track to reach, but still above, the target of 2%. Our expectation is that slowing global economic activity as a result of policy uncertainty around Tariffs and the lack of fiscal headroom to provide stimulus, will enable interest rates to continue falling, probably at an accelerated pace, which historically has been supportive for the performance of UK smaller company shares. The U.K.'s small (only 1.9% of GDP) exports to the US appear to have received some friendly (e.g. vs Europe) treatment, but the wider inevitable economic slowdown combined with domestic sluggishness is supportive of lower rates and a challenging backdrop for many businesses.



Richard Staveley
Lead Fund Manager



Nicholas Mills
Assistant Fund Manager



Christopher Mills
Advisory Group Member
CIO Harwood Capital Group

* These are considered to be Alternative Performance Measures (APMs). See APMs on page 49.

In the UK, a General Election occurred resulting in a large majority for the Labour Party, despite a low level of the popular vote, as traditional Conservative support tired or splintered into the Reform Party. Labour, in a serious attempt to prove they are worthy of government (having been in power only 13 of the 46 years since 1979), have issued 'fiscal rules' which is important given government debt interest payments now exceed £100 billion, more than the education budget. Clearly 'talk' needs to be translated into 'action', however clear policy support for more UK infrastructure investment, reduced public sector costs and improved productivity, less and easier regulation, reduced welfare benefits and closer ties with Europe sit well with the desires of business, who will power any future improvement in economic growth. The funding conundrum to solve remains difficult given very high levels of taxation already relative to history and post war highs in government debt-to-GDP ratios.

The first Budget in the Autumn was constrained by election tax promises and the increase in National Insurance Contributions alongside higher minimum wages and, in advance of enhanced employee protections, has clearly knocked the wind out of many businesses. For context the national living wage is now higher than Germany, France, Ireland, Japan, Spain and of course the U.S. We expect further fiscal gymnastics over the next year, not least because changes to non-domiciled tax residents are seemingly causing an exodus of some of the wealthiest. One needs to generate a lot of tax elsewhere when the top 1% of payers contribute 29% of all taxes (when compared to 11% in 1979) and decide to leave the country.

We remain very frustrated that the new Government has not done more to stimulate investment flowing into the British stock market; a critical component of the country's ability to finance and scale our very best businesses. New issues were essentially non-existent. Takeovers and companies leaving the market continued. However, whilst the small company dominated AIM remains under severe pressure, and clearly not helped by a reduction in the tax relief available, the actual performance of UK shares was good. In fact, better than good (above long-term averages). The FTSE 100 rose 12.9% during the year. This compares to the S&P 500 up 7.6%. Your manager feels passionately that if smaller British companies are to sustainably join their larger brethren in performance terms, active policy actions by government will be necessary.

We reiterate our call for the tax relief afforded to ISAs be designated for UK listed shares only. A self-financing policy, we believe this could funnel over £16 billion a year into UK shares and we can bring life back to our historic market exchange, support growing UK businesses and stimulate its wide economic community.

"US exceptionalism" debates over recent years are being questioned. These arguments developed to support the narrative that the much higher valuations of US shares which had emerged were justified. We note that 2024 was only the third time in 100 years that back-to-back performances over 20% were achieved. Circumspection is now underway following Trump's election and in the wake of Chinese AI developments ('Deepseek') at a fraction of existing prices. In short Apple makes its products in China, Taiwan dominates the world supply of semi-conductors and the US doesn't grow many bananas. Simplistic tariff policy is being directed at complex, long-standing, interdependencies. Second and third order impacts will be far and wide. The lack of clarity in terms of the final policy settings under the Trump administration is now the key dampening effect on the world economy. It's the uncertainty that kills.

Of further significance is the loosening up of Germany's fiscal position alongside the EU. This once rock-solid conservative stance has been fractured by Trump's pressure on Europe to carry its weight on Defence spending. With a low, relative, debt to GDP ratio in Germany, this appears a welcome development to underpin European economic recovery, as does a softening attitude to the pace of climate change regulations which tend to suppress economic growth.

In conclusion, we are thankful our stock specific investment approach at Rockwood Strategic doesn't rely on analysing macroeconomic, geo-political or market factors, particularly when the sitting US President has his own crypto-coin, such as deciding upon the correct price for Gold, but we are positive that interest rates are falling and that the UK appears in a relatively good position on tariffs and that, quietly, with little hubris, UK shares have started to beat US ones. Given low starting relative equity valuations, if this is the beginning of new trend, it could be a very significant investment opportunity and we mean to exploit it.

Portfolio Commentary and Outlook

Overall, the portfolio is diversified by number of investments (24) and industry sectors. There remains concentration of our largest holdings, with 63.1% of NAV in the top ten holdings. 13 of our investments have net cash on their balance sheets, completely unlevered. During the year a number of key investments, in-line with our theses, reduced their leverage and thus risk materially, highlights being Capita and James Fisher & Sons.

The current valuations of our holdings are materially below our estimate of their combined intrinsic value. Low starting valuations are critical to future positive returns.

We have had the proceeds of new issuance to invest. Cumulatively this has meant we have been able to buy more of our maturing investments at favourable prices and also we have, in a buyer's market, been able to purchase 7 new investments, all of which we target at least 100% upside, and represented 23.3% of portfolio NAV at period end.

An understanding of the maturity stage of the portfolio holdings is paramount to the confidence which underpins our view of the future NAV growth opportunity. Typically, we spend between a month and up to 6 months researching a new opportunity. On initial purchase the company is entering or within a 'stabilisation phase' which lasts 6-18 months. This is usually a volatile period for the shares (more often than not in a negative direction) as the management and Board evolves, operational performance is stabilised, all issues surface and the plan for financial improvement (both balance sheet and cash flow generation) is addressed. This is the riskiest period for the investment. On emergence, management incentivisation and team has been finalised, operational plan created and a 'delivery phase' occurs, usually 24-30 months long, as the business is returned to decent profitability, returns normalise, and both the balance sheet and free cash generation are repaired. Progress is monitored through company results. Subsequently the shares move into a 'realisation phase' where either the stock market re-rates the company to fair value or external parties (trade buyers or private equity funds) spot the stabilised but undervalued business and make an approach.

Investment Manager's Report (continued)

We expect the pickup in trade buyer acquisition activity and public-to-private transactions to accelerate in the coming years for our targeted part of the UK stock market and the portfolio. If the stock market doesn't fairly value or provide growth capital to UK listed small companies then alternative solutions for shareholders will emerge. This dynamic should deliver material, absolute NAV growth for the current portfolio holdings as it did during the year with the takeover approach for National World at a 53% premium. Our unrealised IRR at year end was 84.4%.

We are excited as the majority of the portfolio is now within the delivery or realisation phase which should be supportive of further NAV growth in the years to come and our target return objective of 15% IRR.

Investment Philosophy

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

We believe that investment returns are generated by purchasing a share for less than the intrinsic worth of the company, (a 'value' philosophy), which is enhanced by identifying companies which can increase their fundamental intrinsic worth over time, thus avoiding 'value traps'. We seek to optimise the IRR by identifying 'catalysts' which will unlock the share's discount to the business's worth or accelerate value creation. For 'core' investments we ourselves may be the 'catalyst' through the provision of capital, insight and personnel through constructive engagement with the Board, management and other stakeholders.

Top 10 Holdings as % of NAV

Company	Sector	%
RM plc	Education services	13.9
Filtronic	Technology	9.4
Trifast	Industrials	6.5
Vanquis Banking Group Plc	Financial Services	6.0
M&C Saatchi	Media	5.2
James Fisher & Sons	Industrials	4.8
Restore	Business Services	4.8
Funding Circle	Financial Services	4.6
Capita Plc	Business Services	4.0
Mercia Asset Management	Financial Services	3.9
Total		63.1
Cash and equivalents	Cash and equivalents	2.6

Top 5 Investment Portfolio Holdings Commentary

RM Plc 13.9% Net Assets

Cost: £5.50m, Value as at 31 March 2025 £13.44m, IRR to date 60.8%

The company is an established and leading supplier to the education market. It has three divisions: firstly an educational supplies business which reaches 90.0% of UK Primary schools selling everything from basic supplies to bespoke teaching aids, often encouraged by the curriculum. The second is a leading assessment business which facilitates the marking of exams such as the International Baccalaureate or A-levels both in the UK and abroad. The final division provides outsourced technology services to groups of schools. We led the initiative to appoint Christopher Humphries to the Board who is now Senior Independent Director. The company has high levels of debt, but supportive banks, and we expect a divisional sale to repair the balance sheet in the next few months. The business, which has a long history of cash generation, is now stabilised after a recent collapse in profitability and we expect material profit growth over the coming years, indeed management are targeting 5x the 2023 EBITDA outcome. We believe that the shares have a 'sum-of-the-parts' valuation materially above the current share price and expect the evolved Board and new management team to create and realise considerable shareholder value through a well-managed divisional disposal process and operational turnaround. During the year significant contract wins and strategy evolution has increased our opinion of the

value of the Assessment division, which we believe exceeds the entire c. £95million current market capitalisation itself.

Filtronic 9.4% Net Assets

Cost: £1.24m, Value as at 31 March 2025 £9.09m, IRR to date 236.4%

The company is an independent, world leader in Radio Frequency ("RF") applications and technology. This is the art of converting analogue to digital signals and mastering the various wavelengths on the spectrum to communicate data effectively. The business has been in existence for many years and works with world leading clients in its sectors, historically Telecommunications (5G rollout for instance), Defence (Radar applications for example) and critical communications. The opportunity for shareholders centres on the opening up of a new, potentially huge market for Filtronic that is transforming sales and profitability of the company creating strategic value within the industry supply chain. The market is 'Space'. The company announced a strategic agreement and huge contracts with SpaceX, which has been transforming the economics of space travel, whose Starlink network of Low Earth Orbiting satellites is global leader. Filtronic has been winning contracts to supply components for their ground stations and is hoping to win new satellite customers and also develop products for the satellites themselves. The company has net cash and potentially a very bright future as other constellation projects mature, existing clients grow and the business achieves scale.

Trifast 6.5% Net Assets**Cost: £7.03m, Value as at 31 March 2025
£6.27m, IRR to date -5.6%**

The company is an international manufacturer (30.0%) and distributor (70.0%) of fasteners (nuts 'n' bolts) and has been established for a number of decades. With 34 locations, of which 7 are high volume manufacturing sites, 15 billion parts are sold per year and over 1200 employees. Sales exceed £230m with a long history of profitability and cash generation. The company has material net assets and is well invested in plant and machinery. However, returns have fallen and Return on Capital Employed ("ROCE") is poor. The operating margin is depressed vs its long history and competitors and a management and Board evolution has now been completed. This included the appointment of Nick Mills from Harwood as a Non-Executive Director ("NED"). A restructuring program to deliver savings is underway and we expect progress from a c.5.0% operating margin to a 10.0% operating margin over the next 2-3 years. 75.0% of sales are customer-specific branded products with an 18-year average tenure of the top ten customers, the largest being <7.5% sales. Net Debt had become elevated not least due to a bulging inventory position of over £100m, which is now unwinding. We can identify a significant multi-year turnaround and recovery opportunity with scope to materially increase cash generation, improve returns and profits leading to a normalisation and expansion of the valuation. Tariffs effects will need to be dealt with, although the US is a modest destination for sales and the parts are of low nominal value.

Vanquis Banking Group 6.0% Net Assets**Cost: £5.00m, Value as at 31 March 2025
£5.82m, IRR to date 35.8%**

This FCA and PRA regulated Bank emerged from the historic 'door-step lender' Provident Financial. The business now has two main lines of credit, namely a 'below-prime' credit card (Vanquis) and motor vehicle finance (Moneybarn) and has started growing loans in second charge mortgages. There are an estimated 20 million people in the UK who are financially struggling and need to, on occasion, access credit. Vanquis is the market leader with over 1.5 million customers. In line with the risks to this type of lending the rates are higher than Prime but not exploitative like the ghastly pay day lenders. For many the alternative to Vanquis, if friends and family can't help, is the unregulated black-market. The bank now has over £2 billion in deposits which is used for its

profitable lending. A fully new management team is turning around the poor performance of the company whose costs were far too high and IT systems archaic. The plan should return the business to mid-teens return on tangible equity which would justify a premium to Book Value. Currently the shares are on a big discount. The turnaround has been dealing with additional challenges from a deluge of (almost entirely spurious) customer claims created by professional Claims Management Companies. This has cost a huge amount in administration and has occurred under an asymmetric charging structure at the financial ombudsmen in favour of the Claims companies. This has recently been addressed and costs should fall in 2025-26. Furthermore, the vehicle finance sector has been under regulatory scrutiny raising concerns of expensive redress schemes. It is our strong view that Vanquis's exposure is modest. Well capitalised, with attractive financial characteristics, we expect the recovery to be considerable.

M&C Saatchi 5.2% Net Assets**Cost: £3.42m, Value as at 31 March 2025
£5.06m, IRR to date 13.9%**

The company is one of the world's best known global advertising and communications advice agencies with clients stretching from governments to supra-national organisations (e.g. The World Bank) to the world's leading consumer brands (e.g. Samsung) and social media sites (e.g. TikTok). Following a period of turmoil, the Board and management team underwent significant change. The business has been making considerable operating savings, disposing of loss-making operations and streamlining the business, including the move to shared services. Results demonstrated the turnaround is well underway unveiling a growing, high margin, low capital intensive, highly cash generative, international business. Their almost unique 'world issues' non-cyclical division, which advises a range of governments and supra-national organisations has material value and may need to be 'un-locked' from the derisory stock market valuation. The company has almost finished buying out its minority partners, has now put in place a new CEO, CFO, co-Creative Directors and has net cash. The shares still remain below the rejected level of the 2022 takeover offer. General concerns about the health of advertising markets linger, however we believe the company is now in a position to undertake share buybacks and should be actively seeking to realise and demonstrate value for shareholders.

Portfolio Activity Purchases**New holdings Commentary**

The Investment Team have been actively deploying capital during these depressed market conditions to seed returns for shareholders over the medium term.

Capita 4.0% Net Assets**Cost: £4.60m, Value as at 31 March 2025
£3.89m, Market Capitalisation £235m**

This outsourcing business was a former FTSE 100 constituent but had a spectacular fall from grace and is now valued at £235m. The business has a completely new senior management team who are targeting to improve operating margins from c.4.5% to 6-8%. There are two divisions. The first is focused on the Public Sector where it's the incumbent administration provider of a range of government services such as the Congestion Charge, The Student Loan Company and the TV License. The second division is more private sector focused and has a barely profitable contact centre business which is a key area for improving performance relative to the levels achieved by competitors. In both divisions, significant cost is being taken out and new technology harnessed (in particular the use of AI) to improve productivity, efficiency and profitability. The company had been saddled with huge amounts of debt which have now been paid off through a series of business disposals and also had a significant funding requirement for its pension fund, which has also been addressed. It is clear that most investors are sceptical of the likelihood of improved performance, which is reflected in very low valuation multiples. However, we expect a significant increase in free cash flow generation when the restructuring concludes in 2026 and 2027 justifying a large re-rating. A full break-up of the group may be the end-game and in that regard it is important the company exits its loss making closed Life & Pensions activities, which would enhance free cash flow conversion significantly.

Mercia Asset Management 3.9% Net Assets**Cost: £4.17m, Value as at 31 March 2025
£3.75m, Market Capitalisation £112m**

The business is the leading regional provider of venture capital in the UK with a network of 11 offices, relationships with 40+ universities for entrepreneurial spin-outs and provides a mix of venture capital, private credit and private equity alongside EIS and other scheme

Investment Manager’s Report(continued)

funds. Historically the company used its own balance sheet to invest in exciting early stage businesses for which it has overall a good record of success. However, recently the company has evolved its strategy and is becoming a trading company (enabling itself to be available for IHT relief). This will entail exiting the portfolio of stakes in companies over the next 2-3 years, which are currently valued by the Directors in excess of the market capitalisation of c.£110m. In addition, the company has over £40m of cash (some of which will be needed to fund the investments through to exit) and its fund management activities. These will become the sole focus in the years to come and having grown to £1.8billion of funds, the management are targeting over £3billion. With an almost fully invested platform and team, if this scale is achieved, significantly higher levels of profitability are likely. It is helpful the government is keen to support regional investment as are local public sector pensions schemes and the British Business Bank. We expect a successful execution of the strategy to provide a much simpler investment case (without the balance sheet investments) and a specialist, highly profitable and thus valuable asset manager, to emerge.

Kooth 3.6% Net Assets
Cost: £4.18m, Value as at 31 March 2025
£3.45m, Market Capitalisation £47m

This digitally led ‘hybrid’ service provides mental health services to young people. It is the leading provider in the UK with over 100 NHS Trusts adopting the service which allows young people to access professional counselling, on-line (free and anonymous). Whilst NHS budgets are stretched, the service is intended to help prevent far more expensive problems down the line if issues are addressed early. In 2023 against significant competition, Kooth won a huge, landmark contract to provide the service in the State of California. They have been mobilising the adapted service ever since which is part of a \$4billion state mental health programme. The company has also won a pilot in New Jersey but had one in Pennsylvania stopped in the run up to the election amidst a highly politicised environment. They have signed an agreement with a large insurance company to access Medicaid funding and are trialling in Illinois. The opportunity for growth in the US and the rest of the World is significant and potentially material value can be created through scale economics. The company has a large cash balance of over £20m and is generating cash

too. The valuation at a market capitalisation of c.£47m is therefore very depressed given the profitability and growth prospects and which seemingly relates to concern over the California contract performance, its size and worries about renewal which we believe are likely to be unfounded.

National World 3.2% Net Assets
Cost: £1.98m, Value as at 31 March 2025
£3.1m, IRR to date 84.4%

For long term shareholders in Rockwood Strategic, this will be a familiar name. It was purchased in January 2021 at 10p and then exited in March 2022 at 29p. The business was created to acquire the regional news assets of the former FTSE 250 company Johnston Press out of administration, shorn of its crippling pension fund and debt liabilities. The strategy of this cash generative business has been to invest and build digital revenue streams, alongside cost cutting to offset the (now slow) decline of traditional print newspapers. Local news is popular, and local businesses want to advertise and thus there is value to the portfolio of historic titles including quality businesses such as The Yorkshire Post and The Scotsman. With net cash, bolt-on acquisitions were being pursued by an experienced management team. We identified that progress was being made, but in these challenging markets, the shares performed poorly after our prior exit, and we were able to reestablish the investment at 13.5p on a very low multiple of improved profits. Subsequently a cash takeover offer at 23p, c. £65m, has emerged for the business which we have accepted at a highly attractive IRR, well in excess of our target returns. We expect the deal to complete within the first quarter of the new financial year.

Additions
We added materially to our shareholdings in a number of existing investments increasing the number of shares held, the largest are shown in the following table:

Company	% increase in shareholding during the year
Capital	122
Van Elle	83
Restore	60
James Fisher & Sons	50
STV Group	47

Capital 3.1% Net Assets
Cost: £4.21m, Value as at 31 March 2025
£2.97m, IRR to date -37.9%

The company started out providing drilling services to small African based mining companies and, having developed a reputation of best in class health and safety, service levels and efficiency, has gradually built a diversified client base including a number of world’s major mining companies. The rig fleet is now deployed across several continents and is complimented by other services, the most important for our thesis being the ‘laboratory services’ division which is providing leading edge, environmentally friendly assays and sample testing to its clients. The company suffered during the year due to delays in mobilising its new huge contract with Nevada Gold Mines and also missed growth forecasts for the laboratories business which was disappointing (albeit up 13.6%). We have engaged regularly with the company about its recent performance given Capital’s history of strong margins and attractive returns on capital. These will be enhanced further over time by the strong growth of the laboratories business, competitors of which are valued very highly. The Founder has consequently stepped back into the business as Executive Chairman and we expect much improved future performance. With a significant personal stake in the company, he is highly motivated to deliver. Whilst Capital has activities across a number of metals, it still retains a bias to Gold. We expect acceleration and further growth in its key projects, and an eventual realisation of value in the laboratories business. The valuation is anomalous, at a discount to Book Value, despite the ROCE and growth record, its asset base and prospects.

Van Elle 3.8% Net Assets
Cost: £3.98m, Value as at 31 March 2025
£3.63m, IRR to date -0.4%

This investment is now five years old having been initiated during the COVID-19 crisis. The company is the leading UK provider of ground improvement, foundation and piling services to the construction industry, with a bias to infrastructure and housing. During the five years the new management team have professionalised the business and converted losses into profits, whilst sales have grown significantly. However, financial targets have not been met with a lack of progress on operating margins and some modest m&a which has not delivered value to shareholders in our view. Whilst end markets

have clear growth dynamics, particularly the opportunity in sectors such as water and energy transmission (albeit housing remains weak) this asset intensive, c.£37m market capitalisation business, is struggling on AIM. We have increased our stake to support our engagement initiatives with the company to unlock value for shareholders. Despite having net cash and considerable fixed assets (the fleet of well-invested 'rigs') the shares are valued on a discount to book-value.

Restore 4.8% Net Assets

**Cost: £4.07m, Value as at 31 March 2025
£4.60m, IRR to date 15.8%**

This office services and records management business manages over 22m boxes of paper records for a wide range of businesses, including 80.0% of the FTSE 100, which is a highly profitable activity generating over 30.0% profit margins. Over the years, complimentary activities have been developed and the company is now UK No.1 or 2 in shredding, office technology destruction/recycling, scanning, and office relocations. The long-time CEO has returned to the group after a period of underperformance by the business and we can already observe renewed vigour, growth and improved profitability. The boxes tend to generate cash and collect dust, a fine business model and a more efficient property footprint offers the opportunity for even higher profitability with the team targeting 20% group operating margins. Now on the front foot, with central costs right-sized for a historically nimble and dynamic firm, a first acquisition has been announced on an attractive multiple which is likely to be value accretive given the scope to integrate with existing assets. We anticipate more deals and a return to its much higher valuation rating of previous years.

James Fisher & Sons 4.8% Net Assets

**Cost: £4.76m, Value as at 31 March 2025
£4.62m, IRR to date -2.8%**

A quality marine, energy and defence group with a very long corporate history, management had lost focus, capital discipline and over-leveraged the balance sheet. The new management team has now simplified the group, taking out costs and has conservative medium-term financial targets, which would result in much higher levels of profitability and returns on capital. A large disposal was announced which has radically de-gearred the company, allowing the operational recovery to now unfold. Within the remaining activities are leading edge specialist diving expertise,

growing services to global offshore wind farms, emergent defence products and cash generative shipping related services. Within each division there are clear strong sources of IP, differentiation and added-value for customers. Critical to the improved profitability is the Defence division which has now moved from losses into modest profits. Recent results unveiled a large increase in the order book and commentary for management suggests the contract pipeline is healthy. We expect considerable valuation upside as the turnaround progresses and risks abate.

STV 3.6% Net Assets

**Cost: £4.31m, Value as at 31 March 2025
£3.62m, IRR to date -16.8%**

The company is the No.1 Scottish commercial broadcaster, recently being re-awarded a further 10 year license, which incorporates its leading digital platform, the 'STV Player'. In recent years the company has expanded its content production capabilities and is the largest regional UK studios business with over 40 'returning' series. As the most popular peak time TV channel in Scotland, STV reaches 3 out of 4 Scottish adults every month (2.9m) and attracts 3x the audience of its nearest commercial competitor. Remaining profitable, the difficult and cyclical advertising spend environment has impacted recent performance yet has scope for meaningful recovery. The digital activities are very high margin and have been consistently growing with millions of registered and active users who can be served better targeted and thus higher value adverts. Debt levels are conservative but the company is saddled with a legacy pension scheme with a large deficit, which is consuming a lot of cashflow to resolve. In time this will stop and we would expect the Board of STV to be accelerating this process if it made sense for shareholders. We believe the low valuation reflects an out of date perception of business mix, as the content business is now larger than linear TV activities and has been recently announcing new production wins with Apple, NBC, the BBC and Netflix implying solid growth prospects and creative reputational momentum. A new highly regarded CEO may inject fresh perspectives into the business. His first task, though, is to ensure Studios generates acceptable financial returns. Concerns over the advertising market have weighed on the shares, which now offers an adequately covered high dividend yield of over 7%. We hope this is complimented by share buybacks soon.

Sales

We exited four investments during the period, three of which were modest in size: The Youngs & Co shares we received as part of the takeover of City Pub Group in the prior year were sold concluding a 59.4% IRR, 2.25x Money Multiple on our investment. The Loan we provided to Pressure Technologies Plc was repaid resulting in a 19.6% IRR. A small position which we were unable to scale in size was exited for a small profit.

Hostmore was also exited prior to its delisting and move into administration. This was an unsuccessful investment for the strategy. Modest position sizing, given the known risks regarding the level of financial leverage in the business resulted in the loss to NAV being constrained. However, this was a disappointing outcome as if the consumer environment had been more benign and a recovery in trading ensued under the new management, debt would have been rapidly reduced and our investment thesis of 3-4x investment may have been realised. But it didn't and we have had to realise a loss of c.99%. We won't get them all right and this situation provided some humbling lessons.

During the year we also realised significant gains through stock market sales in our holdings of Funding Circle, Galliford Try and Filtronic, all of which remain within the portfolio and should still generate attractive returns going forward.

Conclusion

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

Richard Staveley

About the Investment Manager

Harwood Capital LLP ("HC LLP") was incorporated in 2003 and was the Investment Manager for Rockwood Strategic Plc during the year. HC LLP is a wholly owned subsidiary of Harwood Capital Management Limited and is authorised and regulated by the Financial Conduct Authority ("FCA"), authorisation number 224915 and is led by Christopher Mills. The funds managed and advised by HC LLP follow an active, value approach towards the businesses in which they invest. Mr Mills is a member of the Rockwood Strategic Plc Investment Advisory Group. Post year-end, Rockwood Asset Management became the new Investment Manager following the novation of the original Investment Management Agreement "IMA". Rockwood Asset Management is a trading name of Harwood Private Capital LLP ("HPC") a wholly owned subsidiary of the Harwood Group. There were no commercial changes to the IMA and the investment team is unchanged.



Richard Staveley
Lead Fund Manager

Richard has over twenty five years' experience of equity investment and fund management. Having qualified as a chartered accountant at PricewaterhouseCoopers, Richard joined Bradshaw Asset Management, as assistant fund manager in 1999. He subsequently joined Société Générale Asset Management where he became Head of UK Small Companies and a CFA charterholder. In 2006, he co-founded River and Mercantile Asset Management where he launched both the UK Small Company Fund, the UK Income Fund and was Head of Research. In 2013, he joined Majedie Asset Management to co-manage and subsequently solely manage the UK small company investments. In 2019 he joined Gresham House Plc as fund manager for Gresham House Strategic Plc, the Strategic Public Equity LP and eventually the Gresham House UK Small Companies Fund. In 2021, Harwood Capital LLP were awarded the management contract for Gresham House Strategic Plc which Richard subsequently joined to continue his role under its new name Rockwood Strategic Plc. He currently sits as Non-Executive Director on the board of Chesterfield Special Cylinders Holdings Plc.



Nicholas Mills
Assistant Fund Manager

Nicholas is a Director of Harwood Capital Management Ltd and joined Harwood Capital LLP in 2019. He has ten years of equity investment experience, initially at Gabelli Asset Management in New York where he spent five years as a Research Analyst covering the industrial sector and gaining experience in Merger Arbitrage strategies and the marketing of Closed End Funds. He joined Harwood Capital LLP in 2019 and has since performed UK equity analysis and fund management roles for Oryx International Growth Fund and the North Atlantic Smaller Companies Investment Trust. He has a Bachelor of Science Degree from Boston College's Carroll School of Management. He is currently a Non-Executive Director at Niox Plc, Hargeaves Services Plc and Trifast Plc. He was previously Non-Executive Director at Crestchic Plc.



Christopher Mills
CIO Harwood Capital LLP

Christopher has over 50 years investment experience and has been the Chief Executive Officer and principal shareholder of Harwood Capital Management since 2011. He founded JO Hambro Capital Management with Jamie Hambro in 1993 acting as Chief Investment Officer and Harwood Wealth with Alan Durrant in 2013 until their respective sales in 2011 and 2020. He is CEO of North Atlantic Smaller Companies Investment Trust ("NASCIT") which he has managed since 1982 and Executive Director of Oryx International Growth Fund which he has managed since 1995. NASCIT has delivered a total NAV per share of nearly 200x under Mr. Mills' management. He has sat on the Board of over 100 companies during his career including most recently Augean, MJ Gleeson, SureServe, Frenkel Topping, Assetco, Ten Entertainment, Bigblu Broadband and SourceBio International.

Investment Advisory Group

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

Strategic Report 2025

The Directors present their Strategic Report for the period ended 31 March 2025. Details of the Directors who held office during the period and as at the date of this report are given on page 3 of the Annual Report and Accounts. This Strategic Report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006 and best practice. Its purpose is to inform the shareholders of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company, in accordance with Section 172 of the Companies Act 2006.

The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The Company's business review, developments during the year and a detailed discussion of the individual asset performance together with future outlook are covered in the Chairman's Statement and the Investment Manager's Report.

Business Model

Status of the Company

The Company is registered in England and Wales as a public limited company and is an investment company within the terms of section 833 of the Companies Act 2006. The principal activity of the Company is to carry on business as an investment trust. The Company has been approved by HM Revenue & Customs as an authorised investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010, subject to there being no subsequent serious breaches of regulations, from 1 April 2023. In the opinion of the Directors, the Company is directing its affairs so as to enable it to continue to qualify for such approval.

The Company is an investment trust listed on the Main Market of the London Stock Exchange. The Company is a member of the Association of Investment Companies ("AIC"), a trade body which promotes investment companies and also develops best practice for its members.

Strategy for the year ended 31 March 2025 and Strategic Review

During the year ended 31 March 2025, the Company continued to follow its investment objective and policy. During the year, the Board made all strategic decisions for the Company. Harwood Capital LLP undertook all strategic and administrative activities on behalf of the Board, which retained overall responsibility.

During the period the Board decided to seek approval from shareholders to increase the amount of shares issued which required the production of a prospectus. This was overwhelmingly supported by shareholders, enabling and increase in scale of the Company.

On 31 March 2025, Harwood Capital LLP had novated its appointment as the Company's Investment Manager and alternative investment fund manager ("AIFM") to Rockwood Asset Management (a Trading name of Harwood Private Capital LLP).

Purpose

The purpose of the Company is to achieve predominantly capital growth in our shareholders' wealth over time. It aims to achieve this by using its closed-ended structure to invest in a concentrated number of smaller quoted companies, which the Investment Manager believes are undervalued and could be generating higher returns for their shareholders. The long-term nature of the Company's capital enables the Investment Manager to undertake constructive corporate engagement with the underlying portfolio companies and their stakeholders, on financial and operating performance, strategy and governance.

The Board

The Board of the Company comprises Noel Lamb (Chairman), Ken Lever and Paul Dudley, all of whom are independent non-executive Directors and male. All Directors will stand for re-election at the forthcoming Annual General Meeting. Further information on the Directors can be found on page 3.

Board Focus and Responsibilities

With the day to day management of the Company outsourced to service providers the Board's primary focus at each Board meeting is reviewing the investment performance and associated matters, such as, inter alia, portfolio activity, future outlook and strategy, gearing, asset allocation, investor relations, marketing, and industry issues. In line with its primary focus, the Board retains responsibility for all the key elements of the Company's strategy and business model, including:

- Investment Objective and Policy, incorporating the investment guidelines and limits, and changes to these;
- review of performance against the Company's key performance indicators ("KPIs");
- whether the Manager should be authorised to gear the portfolio up to a pre-determined limit (currently no leverage is used or planned to be used);
- review of the performance and continuing appointment of service providers; and
- maintenance of an effective system of oversight, risk management and corporate governance.

Key Performance Indicators

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

- Net Asset Value Total Return: the sum of NAV per Ordinary Share growth and cumulative dividends paid. This measure incorporates investment performance and Company expenses. The investment objective is to make investments capable

of delivering 15% Internal Rates of Return (IRR) over the medium term. This was 21.0% in the current and 5.1% in the prior year.

- Rockwood Strategic Plc Total Shareholder Return: RKW cumulative share price return for the year and cumulative dividends paid. Implicit in this measure is any movement in the share price discount or premium to NAV which is also measured. The NAV remained at a premium during the period. The TSR was 20.8% in the current year and 15.4% in the prior year.
- Ongoing charges: ensuring the costs of running the strategy are appropriate and proportionate. The ongoing charges ratio for 2025 was 1.83% (2024: 1.58%)(see APMs on page 49).

The Directors draw attention to the Investment Manager's Report (pages 4 to 9 of the annual report).

Business review

The Directors are of the view the investment strategy has performed very well, given the challenging UK smaller companies market conditions experienced during the year.

Principal Risks and Uncertainties

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

- Investment value – The risk that the value of the Company's investments might fall. See note 13 to the Financial Statements for further details on this, specifically note 13a "Market Risk". Our mitigation, as set out in the Investment Manager's Report, is to manage a diverse portfolio and for the manager to operate with controls and diligence around new investments.

The Board reviews and discusses the Company's performance against its investment objective and policy, and assesses performance in comparison to industry peers and the broader comparative market. The Board also keeps the performance of the Investment Manager under continual review, along with a review of significant investment decisions and the overall rationale for holding the current portfolio.
- Investment Manager – the Company is reliant on the Investment Manager to implement the investment strategy successfully and the risk that this might not continue is managed by the Board through regular and detailed engagement with, and oversight of, the manager together with the manager's own comprehensive investment and operating processes.

Additional risks – as mentioned under the Corporate Governance section, the Board maintains a register, and in addition to comments above, risks managed there include, among others: the management of key operational and financial controls; risk of key personnel being unavailable; and maintaining regulatory permissions.

Liquidity is not considered a risk as this is a closed-end fund and does not have redemption provisions, as seen in the open-ended fund sector.

The principal risks to shareholders are the performance of the portfolio and the competence of the manager in pursuing the strategy.

Custodian

Caceis Bank (previously RBC Investor Services Trust) was appointed as the Company's Custodian pursuant to an agreement dated 8 June 2022. Caceis is in charge of, inter alia, safekeeping and custody of the Company's assets, investments and cash, processing transactions and foreign exchange services, as required.

Stakeholder Engagement and Statement under Section 172

The Board recognises that the Company should be run for the benefit of shareholders, but that the long term success of a business is dependent on maintaining relationships with stakeholders and considering the external impact of the Company's activities.

Overview

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2006. In doing so, Directors must take into consideration the interests of the various stakeholders of the Company, the impact the Company has on the community and the environment, take a long-term view on consequences of the decisions they make as well as aim to maintaining a reputation for high standards of business conduct and fair treatment between the members of the Company.

Fulfilling this duty naturally supports the Company in achieving its investment objective and helps to ensure that all decisions are made in a responsible and sustainable way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains how the Directors have discharged their duty under Section 172 below.

The Directors have continued access to the advice and services of the Company Secretary, and when deemed necessary, the Directors can seek independent professional advice.

The Terms of Reference of any Committees are reviewed on a regular basis and further describe Directors' responsibilities and obligations and include any statutory and regulatory duties. The Audit Committee has the responsibility for the ongoing review of the Company's risk management systems and internal controls and, to the extent that they are applicable, risks related to the matters set out in Section 172 are included in the Company's risk register and are subject to periodic review.

Further details on Section 172 reporting can be found in the S172 Statement on pages 14 to 16.

Stakeholders

A company's stakeholders are normally considered to comprise its shareholders, its employees, its customers, its suppliers as well as the wider community in which the company operates and impacts. The Company is different in that as an investment trust it has no employees and, significantly, its customers are synonymous with its shareholders. In terms of suppliers, the Company receives professional services from a number of different providers, principal among them being the Investment Manager. The Board believes that the wider community in which the Company operates encompasses its portfolio of investee companies and the communities in which they operate.

Shareholders

Continued shareholder support and engagement are critical to existence of the business and the delivery of the long term strategy of the Company.

The Board is committed to maintaining open channels of communication and to engage with shareholders in a manner which they find most meaningful, in order to gain an understanding of the views of shareholders. These include:

- Annual General Meeting ("AGM") – The Company welcomes and encourages attendance, voting and participation from shareholders at the AGM, during which the Directors and the Investment Manager are available to discuss issues affecting the Company and answer any questions. The Company values any feedback and questions it may receive from shareholders ahead of and during the AGM.
- Publications – The Annual and Interim Reports of the Company are made available on its website. These reports provide shareholders with a clear understanding of the Company's portfolio

and financial position. This information is supplemented by a quarterly factsheet and regular presentations which are available on the website. Feedback and/or questions the Company receives from the shareholders help the Company evolve its reporting, aiming to render the reports and updates transparent and informative.

- Shareholder meetings – The Investment Manager and the Company's Broker are in regular contact with major shareholders. The Chairman and the other Directors are available to meet with shareholders to understand their views on governance and the Company's performance where they wish to do so. The results from all meetings between the Investment Manager, the Broker and shareholders, and the views of the shareholders are reported to the Board on a regular basis.
- Shareholder concerns – In the event shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chairman. Other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels. Shareholders wishing to communicate directly with the Board should contact the Company Secretary at the registered office address on page 54.
- Investor relations updates – At every Board meeting, the Directors receive updates from the Company's Broker on the share trading activity, share price performance and any shareholders' feedback, as well as updates from the Investment Manager. To gain a deeper understanding of the views of its shareholders and potential investors, the Investment Manager also meet regularly with shareholders. Any pertinent feedback is taken into account when Directors discuss the share capital and any possible new share issuance under the Block Listing application. The willingness of the shareholders, including the partners and staff of the Investment Manager, to maintain their holdings over the long term period is another way for the Board to gauge how the Company is meeting its objectives and suggests a presence of a healthy corporate culture.

The Investment Manager

The Investment Manager's performance is critical for the Company to successfully deliver its investment strategy and meet its objective to provide shareholders with attractive total return over a long-term period.

The management of the Company's portfolio is delegated to the Investment Manager, which manages the assets in accordance with the Company's objectives and policies. At each Board meeting, representatives from the Investment Manager are in attendance to present reports to the Directors covering the Company's current and future activities, portfolio of assets and its investment performance over the preceding period.

Maintaining a close and constructive working relationship with the Investment Manager is crucial as the Board and Harwood Capital both aim to continue to achieve long-term returns in line with its investment objective. Important components in the collaboration with the Investment Manager, representative of the Company's culture, are:

- Operating in a fully supportive, co-operative and open environment and maintaining ongoing communication with the Board between formal meetings;
- Encouraging open discussion with the Investment Manager, allowing time and space for original and innovative thinking;
- Recognising that the interests of shareholders and the Investment Manager are for the most part well aligned, adopting a tone of constructive challenge;
- Drawing on Board members' individual experience and knowledge to support the Investment Manager in its monitoring of and engagement with portfolio companies;
- Willingness to make the Board members' experience available to support the Investment Manager in the sound long-term development of its business and resources, recognising that the long-term health of the Investment Manager is in the interests of shareholders in the Company.

In addition to the management fee, the Investment Manager also receives a performance fee if certain circumstances are met. In respect of the year ended 31 March 2025, a performance fee has been accrued as noted on page 41.

Other service providers

In order to function as a closed-ended investment company listed on the Main Market of the London Stock Exchange, the Company relies on a diverse range of reputable advisors for support in meeting all relevant obligations.

The Company's main functions are delegated to a number of service providers, each engaged under separate contracts. The Board, together with the Company Secretary, and Investment Manager maintains regular contact with its

key external providers and receives regular reporting from them, both through the Board and Committee meetings, as well as outside of the regular meeting cycle. Their advice and views are routinely taken into account. This regular interaction provides an environment where issues and business developments needs can be dealt with efficiently and collegiately. The Audit Committee reviews and evaluates the financial reporting control environments in place at each service provider. The Board formally assesses performance, fees and continuing appointment annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service.

Employees, human rights, social and community issues

The Board recognises the requirement under Companies Act 2006 to detail information about human rights, employees and community issues, including information about any policies it has in relation to these matters and the effectiveness of these policies. These requirements do not apply to the Company as it has no employees, all the Directors are non-executive and it has outsourced all its functions to third-party service providers. The Company has therefore not reported further in respect of these provisions, however, it does expect its service providers and portfolio companies to respect these requirements.

Integrity and business ethics

The Company is committed to carrying out business in an honest and fair manner with a zero-tolerance approach to bribery, tax evasion and corruption. As such, policies and procedures are in place to prevent the above. The Board's expectations are that its principal service providers have similar governance policies in place. The Company Secretary, on behalf of the Board, will seek assurances from service providers on a regular basis.

Environmental, social and governance issues

The Company has no employees, property or activities other than investments, so its direct environmental impact is minimal. In carrying out its activities and in its relationships with service providers, the Company aims to conduct itself responsibly, ethically and fairly. The Board is comprised entirely of non-executive Directors and the day-to-day management of the Company's business is delegated to the Investment Manager. The Investment Manager aims to be a responsible investor and considers environmental, ethical and social issues with regards to their investments.

The Directors believe that proxy voting is an important part of the corporate governance process. It is the policy of the Company to

vote at all shareholder meetings of investee companies, and the Board has delegated voting activities to the Investment Manager. Whilst there is no specific policy, Investment Manager follows relevant regulatory requirements with an aim to make voting decisions which will best support growth in shareholder value and will commonly take into account best practices regarding corporate governance, Board composition, remuneration and Environment, Social and Governance ("ESG") issues.

Modern Slavery Act 2015

The Company does not provide goods or services in the normal course of business, and as a financial investment vehicle does not have customers. The Directors do not therefore consider that the Company is required to make a statement under the Modern Slavery Act 2015 in relation to slavery or human trafficking. The Company's suppliers are typically professional advisers and the Company's supply chains are considered to be low risk in this regard. In light of the nature of the Company's business there are no relevant human rights issues and the Company does not have a human rights policy.

Long Term Viability Statement

In accordance with the UK Corporate Governance Code, the Directors have carefully assessed the Company's position and prospects as well as the principal risks and have formed a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three financial years. The Board has chosen a three-year horizon in view of the long-term nature and outlook adopted by the Investment Manager when making investment decisions. To make this assessment and in reaching this conclusion, the Board has considered the Company's financial position and its ability to liquidate its portfolio and meet its liabilities as they fall due:

- the portfolio is comprised of investments listed and traded on stock exchanges. These are actively traded and, whilst perhaps less liquid than larger quoted companies, the portfolio is well diversified;
- the portfolio is run with a net cash position and as a result there is ample liquidity on a day-to-day basis for the Company to meet its obligations;
- the expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments foreseen which would alter that position; and
- the Company has no employees, only its non-executive Directors. Consequently, it does not have redundancy or other employment related liabilities or responsibilities.

As well as considering the potential impact of the Company's principal risks and various downside scenarios, such as a withdrawal of shareholder interest in the niche asset class of UK smaller companies, the Board has also considered the following assumptions in considering the Company's longer-term viability:

- there will continue to be demand for investment trusts;
- the Board and the Investment Manager will continue to adopt a long-term view when making investments;
- the Company invests principally in the securities of UK listed companies to which investors will wish to continue to have exposure;
- regulation will not increase to a level that makes running the Company uneconomical; and
- the performance of the Company will continue to be satisfactory.

Going Concern

The Directors consider the Company to be well placed to operate for at least twelve months from the date of this report, as the Company has sufficient cash liquidity to pay its liabilities as and when they fall due and also to invest in new opportunities as they arise. The cash and publicly tradeable investments when compared to the non-discretionary cash outflows of the Company are more than sufficient to allow the Company to continue to meet these commitments, even if investee companies cease to be able to pay dividends or loan stock interest. This has been further discussed in Note 1 to the Financial Statements.

Section 172 Statement

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

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

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

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

Stakeholder Engagement

The following provides specifics on how the Board evaluates the needs and priorities of the Company's stakeholders and how these are taken into account in all of its conversations and decision-making processes. All discussions includes a thorough analysis of the decisions' long-term effects and stakeholders' implications.

Stakeholder group	Importance of engagement	Key methods of engagement	Topics of engagement	Outcome and actions
Shareholders	Shareholders remain central to the Company's ability to access capital to support its strategic objectives and goals and in ensuring the long-term success of the business. The Board is committed to ensuring that there is open and effective communication with the Company's shareholders on a range of matters including: governance, strategy and performance against the Company's investment objective and policy to ensure that the Directors understand the views of shareholders on such matters.	The Company communicates with its shareholders in a number of ways including: → Through its annual and half-yearly reports → Regulatory announcements → Website – the website provides all existing and potential shareholders with information about the Company, its investment policy and performance to allow shareholders to fully understand the risk/reward balance of holding shares in the Company → Informal meetings: the Chairman meets with the Company's major shareholders annually if they wish to do so to discuss matters of governance, strategy and performance against the Company's investment objective and policy → Annual General Meeting: this provides a further opportunity to communicate with shareholders who attend and for the Board to respond to their questions at the meeting. All shareholders are encouraged to attend and vote at the Company's AGM, to be held on 29 July 2025 at 11.30am.	During the period the Board issued a Prospectus and held a General Meeting to seek permission to increase the number of shares issued.	Over 98% of the votes cast were in favour of the resolutions put to the General Meeting. Issuance confirmed through the Block Listing facility.
Investment Manager	The Board has contractually delegated the management of the portfolio to the Investment Manager (Harwood Capital). The performance of Harwood Capital is crucial to the Company executing its investment strategy successfully and providing attractive returns to shareholders. Therefore, maintaining a close and constructive working relationship with Harwood Private LLP remains important to the Board and the long-term success of the Company.	The Board regularly engages with the Investment Manager and meets with the Investment Manager on a quarterly basis and other times throughout the year enabling the Directors to discuss the performance of the investee companies (amongst other matters) and probe further should there be matters of concern or requirement for clarification on certain matters. The performance of the Investment Manager is monitored and reviewed by the Board as a whole in the absence of a management and engagement Committee. In addition, an annual appraisal of the Investment Manager's performance is undertaken as part of the Board evaluation process. It is the opinion of the Board that the continuing appointment of the Investment Manager is in the interests of shareholders as a whole.	Full annual review of all aspects of the Investment Manager agreement and suitability of Manager. Harwood Private LLP provided a quarterly reports to the Board which provides an update on the investment portfolio and future pipeline opportunities.	The Board will review key investments and provide feedback.

Strategic Report (continued)

Stakeholder group	Importance of engagement	Key methods of engagement	Topics of engagement	Outcome and actions
Service providers and suppliers	As an externally managed investment Company, RKW relies on a diverse range of advisors to support the Company in meeting all its relevant obligations including: the Company Secretary, administrator, auditors, registrar, depositary and corporate advisor.	The Board maintains regular contact with its key external providers and receives regular reporting from them, both through the Board and Committee meetings, as well as outside of the regular meeting cycle.	The Board assesses the performance, fees and continuing appointment of its service providers and suppliers annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. During the year after a comprehensive tender process, carried out by the Investment Manager and the Audit Committee, MHA replaced BDO as auditor to the Company.	The Investment Manager on behalf of the Board continues to manage and monitor all service providers.
Regulators	RKW can only operate with the approval of its regulators who have a legitimate interest in how the Company operates in the market and treats its shareholders.	The Company continues to monitor and ensure its compliance with the relevant regulatory, legal and statutory obligations along with corporate governance best practice.	The Board has carried out a review of compliance with the new AIC Code of Governance to assess the extent of its compliance and identify any gaps for future reporting. Regular updates are received from the Company Secretary on governance matters to inform the Board of any changes in market practice or any legal or statutory obligations which could affect the Company. The Company Secretary will continue to review and monitor the Company's compliance with the new AIC Code of Governance that will come into effect for the next following accounting period of the Company.	No specific action required

Risk Matrix:

A risk matrix helps to monitor the risks which have been identified and the controls in place to mitigate those risks. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate them. This risk register is reviewed by the Audit Committee regularly at every meeting.

Most of the day-to-day management functions of the Company are sub-contracted, and the Directors therefore obtain regular assurances and information from key third-party suppliers regarding the internal systems and controls operating in their organisations. In addition, each of the third parties is requested to provide a copy of its report on internal controls each year, which is reviewed by the Audit Committee.

Risk Management Matrix

Principal Risk and Uncertainties	Key Mitigation
Investment performance is not comparable to the expectations of investors Consistently poor performance could lead to a fall in the share price and a widening of the discount. The success of the Company depends on the Portfolio Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, depends on the ability of the Portfolio Manager to apply its investment processes and identify suitable investments.	The Board reviews and discusses the Company's performance against its investment objective and policy, and assesses performance in comparison to industry peers and the broader comparative marker. The Board also keeps the performance of the Portfolio Manager under continual review, along with a review of significant stock decisions and the overall rationale for holding the current portfolio. In addition, the Management Engagement Committee/ conducts an annual appraisal of the Portfolio Manager.
Share price performance The market price of the Company's shares, like shares in all investment companies, may fluctuate independently of the NAV and therefore may not reflect the underlying NAV of the shares. The shares could trade at a discount or premium to NAV at different times, depending on factors such as market conditions, investors' perceptions of the merits of the Company's objective and investment policy, supply and demand for the shares and the extent investors value the activities of the Company and/ or the Portfolio Manager.	The Board monitors the relationship between the share price and the NAV, including regular review of the level of discount relative to that of companies in the sector. The Company has taken powers to re-purchase shares and will consider doing so to reduce the volatility of any share price discount. The Company has also taken powers to issue shares (only at a premium to NAV) to provide liquidity to the market to meet investor demand by way of issue of further shares. No share buybacks were undertaken during the year. The Company issued a total of 7,628,573 new shares through tap issuances during the year to 31 March 2025. The Board and the portfolio management team all own shares in the Company, by way of aligning their own interests with those of all other shareholders.
Portfolio Manager – loss of personnel or reputation The identification and selection of investment opportunities and the management of the day-to-day activities of the Company depends on the diligence, skill, judgement and business contacts of the Portfolio Manager's investment professionals and the information and deal flow they generate during the normal course of their activities. The Company's future success depends on the continuing ability of these individuals to provide services and the Portfolio Manager's ability to strategically recruit, retain and motivate new talented personnel as required. The departure of some or all of the Portfolio Manager's investment professionals could prevent the Company from achieving its investment objective and give rise to a significant public perception risk regarding the potential performance of the Company.	The Board maintains a good level of communication and has a good relationship with the Portfolio Manager, and regularly reviews the Portfolio Manager's performance at Board meetings. The Portfolio Manager's Compliance Officer also reports to the Board regularly and the Portfolio Manager would report to the Board immediately in the event of any change in key personnel. Harwood Capital LLP as Portfolio Manager has appointed an investment team consisting of Richard Staveley and Nicholas Mills, both of whom are very experienced in managing the portfolio in accordance with the Company's principles and investment strategy. On 31 March 2025, Harwood Private LLP had novated its appointment as the Company's Investment Manager and alternative investment fund manager ("AIFM") to Rockwood Asset Management (a Trading name of Harwood Private Capital LLP).
Material changes within the Portfolio Manager's organisation Material changes could occur within the Portfolio Manager's organisation or its affiliates which are to the detriment of the Company's standing in respect of its competitors and its profitability.	The Portfolio Manager has advance notice of any material changes within its organisation and would report to the Board immediately in the event of any such changes, including within its organisation and affiliates or to its key personnel.

Reliance on the performance of third party service providers

The Company has no employees and the Directors have been appointed on a non-executive basis. The Company is reliant upon the performance of third party service providers for its executive function. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a material adverse effect on the operation of the Company.

The Board has appointed third party service providers with relevant experience. Each third party service provider is monitored by the Board and their roles are evaluated at least annually by the Audit Committee.

UK Regulatory Risk

The regulatory environment in which the Company operates changes materially, affecting the Company's modus operandi.

The Board monitors regulatory changes with the assistance of the Company Secretary and external professional advisers to ensure the at the Board is aware of any likely changes in the regulatory environment and will be able to adapt as required.

UK Legal Risk

The Company and/or the Directors fail to comply with legal requirements in relation to FCA dealing rules and procedures, the AIFMD, the Listing Rules, the Companies Act 2006, relevant accounting standards, the Bribery Act 2010, the Criminal Finances Act 2017, GDPR, tax regulations or any other applicable regulations.

The Board monitors regulatory change with the assistance of its external professional advisers to ensure compliance with applicable laws and regulations including the Companies Act 2006, the AIFM Rules, the Corporation Tax Act 2010 ("Section 1158"), the Market Abuse Regulation ("MAR"), the Disclosure Guidance and Transparency Rules ("DTRs") and the FCA's Listing Rules.

The Board reviews compliance reports and internal control reports provided by its service providers, as well as the Company's Financial Statements and revenue forecasts

Governance Risk

Poor adherence to corporate governance best practice or errors or irregularities in published information could lead to censure and/or result in reputational damage to the Company.

The Board reviews all information supplied to shareholders.

Details of the Company's compliance with corporate governance best practice, including information on relationships with shareholders, are set out in the Corporate Governance Report in the Annual Report.

ESG and Climate Change Risk

Risks related to the environment, social issues and governance (ESG) such as the impact of climate change or bad governance of portfolio companies could have an adverse impact on the portfolio companies' operational performance.

The Board challenges the Investment Manager on ESG matters to ensure that the portfolio companies are acting in accordance with the Board's ESG approach.

The Portfolio Manager supports the UK Stewardship Code and actively engages with portfolio companies on ESG matters including climate change, where appropriate.

Furthermore, the Board has consideration to hold some of its meetings, when possible, not in person but via video conference, to save on travel and reduce the Directors' carbon footprints on behalf of the Company.

Noel Lamb
Chairman RKW

17 June 2025

Corporate Governance Report

AIC Code Statement of Compliance

The Company maintained its compliance with the AIC Code of Corporate Governance issued in February 2019 (the AIC Code), except as set out below:

- The Directors do not consider it appropriate to establish a nomination, remuneration or a management and engagement Committee. The functions that carried out by these Committees are dealt with by the full Board, which is comprised of non-executive Directors.
- As the Company has no employees and its functions are undertaken by third parties, the Audit Committee does not consider it necessary for the Company to establish its own internal audit function. From time to time, the Audit Committee will review the requirement of an internal audit function and material controls, and if established, will carry out effectiveness reviews as required under AIC Provision 34.
- The Board will review on an annual basis the Company's application of the AIC Code of Corporate Governance and whether it remains applicable for a company of this size.

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

1. Board Leadership and Purpose;
2. Division of Responsibilities;
3. Composition, Succession and Evaluation;
4. Audit, Risk and Internal Control; and
5. Remuneration.

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

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

The Board of Directors

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

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

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

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

All members of the Board own shares in the Company. Further detail on each of their shareholding can be found on page 24. After consideration of the above factors, and taking into account guidance from the AIC, which encourages Directors owning shares, the Board is of the view that all the Non-Executive

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

Ken Lever is the Senior Independent Director of the Company. He provides a sounding Board for the Chairman and serves as an intermediary for the other Directors and shareholders. Mr Lever also provides a channel for any shareholder concerns regarding the Chairman and will take the lead in the annual evaluation of the Chairman by the other independent Directors.

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

Board and Committee meetings

The Board holds quarterly Board meetings (with additional meetings arranged as necessary) where it considers investment performance, investor relations, share price performance and other relevant matters. Regular discussions are held with the manager and its advisers about the discount to NAV at which the shares trade and how this might be reduced.

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

The Board reviews annually the performance, services and the terms of its engagement with all the Company’s third-party providers to ensure they continue to be competitive and effective. Strategy sessions are held annually, and the Board may meet from time to time without the Investment Manager present, when considering the manager’s performance, fees and contractual arrangements.

The Board has delegated certain responsibilities to its Audit Committee so that it can operate efficiently and give an appropriate level of attention and consideration to relevant matters. Given the size of the Board, the Directors do not consider it appropriate to establish a nomination, remuneration or a management and engagement Committee. The functions that would normally be carried out the most appropriate experience would step in to perform the role on an interim basis until a longer-term solution is identified.

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

The Directors have access to the advice and services of the Company Secretary and individual Directors are able to take independent legal and financial advice at the Company’s expense when necessary to support the performance of their duties as Directors. During the year, the Chairman met regularly with the Non-Executive Directors without the manager present.

The table below sets out the attendance record of individual Directors at the scheduled Board and Committee meetings held during the year ended 31 March 2025:

Current Directors	Scheduled Board Meetings	Scheduled Audit Committee Meetings
	Number attended	Number attended
Noel Lamb*	5/5	n/a
Kenneth Lever	4/5	2/2
Paul Dudley	5/5	2/2

* not a member of the Audit Committee

Conflicts of interest

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

Directors’ appointment and re-election

All Non-Executive Directors are appointed on the basis of letters of appointments which provide for a maximum of three months’ notice of termination by the Director or the Company. The letters of appointment are available for inspection at each AGM.

The Board remains committed to uphold the principles set out in the AIC Code. We recognise the recommendation under Principle 13 that Board members should generally serve no more than nine years to ensure ongoing independence and refreshment of the Board. However, we also understand the need for flexibility in certain circumstances to align with the best interests of the Company and its shareholders. In cases where a Director’s continued service is deemed highly beneficial, the Board will carefully assess their ongoing independence, expertise, and contributions. Kenneth Lever is the only director to have served before the restructuring of the fund, the appointment of Harwood as investment manager and the listing on the main market. His knowledge of the history of the fund is invaluable and he has been asked to extend his tenure by two years. During this time the Board will establish a pathway for succession planning.

The appointment of any new Director is made on the basis of assessing the candidate’s merits and measuring his or her skills and experience against the criteria identified by the Board. Whilst the Board has not put in place a policy on diversity, the Board fully endorses the AIC Code principle to promote diversity of gender, social and ethnic backgrounds on the Board and would always consider this when making any new Director appointments. The Board is currently made up of three male Directors and there are no other employees in the Company.

The Board recognises the importance of succession planning to refresh the Board and the AIC provisions relating to this. Succession plans are under review to address and review the Board’s policy on tenure. Succession planning also features as an ongoing agenda item at Board meetings, it is envisaged that should a Board member be unable to fulfil their duties for a period of time, one of the other Directors with the most appropriate experience would step in to perform the role on an interim basis until a longer-term solution is identified.

The Company considers annual re-election of the Directors to be good corporate governance and has therefore chosen to follow this practice. The Directors have considered the performance of each Director serving on the Board, including the Chairman, and believe that each of the Directors continues to make a valuable contribution to Board discussions and decisions and supports their re-election at the 2025 AGM.

Board evaluation

The Board has formalised a process to conduct a regular evaluation of its performance and that of individual Directors and its Audit Committee on an annual basis. This process is led by the Chairman (supported by the Company Secretary) and is conducted internally using a questionnaire designed to assess the strengths and weaknesses of the Board and its Committees, the composition of the Board, how effectively Board members work together. Each Director is required to complete a questionnaire covering the assessment of the composition, functioning and operation of the Board as a whole and a similar review of the effectiveness of the Audit Committee and Investment Manager is also carried out. The Board did not consider it necessary to undertake a board evaluation review during the current year given that the last formal process was carried out during the year ended 31 March 2024 which involved the circulation of a Board Evaluation questionnaire which is tailored to suit the nature of the Company. The results were discussed between the Chairman and each of the Directors.

The Chairman remains satisfied that the structure and operation of the Board continues to be effective and relevant and that there is a satisfactory mix of skills, experience and knowledge of the Company. The Board had considered the position of all the Directors including the Chairman and believes that it would be in the Company's best interests to propose them for re-election.

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

Internal controls and risk management systems

The Board is overall responsible for overseeing the Company's system of internal controls ensuring that appropriate procedures are in place to manage risks. The company has no employees and outsources all of its operational functions, including but not limited, to investment management, fund administration and custodian services. The Board through its Audit Committee conducts an annual review of internal governance, systems and controls employed by its services providers which is prepared by the compliance officer at Harwood. The review assesses the effectiveness of each outsourced functions risk management framework and ensures that the Company's operational risk is managed appropriately. These reviews also cover areas such as the safeguarding of assets, regulatory compliance and the accuracy of the financial reporting process. The Board remains satisfied that the outsourced functions are being performed to a high standard and that effective risk management and internal control procedures are in place to protect the interests of shareholders.

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

UK Stewardship

The Board and the Investment Manager support the UK Stewardship Code, issued by the FRC, which sets out the principles of effective stewardship by institutional investors. The Investment Manager has had extensive experience and a strong commitment to effective stewardship.

Fund Manager Remuneration

Article 22(2)(e) & (f) of Alternative Investment Fund Managers Directive requires the disclosure of fixed and variable remuneration paid by the Alternative Investment Fund Managers ("AIFM") to senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the Alternative Investment Fund. The AIFM consider the actions of only one member, of senior management, to have a material impact on the risk profile of the Company. Therefore, the Directors do not consider it appropriate to make this disclosure.

Ben Harber
Company Secretary

17 June 2025

Audit Committee Report

The Audit Committee is chaired by Ken Lever, the Senior Independent Director. The other member is Paul Dudley. Ken Lever is a Chartered Accountant and is also the Audit Committee Chair of Vertu Motors plc. The Chair is considered to have recent and relevant financial experience and the Audit Committee, as a whole, has competence in the investment company sector. The Chair of Rockwood Strategic plc and the Investment Manager are not members of the Committee but are invited to attend meetings of the Committee from time to time. Representatives of the Company's auditor attend the Committee meetings at which the draft half year and full year accounts are reviewed. The Auditor is given the opportunity to speak to the Committee members without the presence of the manager and speaks directly with the Chair of the Audit Committee as required.

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

The principal areas of focus of the Committee are:

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

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

Principal activities during the year

- Considered the independent auditor's annual scope and report on the full year accounts and the key areas of focus;
- Reviewed the full year and half-year results, including the underlying accounting issues, judgements and estimates and the processes underpinning the preparation of those documents;
- Considered the report prepared by third-party service providers with respect to the review of internal controls, accounting systems and processes used to prepare the financial information;
- Reviewed the information presented in the half-year and full year reports to assess whether, taken as a whole, the reports are fair, balanced and understandable and the information presented enable the shareholders to assess the Company's performance and strategy;
- Reviewed and recommended the appointment of MacIntyre Hudson LLP (trading as MHA) as the external auditor (succeeding BDO LLP) for the Company and agreed the remuneration of the Auditor; and
- Reviewed the need to establish or otherwise an internal audit function.
- The Audit Committee reviewed the audited controls reports for the key service providers, including the Custodian, Fund Administrator, and Share Registrar with

no significant exceptions noted. The Audit Committee also reviewed the investment manager's Statement of Internal Control and Governance Report and noted that there were no exceptions in the year, and no significant changes from the processes and controls in place during the year.

Independent Auditor

The Company announced that MHA, previously trading as MacIntyre Hudson LLP ("MHA") was appointed as the Company's auditor and would conduct the audit of the Financial Statements for the year ending 31 March 2025. Following year end, in response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration, with the engagement transitioning to MHA Audit Services LLP.

MHA succeed BDO as the Company's auditor, and BDO confirmed to the Company that there were no matters connected with it ceasing to hold office that needed to be brought to the attention of the members or creditors of the Company for the purposes of section 519 of the Companies Act 2006.

The Auditor is required to rotate the audit partner every five years and the current audit partner is Jason Mitchell. As it is his first audit, it is therefore anticipated that Jason Mitchell will serve as audit partner until completion of the audit process for 2030. The Committee will review the continuing appointment of the Auditor on an annual basis and give regular consideration to the Auditor's fees and independence, along with matters raised during each audit.

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

Ken Lever
Chair, Audit Committee

17 June 2025

Directors' Remuneration Report

The report on Directors' remuneration for the year ended 31 March 2025 is set out in the table below. As mentioned previously, the full Board undertake the role of the Remuneration Committee given the size of the Board.

The fees paid to the Board are reviewed periodically and may also be reviewed when new non-executive Directors are recruited to the Board. The Directors' fees were last reviewed and increased in December 2024 with moderate fee increases effective from 1 January 2025. The Directors Remuneration Policy can be found on page 25.

A resolution to adopt the Director's Remuneration Report will be proposed at the Annual General Meeting.

The fees payable and the percentage change over the past five financial years in respect of each of the current Directors are as follows:

Directors' remuneration table (audited)

	2025 Fees	2025 % changes	2024 Fees	2024 % changes	2023 Fees	2023 % changes	2022 Fees	2022 % changes	2021 Fees	2021 % changes	2020 Fees
Noel Lamb	48,500	9	44,328	11	40,000	-	40,000	-	-	-	-
Kenneth Lever	30,875	7	28,814	5	27,500	-	27,500	-	27,500	7	25,624
Paul Dudley	30,375	5	28,814	80	16,042	-	-	-	-	-	-

The fees payable over the five financial years in respect of each of the Directors who served during those financial years are as follows:

	31 March 2025 (£)	31 March 2024 (£)	31 March 2023 (£)	31 March 2022 (£)	31 March 2021 (£)	31 March 2020 (£)
Noel Lamb	48,500	44,328	40,000	40,000	-	-
Kenneth Lever	30,875	28,814	27,500	27,500	27,500	25,624
Paul Dudley	30,375	28,814	16,042	-	-	-
Graham Bird	-	-	11,458	22,300	-	-
David Potter	-	-	-	24,400	55,000	51,250
Charles Berry	-	-	-	25,900	27,500	25,624
Helen Sinclair	-	-	-	41,300	27,500	25,624
Simon Pyper	-	-	-	27,500	-	-
Total annual fees payable as at the Year End	109,750	101,956	95,000	208,900	137,500	128,122

Directors' Remuneration Report (continued)

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

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

The Directors are aware of the requirement to provide shareholders and other interested parties with an analysis of Directors' Remuneration against the remuneration of employees or the amount of distribution to shareholders. However, the Company has no employees. The Company is not recommending a dividend in respect of the year ended 31 March 2025.

The Directors serving during the year-ended 31 March 2025 had the following interests in the share capital of the Company:

Five year performance record

The following graph provides the performance of the fund over a 5 year period.



Directors and their interests

	As at 17 June 2025	As at 31 March 2025	As at 31 March 2024
Noel Lamb	30,000	30,000	30,000
Kenneth Lever	35,550	35,550	35,550
Paul Dudley	25,000	25,000	15,210

Relative importance of spend on Directors' fees

The below table is required to be included in accordance with The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008.

	31 March 2025 (£)	31 March 2024 (£)
Total Directors' fees	£109,750	£101,956
NAV	£96,576,377	£64,260,839

The Directors' fees as a percentage of NAV for the year to 31 March 2025 were 0.114% and for the year to 31 March 2024 were 0.159%.

Noel Lamb

17 June 2025

Directors' Remuneration Policy

The Remuneration Policy (the "**Policy**") was initially approved by shareholders at the 2023 Annual General Meeting ("**AGM**") of the Company. The Remuneration Committee is not proposing to make any major changes to the existing Policy however in line with industry best practice and the three-year Policy cycle the Company will be seeking shareholder approval at the 2026 AGM. The effective date of this Policy is the date on which the Policy is approved by shareholders.

The Company follows the recommendation of the AIC Code that non-executive Directors' remuneration should reflect the time commitment and responsibilities of the role. The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, and be determined with reference to comparable organisations and appointments. All Directors are non-executive, appointed under the terms of letters of appointment. There are no service contracts in place. The Company has no employees. The fees for the non-executive Directors are determined within the limits (not to exceed £250,000 per annum) set out in the Company's Articles of Association, or any greater sum that may be determined by special resolution of the Company. Directors are not eligible for bonuses, share options, long-term incentive schemes or other performance-related benefits as the Board does not believe that this is appropriate for non-executive Directors. There are no pension arrangements or retirement benefits in place for the Directors of the Company. Under the Company's Articles of Association, if any Director is called upon to perform or render any special duties or services outside their ordinary duties as a Director, they may be paid such reasonable additional remuneration as the Board, or any Committee authorised by the Board, may from time to time determine. The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their

duties as Director, including any expenses incurred in attending meetings of the Board or any Committee of the Board or general meetings of the Company. Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Fees are reviewed annually in accordance with the above policy. The fee for any new Director appointed to the Board will be determined on the same basis. The Company is committed to ongoing shareholder dialogue and any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board when reviewing the Directors' remuneration policy and in the annual review of Directors' fees. Compensation will not be made upon early termination of appointment. The Directors' Remuneration Report was approved by the Board and signed on its behalf by:

Component	Role	Rate as at 31 March 2025	Purpose of Remuneration
Annual Fee	Chairman	£50,000	Commitment as Chairman
Annual Fee	Chairman of the Audit Committee	£33,500	Commitment as Audit Committee Chairman
Annual Fee	Independent Non-Executive Director	£31,500	Commitment as Non-Executive Director
Additional Fee	All Directors	N/A	For extra or special services performed in their role as a Director
Expenses	All Directors	N/A	Reimbursement of expenses incurred in the performance of duties as a Director

Noel Lamb
Chairman

17 June 2025

Directors' Report

The Directors present their Annual Report and the audited Financial Statements for the year-ended 31 March 2025.

Activities

Rockwood Strategic plc (the Company) is a Main Market listed investment company invested in a focused portfolio of smaller UK public companies. The strategy identifies undervalued shares, where the potential exists to improve returns and where the Company is benefitting, or will benefit, from operational,

strategic or management changes. These unlock, create or realise shareholder value for investors.

The Company has no employees but has a Board consisting of three non-executive Directors.

Directors

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

Substantial shareholdings

As at 28 May 2025, the Company has been notified of the following substantial interests representing 2% or more of its total voting rights:

Shareholder	% of total voting rights
Harwood Capital (London)	21.01
Interactive Investor (Manchester)	11.37
Hargreaves Lansdown Asset Mgt (Bristol)	11.06
AJ Bell Securities (Tunbridge Wells)	5.20
Charles Stanley (London)	4.66
James Sharp & Co (Bolton)	3.16
Unicorn Asset Mgt (London)	2.51
Trinity Bridge (London)	2.03

Dividend

The Company is not recommending a dividend for the year ended 31 March 2025 (2024: 0.6p)

Global Greenhouse Gas Emissions for the Year ended 31 March 2025

The Company is an investment trust, with neither employees nor premises, nor has it any financial or operational control of the assets which it owns. It has no greenhouse gas emissions to report from its operations nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, including those within the Company's underlying investment portfolio.

Consequently, the Company consumed less than 40,000 kWh of energy during the year in respect of which the Directors' Report is prepared and therefore is exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria.

Political Donations

The Company has not made any political donations in the past, nor does it intend to do so in the future.

Qualifying Indemnity Provision

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

Acquisition of Own Shares

There was no acquisition of own shares during the year.

Share capital

As at 31 March 2025, the Company's issued share capital was 38,817,663 Ordinary Shares of 5 pence each, of which none were held in treasury.

Financial risk management

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

Going Concern

The Directors consider the Company to be well placed to operate for at least twelve months (17 June 2026) from the date of this report, as the Company has sufficient cash liquidity to pay its liabilities as and when they fall due and also to invest in new opportunities as they arise. The cash and publicly tradeable investments when compared to the non-discretionary cash outflows of the Company are more than sufficient to allow the Company to continue to meet these commitments, even if investee companies cease to be able to pay dividends or loan stock interest. This has been further discussed in Note 1 to the Financial Statements.

Share price

In the year, the share price reached a maximum of 264.9p (1 decimal place) and a minimum of 206.2p (1 decimal place). The closing share price on 31 March 2025 was 248.7p (1 decimal place).

Post Balance Sheet Events

The Company has issued for cash 3,837,000 Ordinary Shares of 5 pence each from 1 April to 17 June 2025 from its blocklisting facility, the details of which are set out in note 16. Future Developments are covered in the Investments Managers Report on page 4.

Audit information

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

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

Annual General Meeting

The Notice of Annual General Meeting to be held at 11.30am on Tuesday, 29 July 2025 is set out on pages 50 to 53. Details of the business to be transacted are outlined below:

Resolution 1: Report and accounts

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

Resolutions 2: Remuneration Report

The Directors are seeking the authorisation to approve the Directors Remuneration Report for the financial year ended 31 March 2025 as set out on pages 23 to 24.

Resolutions 3-5: Re-election of Directors

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

Resolution 6: Auditor

The re-appointment of MHA Audit Services LLP (trading as MHA) as auditor and a resolution allowing the Directors to determine their remuneration.

Resolution 7: Directors' authority to allot shares

The Directors are seeking the usual authority to allot shares. Resolution 7 in the Notice of Annual General Meeting seeks authority to allot Ordinary Shares up to an aggregate nominal amount of £703,801 (being an amount equal to 33% of the total issued share capital of the Company as at the date of this report). The Directors have no present intention to exercise this authority.

Resolutions 8 & 9: Authority to allot shares outside of pre-emption rights

Subject to the passing of resolution 7, resolutions 8 and 9 will allow the Company to issue, in aggregate, up to 20% of the number of Ordinary Shares in issue as at 31 March 2025, and to sell Ordinary Shares held in treasury for cash as if section 561 of the Companies Act 2006 did not apply. The Directors recognise that this authority is beyond the standard 10.0% sought by investment companies, but believe that the passing of both resolution 8 and resolution 9 is in the interests of Shareholders, given that the authority is intended to be used to fund future acquisitions of investments in line with the Company's investment policy, thereby mitigating the potential dilution of investment returns for existing Shareholders. Furthermore, new Ordinary Shares issued under this authority will only be issued at a minimum price equal to the relevant prevailing net asset value per share plus a premium to cover any expenses of the relevant issue and therefore should not be dilutive to the net asset value ("NAV") per existing share.

If resolution 8 is passed but resolution 9 is not passed, Shareholders will only be granting Directors the authority to allot up to 10.0% of the existing issued Ordinary Share capital of the Company.

Resolution 10: Authority to make market purchases of the Company's own shares

Resolution 10, which is a special resolution, will give the Company authority to make market purchases of up to 6,398,199 Ordinary Shares.

The resolution sets minimum and maximum prices. The Directors will only use this authority to undertake a further share buyback and consider it useful to retain the authority for the future in case circumstances alter. The Directors shall ensure that all legal and regulatory requirements associated with any future purchases of the Company's own shares are fulfilled including, in the event that the purchase would result in any shareholder being obliged to make an offer under Rule 9.1 of the Takeover Code and the requirement to seek a waiver from the Takeover Panel.

The authorities contained in Resolutions 7, 8 and 9 will continue until the AGM of the Company in 2026. It is intended that renewal of these authorities will be sought at each AGM.

Resolution 11: THAT a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice during the period from the date of the passing of this resolution until the conclusion of the next Annual General Meeting of the Company.

Recommendation

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

Approved by the Board of Directors and signed on its behalf

Ben Harber
Company Secretary

17 June 2025

Directors' Responsibility Statement

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

Company law requires the Directors to prepare Financial Statements for each financial year. The Directors elected under company law and are required under the Listing Rules of the Financial Conduct Authority to prepare the Financial Statements in accordance with UK-adopted International Accounting Standards.

The Financial Statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the company. The Companies Act 2006 provides in relation to such Financial Statements that references in the relevant part of that Act to Financial Statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed in the strategic report on page 3 confirm that to the best of each person's knowledge:

- the Financial Statements, prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole; and

- the Strategic Report and the Report of the Directors includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Website publication

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

For and on behalf of the Board

Noel Lamb
Chairman

17 June 2025

Independent Auditor's Report

Independent auditor's report to the members of Rockwood Strategic Plc

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Rockwood Strategic Plc. For the purposes of the table on page 30 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The "Company" is defined as Rockwood Strategic Plc. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the Financial Statements of Rockwood Strategic Plc for the year ended 31 March 2025. The Financial Statements that we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the Statement of Cash Flows; and
- Notes 1 to 16 of the Financial Statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the company's Financial Statements is applicable law and UK adopted international accounting standards.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of the Company's profit for the year then ended;

- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor 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 the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Our evaluation of the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Company's operations and specifically its business model as a closed-ended investment fund.

- The evaluation of how those risks might impact on the Company's available financial resources, taking into account the Directors' method of assessing going concern in light of how economic and market conditions may affect the company and the underlying investments held.

- Liquidity considerations including examination of the Company's cash flow projections, and assessing that projected management and performance fees are in line with projected market growth forecasts.

- Viability assessment including consideration of reserve levels and business plans, including impact of approach to future investment decisions.

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

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the company's Financial Statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

Independent Auditor's Report (continued)

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the Financial Statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.		
Materiality	2025	2024	
Overall materiality	£966k	£640k	1% (2024: 1%) of net assets
Key audit matters			
Recurring	Valuation and ownership of investments		

Key audit matters

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

Valuation and ownership of investments	
Key audit matter description	The investment portfolio at the year-end comprised of 24 level 1 quoted equity investments (£96m – 99.9% of the total portfolio by value) and one level 3 unquoted investment (£69k – 0.01% of the total portfolio by value) held at fair value through profit or loss. We considered the valuation and ownership of investments to be a significant audit area and therefore, when compared to the materiality of the Financial Statements as a whole, a Key Audit Matter. Our allocation of resources has reflected this status. Investments represent the most substantial balance within the Financial Statements and the performance of these investments underpins the principal activity of the entity. Given the nature of the portfolio is such that it comprises a majority of listed level 1 investments, we do not consider the use of bid price to be subject to significant estimation uncertainty. The valuation of the unquoted investments does include an element of subjectivity and estimation uncertainty, although these balances are immaterial in the current year. There is a risk of error in the recording of investment holdings, such that those holdings do not appropriately reflect the legal property of the Company.
How the scope of our audit responded to the key audit matter	We responded to this matter by testing the valuation and ownership of the whole portfolio of quoted investments, representing 99.9% of the total portfolio by value). We performed the following procedures: → Confirmed the year-end bid price used by management by agreeing to externally quoted prices; → Obtained third-party confirmation of the number of shares held per investment in-hand at the balance sheet date; → Recalculated the stated valuation by multiplying the number of shares held per the third-party custodian statement by the valuation per share; and → Assessed market and liquidity considerations, to confirm whether there were any contra indicators that would suggest bid prices at the balance sheet date were not the most appropriate indicator of fair value.
Key observations communicated to the Company's Audit Committee	Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of investments was not appropriate.

Our application of materiality

Our definition of materiality considers the value of error or omission on the Financial Statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those Financial Statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Company was set at £966,000 (2024: £640,000) which was determined on the basis of 1% (2024: 1%) of the Company's net assets. This was deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the Financial Statements with which the users of the Financial Statements are principally concerned, by virtue of being a closed-ended investment fund.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the Financial Statements as a whole.

Performance materiality for the Company was set at £579,000 (2024: £480,000) which represents 60% (2024: 75%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £48,300 to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

The control environment

We evaluated the design and implementation of those internal controls of the company which are relevant to our audit, such as those relating to the financial reporting cycle.

Climate-related risks

In planning our audit and gaining an understanding of the company, we considered the potential impact of climate-related risks on the business and its Financial Statements. We obtained management's climate-related risk assessment, along with relevant documentation relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks. We then engaged internal specialists to assess, amongst other factors, the nature of the company's activities and its reporting requirements. We have agreed with management's assessment that climate-related risks are not material to these Financial Statements.

Reporting on other information

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

We have nothing to report in this regard.

Strategic report and directors report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Directors' remuneration report

Those aspects of the director's remuneration report which are required to be audited have been prepared in accordance with applicable legal requirements.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 26;
- Directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 14;
- Directors' statement on fair, balanced and understandable set out on page 28;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 26;

Independent Auditor's Report (continued)

- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 16; and
- Section describing the work of the audit committee set out on page 22.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the Financial Statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

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 Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received by branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the company.

Responsibilities of directors

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

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

Auditor responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the Financial Statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the Financial Statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the Financial Statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Company focusing on laws and regulations that could reasonably be expected to have a direct material effect on the Financial Statements, such as provisions of the Companies Act 2006, UK tax legislation for Investment Trust entities or those that had a fundamental effect on the operations of the Company including the regulatory and supervisory requirements of the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules) and the principles of the AIC Code of Corporate Governance.

- We enquired of the directors and management including the audit committee, Investment Manager and Administrator concerning the Company's policies and procedures relating to:
 - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the Financial Statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Company's board and audit committee meetings throughout the period;
- audit procedures performed by the engagement team in connection with the risks identified included:
 - reviewing Financial Statement disclosures and testing to the underlying supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the Financial Statements.
 - testing journal entries;
 - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;

- enquiry of management around actual and potential litigation and claims;
- challenging the assumptions and judgements made by management in its significant accounting estimates;
- reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status. This included a review of other qualitative factors and ensuring compliance with these; and
- obtaining confirmations from third parties to confirm existence of a sample of balances.
- the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Other requirements

We were appointed by the Directors on 4 February 2025 and the current period is the first year of our engagement.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Company, and we remain independent of the company in conducting our audit.

Use of our report

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

The Company is required to include these Financial Statements in an annual financial report prepared under Disclosure Guidance and Transparency Rules 4.1.15R to 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Jason Mitchell MBA BSc FCA Senior Statutory Auditor

For and on behalf of MHA, Statutory Auditor
Maidenhead, UK

17 June 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

Statement of Comprehensive Income

for the year ended 31 March 2025

		Year ended 31 March 2025			Year ended 31 March 2024		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	2	1,299	–	1,299	1,114	–	1,114
Net gains on investments at fair value		–	15,171	15,171	–	2,715	2,715
Total income		1,299	15,171	16,470	1,114	2,715	3,829
Administrative expenses							
Investment Manager fee	3	(889)	–	(889)	(191)	–	(191)
Performance fee	3	–	(1,090)	(1,090)	–	–	–
Other expenses	4	(711)	(158)	(869)	(581)	(161)	(742)
(Loss)/profit before finance costs and taxation		(301)	13,923	13,622	342	2,554	2,896
Finance costs		–	–	–	(1)	–	(1)
(Loss)/profit before taxation		(301)	13,923	13,622	341	2,554	2,895
Taxation	5	–	–	–	–	–	–
(Loss)/profit for the year		(301)	13,923	13,622	341	2,554	2,895
Basic and Diluted earnings per ordinary share for profit from continuing operations and for profit for the year (pence)							
		(0.87p)	40.15p	39.28p	1.25p	9.34p	10.58p

The total column of the statement is the Statement of Comprehensive Income of the Company prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom. The supplementary revenue and capital columns are presented for information purposes as recommended by the Statement of Recommended Practice ("SORP") issued by the Association of Investment Companies ("AIC").

There are no recognised gains and losses other than those disclosed in the Statement of Comprehensive Income.

All items in the above Statement derive from continuing operations. No operations were acquired or discontinued during the period.

The notes on pages 38 to 48 form part of these Financial Statements.

Statement of Financial Position

as at 31 March 2025

	Notes	31 March 2025 £'000	31 March 2024 £'000
Non-current assets			
Investments at fair value through profit or loss	8	95,624	60,322
Current assets			
Cash and cash equivalents		2,561	4,761
Trade and other receivables	9	122	281
		2,683	5,042
Total assets		98,307	65,364
Current liabilities			
Trade and other payables	10	(641)	(1,103)
Performance fee payable	11	(1,090)	-
Total liabilities		(1,731)	(1,103)
Net current assets		952	3,939
Net assets		96,576	64,261
Represented by:			
Share capital	12	1,941	1,560
Share premium account		42,862	24,347
Revenue reserve		18,061	18,565
Capital reserve		22,358	8,435
Capital redemption reserve		11,354	11,354
Total equity		96,576	64,261

The NAV per share on 31 March 2025 is 248.79 pence (2024: 206.04 pence).

These Financial Statements were approved and authorised for issue by the Board of Directors on 17 June 2025. Signed on behalf of the Board of Directors.

Noel Lamb
Chairman

Kenneth Lever
Director

The notes on pages 38 to 48 form part of these Financial Statements.

Statement of Cash Flows

for the year ended 31 March 2025

	Notes	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Cash flow from operating activities			
Profit for the year		13,622	2,895
Net gains on investments at fair value		(15,171)	(2,715)
Decrease/(increase) in trade receivables		3	(52)
Increase/(decrease) in trade and other payables		1,112	(652)
Net cash outflow from operating activities		(434)	(524)
Cash flows from investing activities			
Purchases of investments	8	(37,392)	(30,336)
Sales of investments	8	16,777	12,573
Net cash outflow from investing activities		(20,615)	(17,763)
Cash flows from financing activities			
Gross proceeds of share issue		19,579	11,527
Share issue costs		(527)	(110)
Equity dividends paid		(203)	-
Net cash inflow from financing activities		18,849	11,417
Decrease in cash and cash equivalents		(2,200)	(6,870)
Reconciliation of net cash flow movements in funds			
Cash and cash equivalents at the beginning of the year		4,761	11,631
Decrease in cash and cash equivalents		(2,200)	(6,870)
Cash and cash equivalents at end of year		2,561	4,761

Purchases of investments has been adjusted by the addition of the outstanding £901,000 due to Brokers as at 31 March 2024 and, the removal of the outstanding £417,000 due to Brokers as at 31 March 2025 as shown in Note 10.

Gross proceeds of share issue has been adjusted by the addition of the outstanding £156,000 proceeds due from share issue as at 31 March 2024 as shown in Note 9.

Statement of Changes in Equity

for the year ended 31 March 2025

	D shares £'000	Ordinary Share Capital £'000	Share Premium Account £'000	Revenue Reserve* £'000	Capital Reserve £'000	Capital Redemption Reserve £'000	Total Equity £'000
Opening balance as at 1 April 2024	-	1,560	24,347	18,565	8,435	11,354	64,261
Dividend paid	-	-	-	(203)	-	-	(203)
Gross proceeds of share issue	-	381	18,515	-	-	-	18,896
Profit and total comprehensive income for the year	-	-	-	(301)	13,923	-	13,622
Balance as at 31 March 2025	-	1,941	42,862	18,061	22,358	11,354	96,576

for the year ended 31 March 2024

	D shares £'000	Ordinary Share Capital £'000	Share Premium Account £'000	Revenue Reserve* £'000	Capital Reserve £'000	Capital Redemption Reserve £'000	Total Equity £'000
Opening balance as at 1 April 2023	10	1,271	13,063	24,105	-	11,344	49,793
Unrealised appreciation transferred at 1 April 2023	-	-	-	(5,881)	5,881	-	-
Cancellation of D shares	(10)	-	-	-	-	10	-
Gross proceeds of share issue	-	289	11,284	-	-	-	11,573
Profit and total comprehensive income for the year	-	-	-	341	2,554	-	2,895
Balance as at 31 March 2024	-	1,560	24,347	18,565	8,435	11,354	64,261

* The revenue reserve can be distributed in the form of dividends.

The notes on pages 38 to 48 form part of these Financial Statements.

Notes to the Financial Statements

Rockwood Strategic Plc (the Company) is a public company incorporated in the UK and registered in England and Wales (registration number: 03813450).

The Company carries on the business as an investment trust company within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010.

1. Basis of preparation and material accounting policies

Basis of preparation

Following the Company's approval as an investment trust company on 1 April 2023, the annual Financial Statements of the Company for the year to 31 March 2025 have been prepared in accordance with UK adopted international accounting standards. They will also be prepared in accordance with applicable requirements of England and Wales company law and reflect the following summarised policies which will be adopted and applied consistently. The Financial Statements have also been prepared in accordance with the SORP for investment trust companies issued in July 2022, except to any extent where it conflicts with UK adopted international accounting standards.

In order better to reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income.

The functional and presentational currency of the Company is Pounds Sterling and has been determined on the basis of the currency of the Company's share capital and the currency in which dividends and expenses are paid. The Financial Statements are presented to the nearest thousand (£'000).

Going concern

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

The Company is in a net asset position of £96.6 million (March 2024: £64.3 million) and 99.9% of the Company's portfolio of investments consist of listed equities which, should the need arise, can be liquidated to settle liabilities. The rest of the Company's portfolio consisted of 0.1% in other unquoted investments. There are no other contractual obligations other than those already in existence and which are predictable.

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

Therefore, the Directors taking into the consideration the above assessment are satisfied that the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these Financial Statements were approved.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

Material Accounting Judgements, Estimates and Assumptions

The preparation of Financial Statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reported period. It also requires Management to exercise their judgement in the process of applying the accounting policies. The main area of estimation is in the inputs used in determination of the valuation of the unquoted investments in Note 8, although these amounts at the Balance sheet date are immaterial in the current year.

Management believes that the underlying assumptions are appropriate and that the Company's Financial Statements are fairly presented.

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

Investments at fair value through profit or loss

All investments held by the Company are designated as “fair value through profit or loss”. As the Company’s business is investing in financial assets with a view to profiting from their return in the form of interest, dividends or increase in fair value. Listed equities, unquoted equities and fixed income securities are classified as fair value through profit or loss on initial recognition. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy. Investments are initially recognised at cost, being the fair value of the consideration. Fixed income securities are designated at fair value which is approximation of its par value.

After initial recognition, investments are measured at fair value, with movements in fair value of investments and impairment of investments recognised in the Statement of Comprehensive Income and allocated to the capital column. For quoted equity shares fair value is generally determined by reference to quoted market bid prices or closing prices for SETS (London Stock Exchange’s electronic trading service) stocks.

IFRS 13 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following classifications:

- Level 1 – valued using quoted prices in active markets for identical investments. There are £94,823,000 level 1 financial assets (31 March 2024: £59,415,000).
- Level 2 – valued using other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc). There are no level 2 financial assets (31 March 2024: £nil).
- Level 3 – valued using significant unobservable inputs (including the Company’s own assumptions in determining the fair value of investments). There are £69,000 level 3 financial assets (31 March 2024: £907,000).

Unquoted investments are valued in accordance with the International Private Equity and Venture Capital Valuation (“IPEV”) Guidelines. Their valuation incorporates all factors that market participants would consider in setting a price. The primary valuation techniques employed to value the unquoted investments are earnings multiples, recent transactions and the net asset basis.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks and other short-term highly liquid investments with original maturity of 3 months or less from inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Foreign currency

Transactions in currencies other than Sterling are recorded at the rate of exchange prevailing on the date of the transaction. Items that are denominated in foreign currencies are retranslated at the rates prevailing on Statement of Financial Positions. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or the revenue reserve depending on whether the gain or loss is capital or revenue in nature.

Income

Dividend income from investments is recognised when the Company’s right to receive payment has been established, normally the ex-dividend date. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised as income. Any excess in the value of shares received over the amount of cash dividend foregone is recognised as a capital gain in the Statement of Comprehensive Income.

Interest income is recognised in line with coupon terms under the effective interest method. Special dividends are credited to capital or revenue according to their circumstances.

Expenses

All expenses are accounted for on an accruals basis and are allocated wholly to revenue with the exception of Performance Fees which are allocated wholly to capital, as the fee is payable by reference to the capital performance of the Company, and transaction costs which are also allocated to capital.

Notes to the Financial Statements(continued)

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

Taxation

The charge for taxation is based on the net income for the year and takes into account taxation deferred or accelerated because of temporary differences between the treatment of certain items for accounting and taxation purposes. The Company has an effective tax rate of 0.0%. The estimated effective tax rate is 0.0% as investment gains are exempt from tax owing to the Company's status as an investment trust and there is expected to be an excess of management expenses over taxable income and thus there is no charge for corporation tax.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. In line with recommendations of the SORP, the allocation method used to calculate the tax relief expenses charged to capital is the 'marginal' basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

Equity dividends payable

Equity dividends payable are recognised when the shareholders' right to receive payment is established. For interim dividends this is when they are paid and for final dividends this is when they are approved by shareholders at the Company's annual general meeting.

Share capital and reserves

The share capital represents the nominal value of the Company's ordinary shares. As at 31 March 2025 there were 38,817,663 (31 March 2024: 31,189,090) Ordinary shares of 5p each in issue. During the year to 31 March 2024, a share sub-division of its existing ordinary shares on a ten for one basis took effect on the 11 October 2023.

The share premium account represents the accumulated premium paid for shares issued above their nominal value less issue expenses. This reserve cannot be distributed.

The capital reserve represents realised and unrealised capital and exchange gains and losses on the disposal and revaluation of investments and of foreign currency items. Realised gains can be distributed, unrealised gains cannot be distributed.

The Capital Redemption Reserve represents the amount by which the share capital has been reduced, equivalent to the nominal value of the Ordinary Shares repurchased for cancellation.

The revenue reserve represents retained profits from the income derived from holding investment assets less the costs associated with running the Company. This reserve can be distributed, if positive.

Adoption of New and Revised Standards New standards, interpretations and amendments adopted from 1 April 2024

There are no new standards impacting the Company that have had a significant effect on the annual Financial Statements for the year ended 31 March 2025.

Accounting when there is a lack of exchangeability (Amendments to IAS 21)

The amendment is for entities to specify when a currency is exchangeable into another currency and when it is not, and how an entity determines the exchange rate to apply when a currency is not exchangeable. The amendments are effective for annual periods beginning on or after 1 January 2025.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendment is to help entities to clarify the date of recognition and derecognition of some financial assets and liabilities. It provides further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. It adds new disclosures for certain instruments with contractual terms that can change cash and updates the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The amendments are effective for annual periods beginning on or after 1 January 2026.

Presentation and Disclosure in Financial Statements (IFRS 18)

IFRS 18 replaces IAS 1 and is in response to investors' need for better information about companies' financial performance. Requirements include: new categories/subtotals in the statement of profit or loss, disclosure of Management-defined performance measures and enhanced requirements for grouping information. The new standard is in effective for annual periods beginning on or after 1 January 2027.

Subsidiaries without Public Accountability: Disclosures (IFRS 19)

IFRS 19 allows for reduced disclosures without changing the fundamental reporting requirements of IFRS accounting standards. The new standard is in effective for annual periods beginning on or after 1 January 2027.

Standards issued but not yet effective

There are no standards or amendments not yet effective which are relevant or have a material impact on the Company.

2. Income

	Year ended 31 March 2025	Year ended 31 March 2024
	Total £'000	Total £'000
Income from listed investments		
Dividends	1,062	811
Loan note interest income	46	40
Loan arrangement fee	–	22
	1,108	873
Other income		
Bank interest	191	241
Total income	1,299	1,114

3. Investment management and performance fee

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Investment Manager fee	889	191
Performance fees	1,090	–
	1,979	191

Under the terms of the Investment Management Agreement (restated and novated on 28 March 2025) with Harwood Capital LLP (now Rockwood Asset Management), the Company will pay the Investment Manager a performance fee equal to 10.0% of outperformance over the higher of a 6.0% per annum total return hurdle and the high watermark. The 6.0% per annum compounds weekly and the performance fee is calculated annually. Provided that the Company's average NAV is at or below £100 million, performance fees in any performance fee period are capped at 3.0% of the Company's average NAV for the relevant performance fee period. In such instance, performance fees in excess of the 3.0% cap will not be paid and will instead be deferred into the next performance fee period. If the average NAV exceeds £100 million, the performance fee shall be further limited such that the combined investment management and performance fees shall not exceed 3.0% of the Company's average NAV. In such instance, performance fees in excess of the cap will not be deferred and will not become payable at any future date.

The performance fee is calculated annually for each performance fee period, which is aligned with the Company's accounting year. It is accounted for on an accrual basis and is recognised in the Statement of Comprehensive Income once a performance fee is triggered during the performance fee period. The Hurdle was surpassed in the year and therefore there was a performance fee of £1,090,000 accrued at 31 March 2025 (2024: nil).

4. Other expenses

	Year ended 31 March 2025			Year ended 31 March 2024		
	Income £'000	Capital £'000	Total £'000	Income £'000	Capital £'000	Total £'000
Auditors remuneration						
– Current	54	–	54	–	–	–
– Previous	9	–	9	47	–	47
Director's fees	110	–	110	102	–	102
Professional fees	452	–	452	336	–	336
Other general overheads	86	–	86	96	–	96
Transaction costs	–	158	158	–	133	133
Share split costs	–	–	–	–	28	28
	711	158	869	581	161	742

Notes to the Financial Statements (continued)

5. Taxation

	Year ended 31 March 2025	Year ended 31 March 2024
UK corporation tax		
Corporation tax liability at 25.0% (2024: 25.0%)	-	-
	-	-
Current tax	-	-
Tax on profit from ordinary activities	-	-

Factors affecting the tax charge for the current period

The tax assessed for the year is different than that resulting from applying the standard rate of corporation tax in the UK: 25.0% (2024: 25.0%).

The differences are explained below:

	Year ended 31 March 2025			Year ended 31 March 2024		
	Income £'000	Capital £'000	Total £'000	Income £'000	Capital £'000	Total £'000
Current tax reconciliation						
Return before taxation	(301)	13,923	13,622	341	2,554	2,895
Tax at UK corporation tax rate of 25.0% (2024: 25.0%)	(75)	3,481	3,406	85	639	724
Tax effects of:						
Non-taxable dividends	(266)	-	(266)	(202)	-	(202)
Non-deductible expenditure	2	-	2	3	-	3
Chargeable gains not subject to tax	-	(3,753)	(3,753)	-	(639)	(639)
Movement in deferred tax not recognised	339	272	611	114	-	114
Total tax charge for the year	-	-	-	-	-	-

Deferred tax

At 31 March 2025, the Company had losses of £43,217,000 (31 March 2024: £40,770,000) that are potentially available to offset future taxable revenue and capital losses of £102,536,000 (31 March 2024: £102,536,000) that are potentially available to offset against future taxable gains. A deferred tax asset of £36,439,000 (31 March 2024: £35,827,000), based on the enacted UK corporation tax rate of 25% that applied from 1 April 2023, has not been recognised because the Company is not expected to generate qualifying taxable income in future periods that the carried forward tax losses can be utilised against.

6. Earnings per share

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

	Year ended 31 March 2025			Year ended 31 March 2024		
	Net Return £'000	Weighted average Ordinary Shares	Basic and diluted earnings per share pence	Net Return £'000	Weighted average Ordinary Shares	Basic and diluted earnings per share pence
Revenue	(301)	34,678,653	(0.87)	341	27,356,247	1.25
Capital	13,923	34,678,653	40.15	2,554	27,356,247	9.33
Total	13,622		39.28	2,895		10.58

As at 31 March 2025, the total number of shares in issue was 38,817,663 (2024: 31,189,090). No shares were bought back by the Company (2024: None). There are no share options outstanding at the end of the year.

7. Dividends

The Company is not recommending a dividend for the year ended 31 March 2025 (2024: 0.6p).

8. Investments at fair value through profit or loss

	Year ended 31 March 2025		
	Investments in quoted companies (Level 1)	Other unquoted investments (Level 3)	Total
Opening cost at beginning of year	53,465	1,523	54,988
Opening unrealised appreciation at the beginning of the year	5,950	(616)	5,334
Opening fair value at the beginning of the year	59,415	907	60,322
Movements in the year:			
Purchases at cost	36,908	–	36,908
Sales proceeds	(16,027)	(750)	(16,777)
Realised gain on disposal	8,727	–	8,727
Change in unrealised appreciation/(depreciation) at the end of the year	6,532	(88)	6,444
Closing fair value at the end of the year	95,555	69	95,624
Closing cost at the end of the year	83,073	773	83,846
Closing unrealised appreciation/(depreciation) at the end of the year	12,482	(704)	11,778
Closing fair value at the end of the year	95,555	69	95,624

	Year ended 31 March 2024		
	Investments in quoted companies (Level 1)	Other unquoted investments (Level 3)	Total
Opening cost at beginning of year	33,374	–	33,374
Opening unrealised appreciation at the beginning of the year	5,881	–	5,881
Opening fair value at the beginning of the year	39,255	–	39,255
Movements in the year:			
Transfer between levels*			
Cost at transfer date	(773)	773	–
Unrealised loss on transfer date	732	(732)	–
Purchases at cost	30,175	750	30,925
Sales proceeds	(12,573)	–	(12,573)
Realised gain on disposal	3,262	–	3,262
Change in unrealised (depreciation)/appreciation at the end of the year	(663)	116	(547)
Closing fair value at the end of the year	59,415	907	60,322
Closing cost at the end of the year	53,465	1,523	54,988
Closing unrealised appreciation/(depreciation) at the end of the year	5,950	(616)	5,334
Closing fair value at the end of the year	59,415	907	60,322

* For the year ended 31 March 2024, there was a transfer from Level 1 to Level 3 of £69,175 Bonhill group due to voluntary liquidation.

Notes to the Financial Statements (continued)

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

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

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

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

	31 March	
	2025 £'000	2024 £'000
Level 1	95,555	59,415
Level 2	-	-
Level 3	69	907
	95,624	60,322

Fair values of financial assets and financial liabilities

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

As at 31 March 2025 and 31 March 2024, all investments, except for the investments in the table below, fall into the category 'Level 1' under IFRS 13 fair value hierarchy.

In the year ending 31 March 2025, no investments were transferred between levels (31 March 2024: one investment held, Bonhill Group previously Level 1 were transferred to Level 3 following its delisting from AIM).

A summary of the level 3 investments are as follows:

	31 March 2025		31 March 2024	
	Investments included	£'000	Investments included	£'000
Fair value	Bonhill group	69	Bonhill group	69
	Chesterfield Special Cylinders Holdings (formerly Pressure Technologies)		Chesterfield Special Cylinders Holdings (formerly Pressure Technologies)	
	- Loan Notes	-	- Loan Notes	750
	- Warrants	-	- Warrants	88
		69		907

The Chesterfield Special Cylinders Holdings loan notes were redeemed in full during the year. The warrants were still outstanding at year end and valued at zero.

Valuation policy: Every three months, the Investment Manager is asked to revalue the investments that he looks after and submit his valuation recommendation to the Valuation and Pricing ("V&P") Committee. The V&P Committee considers the recommendation made, and approves or adjust the valuation as required.

Level 3 investments have been valued in accordance with the IPEV guidelines. The valuation incorporates all relevant factors that market participants would consider in setting a price.

Methods applied include cost of investment, price of recent investments, net assets and earnings multiples.

Although the Manager believes that the estimates of fair values are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair values.

Subsequent adjustments in price are determined by the Manager's Valuation and Pricing Committee.

Investments in quoted companies (Level 1) have been valued according to the quoted bid price as at 31 March 2025.

9. Trade and other receivables

	31 March 2025 £'000	31 March 2024 £'000
Proceeds due from share issues	–	156
Other debtors	95	112
Prepayments	27	13
	122	281

10. Trade and other payables

	31 March 2025 £'000	31 March 2024 £'000
Due to Brokers	417	901
Trade Creditors	224	202
	641	1,103

There were no other creditors as at 31 March 2025 (2024: none).

11. Performance fees payable

	31 March 2025 £'000	31 March 2024 £'000
Performance fees payable	1,090	–

12. Issued capital**Allotted, called-up and fully paid:**

For the year ended 31 March 2025	£'000
31,189,090 ordinary shares of 5p each listed at 31 March 2024	1,560
7,628,573 ordinary shares of 5p each issued in the year	381
38,817,663 ordinary shares of 5p each listed at 31 March 2025	1,941

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Allotted, called-up and fully paid:

For the year ended 31 March 2024	£'000
2,541,046 ordinary shares of 50p each listed at 31 March 2023	1,271
146,863 ordinary shares of 50p each issued before the share split	73
24,191,181 ordinary shares issued through the share split	–
4,310,000 ordinary shares of 5p each issued after the share split	216
31,189,090 ordinary shares of 5p each listed at 31 March 2024	1,560

Notes to the Financial Statements (continued)

13. Financial instruments and financial risk management

The Company invests in quoted and unquoted companies in accordance with the investment policy. In addition to investments in smaller listed companies in the UK, the Company maintains liquidity balances in the form of cash held for follow-on financing and debtors and creditors that arise directly from its operations. As at 31 March 2025, £95.6 million of the Company's net assets were invested in quoted investments, £0.1 in unquoted investments and £2.6 million in liquid balances (31 March 2024: £59.4 million in quoted investments, £0.9 in unquoted investments and £4.7 million in liquidity).

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

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

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

a) Market risk

i) Price risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding its investment portfolio in the face of market movements, which was a maximum of £95.6 million (2024: £59.6 million).

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

The Board's strategy in managing the market price risk is determined by the requirement to meet the Company's investment objective. Risk is mitigated to a limited extent by the fact that the Company holds investments in several companies. At 31 March 2025, the Company held interests in 24 companies (2024: 20 companies). The Directors monitor compliance with the investment policy, review and agree policies for managing this risk and monitor the overall level of risk on the investment portfolio on a regular basis.

Market price risk sensitivity

The Board considers that the value of investments in quoted equity instruments is ultimately sensitive to changes in quoted share prices. The value of investments in Chesterfield Special Cylinders Holdings (formerly Pressure Technologies), where the valuation methodology is to estimate the value of the conversion option of the instrument, is similarly linked to quoted share prices. The table below shows the impact on the return and net assets if there were to be a 25% (2024: 25.0%) movement in overall share prices.

As at 31 March 2025			+25%		-25%	
Security	Valuation basis	Fair value	Impact £'000	Impact per share (in pence)	Impact £'000	Impact per share (in pence)
Quoted investments	Quoted bid price	95,555	23,889	61.54	(23,889)	(61.54)

As at 31 March 2024			+25%		-25%	
Security	Valuation basis	Fair value	Impact £'000	Impact per share (in pence)	Impact £'000	Impact per share (in pence)
Quoted investments	Quoted bid price	59,443	14,861	47.65	(14,861)	(47.65)

13. Financial instruments and financial risk management (continued)

The impact of a change of 25% (2024: 25.0%) has been selected as this is considered reasonable given the current level of volatility, observed both on a historical basis, and market expectations for future movement.

A sensitivity has not been performed for the other unquoted investments held by the Company as they were not deemed to be material. There is no exposure to market price risk in the valuation methodology applied for these investments. Interest rates are less volatile than market prices; therefore, the Company has deemed it inappropriate to consider a 25.0% upward or downward move in interest rates. Interest rates are determined by monetary policy and have been kept historically low due to quantitative easing and therefore we do not believe that interest rates will be as volatile as share prices.

ii) Currency risk

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

iii) Cash flow interest rate risk

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

b) Credit risk

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

The Company's maximum exposure to credit risk is:

	31 March 2025 £'000	31 March 2024 £'000
Loan stock investments	–	750
Cash and cash equivalents	2,561	4,761
Trade and other receivables	122	281
	2,683	5,792

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

The Company's cash balances at 31 March 2025 and 2024 were held in institutions currently rated A or better by Fitch. Given these ratings, the Company does not expect any counterparty to fail to meet its obligations and therefore, no allowance for impairment is made for bank deposits.

c) Liquidity risk

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

14. Capital disclosures

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

The capital subscribed to the Company has been managed in accordance with the Company's objectives. The available capital at 31 March 2025 is £96.6 million (31 March 2024: £64.3 million) as shown in the Statement of Financial Position, which includes the Company's share capital and reserves.

The total amount of revenue reserve for the year is £18.061 million (2024: £18.566 million) which is fully distributable and can be utilised for any future dividends.

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

Notes to the Financial Statements (continued)

15. Related party transactions and transactions with the Investment Manager

The related parties of Rockwood Strategic Plc are its Directors, persons connected with its Directors and its Investment Manager and significant shareholder Harwood Capital Management Limited ("The Harwood Group") and its subsidiaries.

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

As at 31 March 2025, the following shareholders of the Company that are related to Harwood had the following interests in the issued shares of the Company as follows:

	31 March 2025	31 March 2024
Harwood Holdco Limited	8,340,000 Ordinary Shares	8,340,000 Ordinary Shares
R Staveley	311,215 Ordinary Shares	321,380 Ordinary Shares

Investment Management ("IM") Fees:

The total payable to Harwood is as follows:

	31 March 2025	31 March 2024
Performance fee	£1.09 million	Nil
Management fee	£0.89 million	£0.05 million
Total	£1.98 million	£0.05 million

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

The NAV Threshold was met on 16 February 2024, since then, the IM has been entitled to a management fee of 1/12th of an amount equal to 1.0% of the Net Asset Value before deduction of that month's Investment Management Fee and before deduction of any accrued Performance Fees.

Performance Fees:

The Investment Manager will also be entitled to a performance fee equal to 10.0% of outperformance over the higher of a 6.0% per annum total return hurdle and the high watermark. The 6.0% per annum compounding weekly and the performance fee will be calculated annually.

Provided that the Company's average NAV is at or below £100 million, performance fees in any performance fee period will be capped at 3.0% of the Company's average NAV for the relevant performance fee period. In such instance, performance fees in excess of the 3.0% cap will not be paid and will instead be deferred into the next performance fee period.

There are no other material related party transactions of which we are aware in the year ended 31 March 2025.

16. Subsequent events note

Share Issues:

The Company issued for cash 3,837,000 ordinary shares of 5 pence each from 1 April to 17 June 2025 from its block listing facility at an average price of 265.07 pence per share.

Glossary/Alternative Performance Measures (APMS)

AIC

The Association of Investment Companies.

Alternative performance Measures (APMs)

APMs are often used to describe the performance of investment companies although they are not specifically defined under FRS 102. The Directors assess the Company's performance against a range of criteria which are viewed as relevant to both the Company and its market sector. APM calculations for the Company are shown below.

Cash Alternatives/Equivalent

Also known as cash equivalents. A class of investments considered relatively low-risk because of their high liquidity, meaning they can be quickly converted into cash.

CTA

Corporation Tax Act 2010.

Discount

The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.

Dividend

The portion of company net profits paid out to shareholders.

FCA

Financial Conduct Authority.

LSE

London Stock Exchange.

Market Capitalisation

The total value of a company's equity, calculated by the number of shares multiplied by their market price.

NAV

NAV stands for net asset value and represents shareholders' funds. Shareholders' funds are the total value of a company's assets at current market value less its liabilities.

Ongoing charges ratio

A measure, expressed as a percentage of the average daily net asset values during the year, of the regular, recurring annual costs of running an investment company. This includes the Investment Management fee and excludes any variable performance fees. In the last two years there have been exceptional expenses, which will not be ongoing, associated in 2024 with the Strategic Review and its related Extraordinary Meetings and in 2024 associated with moving from the AIM to the Main Market of the London Stock Exchange.

Ongoing charges is calculated on an annualised basis. This figure excludes any portfolio transaction costs and may vary from period to period. The calculation below is in line with AIC guidelines.

		Year ended 31 March 2025
Investment management fee		889,000
Administrative expenses		711,000
Less: one off legal and professional fees		(5,000)
Total	(a)	1,595,000
Average cum income net asset value throughout the period	(b)	87,301,252
Ongoing expenses (c=a/b)	(c)	1.83%

Premium

The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.

Total Return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into its Ordinary Shares on the ex-dividend date. This is calculated for both the Share Price and the Net Asset Value.

		Year ended 31 March 2025
NAV Total Return		
NAV 31 March 2025	(a)	248.79
NAV 31 March 2024	(b)	206.04
Dividend reinvested	(c)	0.60
Increase in NAV (d=a-b+c)	(d)	43.35
Total Return (e=d/b)	(e)	21.0%
Total Shareholder Return		
Share price 31 March 2025	(a)	253.00
Share price 31 March 2024	(b)	210.00
Dividend reinvested	(c)	0.60
Increase in share price (d=a-b+c)	(d)	43.60
Total Return (e=d/b)	(e)	20.8%

Notice of Annual General Meeting

NOTICE IS GIVEN that the Annual General Meeting ("AGM") of the Company will be held at the offices of Harwood Capital Management Limited, 6 Stratton Street, London W1J 8LD at 11.30am on 29 July 2025 to consider the following resolutions, of which resolutions 1 to 7 will be proposed as ordinary resolutions and resolutions 8 to 11 will be proposed as special resolutions:

Ordinary Resolutions

1. To receive the Annual Report and Accounts for the year-ended 31 March 2025.
2. To receive and adopt the Directors' Remuneration Report.
3. To re-elect Paul Dudley as a Director of the Company.
4. To re-elect Noel Lamb as a Director of the Company.
5. To re-elect Ken Lever as a Director of the Company.
6. To reappoint MacIntyre Hudson LLP (trading as MHA) as auditors to the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the members and to authorise the Directors to determine their fees.

7. THAT the Directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for, or convert any security into, shares in the Company (Rights) up to an aggregate nominal amount of £703,801 during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the next AGM of the Company or 15 months from the passing of this resolution, whichever is earlier, and provided further that the Company shall be entitled before such expiry to make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights under such offer or agreement as if this authority had not expired.

Special Resolutions

8. THAT, subject to and conditional upon the passing of resolution 7 above, the Directors of the Company be empowered under section 570 of the Companies Act 2006 (the Act) to allot equity securities (within the meaning of section 560 of the Act) for cash and/or to sell or transfer shares held by the Company in treasury (as the Directors shall deem appropriate) under the authority conferred on them under section 551 of the Act by resolution 8 above as if section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with any rights issue or other pro-rata offer in favour of the holders of Ordinary Shares in the Company where the equity securities respectively attributable to the interests of all such holders of shares are proportionate (as nearly as may be) to the respective numbers of shares held by them, provided that the Directors of the Company may make such arrangements in respect of overseas holders of shares and/or to deal with fractional entitlements as they consider necessary or convenient; and
- (b) the allotment (otherwise than under sub-paragraph (a) above) of equity securities and/or the sale or transfer of shares held by the Company in treasury (as the Directors shall deem appropriate) up to an aggregate nominal amount of £213,273 (representing approximately 10.0% of the ordinary share capital of the Company at the latest practicable date before publication of this Notice).

and this authority shall expire at the conclusion of the next AGM of the Company or 15 months from the passing of this resolution, whichever is earlier, that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities under such offers or agreements as if the power conferred by this resolution had not expired and provided further that this authority shall be in substitution for, and to the exclusion of, any existing authority conferred on the Directors.

9. THAT, subject to and conditional upon the passing of resolution 7 above, and in addition to the authority granted in resolution 8, the Directors of the Company be empowered under section 570 of the Companies Act 2006 (the Act) to allot equity securities (within the meaning of section 560 of the Act) for cash and/or to sell or transfer shares held by the Company in treasury (as the Directors shall deem appropriate) under the authority conferred on them under section 551 of the Act by resolution 8 above as if section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with any rights issue or other pro-rata offer in favour of the holders of Ordinary Shares in the Company where the equity securities respectively attributable to the interests of all such holders of shares are proportionate (as nearly as may be) to the respective numbers of shares held by them, provided that the Directors of the Company may make such arrangements in respect of overseas holders of shares and/or to deal with fractional entitlements as they consider necessary or convenient; and
- (b) the allotment (otherwise than under sub-paragraph (a) above) of equity securities and/or the sale or transfer of shares held by the Company in treasury (as the Directors shall deem appropriate) up to an aggregate nominal amount of £213,273 (representing approximately 10.0% of the ordinary share capital of the Company at the latest practicable date before publication of this Notice).

and this authority shall expire at the conclusion of the next AGM of the Company or 15 months from the passing of this resolution, whichever is earlier, provided that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities under such offers or agreements as if the power conferred by this resolution had not expired and provided further that this authority shall be in substitution for, and to the exclusion of, any existing authority conferred on the Directors.

10. THAT, the Company be generally and unconditionally authorised to make market purchases (as defined in the Companies Act 2006) of Ordinary Shares in the capital of the Company (Ordinary Shares) on such terms and in such manner as the Directors may from time to time determine, provided that:

- (a) the maximum number of Ordinary Shares authorised to be purchased shall be 6,398,199;
- (b) the minimum price which may be paid for an Ordinary Share is the nominal value of an Ordinary Share at the time of the purchase;
- (c) the maximum price which may be paid for an Ordinary Share is an amount equal to 105.0% of the average of the middle market quotations for an Ordinary Share (as derived from the Daily Official List) for the five business days immediately preceding the date on which the Ordinary Share is contracted to be purchased;
- (d) the minimum and maximum prices per Ordinary Share referred to in sub-paragraphs (b) and (c) of this resolution are in each case exclusive of any expenses payable by the Company.
- (e) the authority conferred by this resolution shall expire at the end of the AGM in 2026 or 15 months from the passing of this resolution, whichever is earlier, if unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting; and
- (f) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiration of such authority.

11. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice during the period from the date of the passing of this resolution until the conclusion of the next Annual General Meeting of the Company.

By order of the Board

Ben Harber
Company Secretary

17 June 2025

Registered Office: C/O Arch Law, Floor 2,
8 Bishopsgate, London EC2N 4BQ

Notice of Annual General Meeting(continued)

Notice of Meeting Notes:

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

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on Friday, 25 July 2025. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting at 9.40am (UK time) on Tuesday, 29 July 2025 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by that shareholder. A proxy need not be a shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders' purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. You can vote either:
 - electronically via the Investor Centre app or web browser at <https://uk.investorcentre.mpms.mufg.com/>.
 - You may request a hard copy form of proxy directly from the registrars, MUFG Corporate Markets, on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Alternatively, you can email MUFG Corporate Markets at shareholderenquiries@cm.mpms.mufg.com.

→ in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

→ if you are an institutional investor, you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 11.30am on Friday, 25 July 2025 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote;

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by MUFG Corporate Markets, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL by 11.30am on Friday, 25 July 2025.

Shareholders can vote electronically via the Investor Centre, a free app for smartphone and tablet provided by MUFG Corporate Markets (the Company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Investor Centre via a web browser at: <https://uk.investorcentre.mpms.mufg.com/>.



7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so. As mentioned above, the Company advises shareholders to vote electronically, or to appoint the Chair as their proxy as physical attendance in person may now be permitted.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 11.30am on Friday, 25 July 2025. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
13. As at 16 June 2025 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 42,654,663 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 16 June 2025 are 42,654,663.
14. Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
15. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from 10am on the day of the Meeting until the conclusion of the Meeting: copies of the Directors' letters of appointment or service contracts.
16. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

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

Corporate Information

Directors

N Lamb (Chairman)
P Dudley
K Lever

Company Secretary (up to 18 June 2025)

SGH Company Secretaries Limited
6th Floor
60 Gracechurch Street
London
EC3V 0HR

Company Secretary (from 19 June 2025)

Ben Harber
Woodham Corporate Services Limited
31 Orchard Avenue
Woodham
Addlestone
Surrey
KT15 3EA

Registered Office (up to 18 June 2025)

6th Floor
60 Gracechurch Street
London
EC3V 0HR

Registered Office (from 19 June 2025)

C/O Arch Law Limited
Floor 2
8 Bishopsgate
London
EC2N 4BQ

Investment Manager

Harwood Capital LLP until 31 March 2025
6 Stratton St
London
W1J 8LD

Rockwood Asset Management (a trading name of Harwood Private Capital LLP which is part of the Harwood Capital Group) – from 1 April 2025.

Bankers

Caceis Bank
UK Branch
Broadwalk House
5 Appold Street
London
EC2A 2DA

Solicitors

Shoosmiths LLP
1 Bow Churchyard
London
EC4M 9DQ

Auditor

MHA
Building 4
Foundation Park
Roxborough Way
Maidenhead
SL6 3UD

Registrars

MUFG Corporate Markets
Central Square
29 Wellington St
Leeds
LS1 4DL

Financial Advisor and Broker

Singer Capital Markets
1 Bartholomew Lane
London
EC2N 2AX

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

Notes

