

ROK GLOBAL PLC
Annual Report and Group Accounts
For the year ended 31 March 2016

Company number 06253633



ROK GLOBAL PLC

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For the year ended 31 March 2016

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ROK GLOBAL PLC

COMPANY INFORMATION

For the year ended 31 March 2016

Directors:	Mr J L Kendrick Mr J M Kendrick
Secretary:	David Venus & Company LLP 42-50 Hersham Road Walton-on-Thames Surrey
Registrars:	Computershare Investor Services Limited The Pavilions Bridgwater Road Bristol
Auditors:	Edwards Chartered Accountants 34 High Street Aldridge Walsall West Midlands WS9 8LZ UK
Company Registration Number:	06253633
Registered Office:	ROK House Kingswood Business Park Holyhead Road Albrighton Staffordshire WV7 3AU UK

ROK GLOBAL PLC

STRATEGIC REPORT

For the year ended 31 March 2016

The financial statements contain information about ROK Global PLC (the "Company") and its subsidiary undertakings (the "Group") on a consolidated basis.

The directors present their Strategic Report on the Group for the year ended 31 March 2016.

Review of the business

In the year ended 31 March 2016 the principal trading activity of the Group derived from the provision of mobile telephone and handset applications and services such as SMS messaging and language translation applications.

In addition, the Group continued to develop its leading-edge security application, ROK Homeland Security, which is a unique and highly advanced mobile phone-based security and policing technology product. It provides cost-effective real-time, secure two-way data flow technologies to assist government and law enforcement agencies, security officers, business and industry in the gathering and management of information. This is done in a variety of formats including encrypted data-based communications and cutting-edge spatial awareness capabilities. The product is scalable to a client's requirements and has been commended by potential clients following demonstrations and trials as being a high quality product. The time taken, however, for these government departments to make commercial decisions regarding the uptake of the service has proved lengthy which has hindered sales growth.

The Group ceased the development of its activities in media entertainment creation and video production and the streaming of live feed events such as boxing.

During the year, the Company and its Group reorganised the products being developed and distributed and accordingly, the investments in certain subsidiaries concerned. This resulted in the Group disposing of some loss-making or inactive companies to a related party.

Results and performance

The results of the Group for the year, as set out on pages 8 and 9, show a loss on ordinary activities before tax of £3.8m (2015: loss of £4.1m). The Group has a deficit of shareholders' funds of £34.0m (2015: deficit of £30.2m).

Provision of software and services

The Group has seen a decline in its Soccer Alerts SMS service revenues, due to added competition in overseas markets, and also received reduced revenues for its audio language translation web services.

The Group still receives a lot of interest in its Homeland Security product. No contracts have been signed in the year but this product is still where the Group believes that its future lies. It has been trialled in Canada and trials are anticipated to recommence in the UK. The directors are confident of the acceptance of supply and service contracts in the short to medium term.

Product sales

In the prior year the Company disposed of two subsidiaries that were involved in the sale and research and development of physical security and other products.

Business environment

The Group operates in the very competitive and fast moving marketplace of mobile technology and bespoke security applications. It competes with overseas development companies who often have a lower cost base and larger marketing budgets.

ROK GLOBAL PLC

STRATEGIC REPORT

For the year ended 31 March 2016

Strategy

The Group's success is dependent on the proper selection and pricing of its products for distribution and ongoing management of the risks it accepts. The Group aims to concentrate its efforts on achieving growth in its existing market segments as well as expanding, where possible, being aware of, and being ready to react to, new developments and trends in the market.

Going concern

The Company and the Group continue to meet their day to day working capital requirements from cash generated by the business and the support of the Company's founders and shareholders. The planned business levels indicate that in the short term the Company and the Group will require additional funding. The amount of additional funding required will be dictated by the performance of the Group.

The directors understand that the founders will not demand repayment of their outstanding loan balances and that additional funding may be available. The planned business levels and the availability of additional funding from founders and shareholders indicate the existence of material uncertainties which may cast doubt over the Group's ability to continue as a going concern. However, the Board expects that the Company and the Group will continue to have adequate funds available to them to be able to continue in operational existence for the foreseeable future.

Accordingly, the going concern basis has been adopted in preparing these accounts which do not include the adjustments that would result if the Group was unable to continue as a going concern.

This report was approved by the board on 31 August 2016 and signed by its order.



Mr J L Kendrick
Director

ROK GLOBAL PLC

DIRECTORS' REPORT

For the year ended 31 March 2016

The directors present their report and audited accounts for the year ended 31 March 2016.

Future developments

Likely future developments in the business of the Group are discussed in the Strategic Report.

Results and dividends

The results for the year are set out on pages 8 and 9. The directors of the Company do not recommend a dividend.

Directors

The names of the current directors of the Company are listed on page 1. All held office throughout the year.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Edwards as auditor of the Company.

Post reporting date events

There are no matters to report as post statement of financial position events.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the Company 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

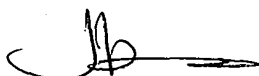
ROK GLOBAL PLC

DIRECTORS' REPORT

For the year ended 31 March 2016

The directors are responsible for the maintenance and integrity of the Group web site, www.rokglobal.com. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the board on 31 August 2016 and signed by its order.



Mr J L Kendrick
Director

ROK GLOBAL PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROK GLOBAL PLC

For the year ended 31 March 2016

TO THE MEMBERS OF ROK GLOBAL PLC

We have audited the Group and parent Company financial statements of ROK Global PLC for the year ended 31 March 2016 (the "accounts") which comprise the consolidated income statement, the consolidated and Company statement of financial position, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102.

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the Group and parent Company's ability to continue as a going concern.

The Group incurred a net loss of £3,804,295 and the parent Company a net profit of £15,249 for the year ended 31 March 2016 and, at that date, the Group had net liabilities of £34,024,498 and the parent Company had net assets of £53,089. These conditions along with other matters explained in note 2 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the Group and parent Company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Group or parent Company was unable to continue as a going concern.

ROK GLOBAL PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROK GLOBAL PLC

For the year ended 31 March 2016

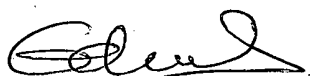
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



David Webb FCA
Senior Statutory Auditor
for and on behalf of
Edwards Chartered Accountants
Statutory Auditors

31 August 2016

34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ
UK

ROK GLOBAL PLC

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2016

	Note	2016 £'000	<i>As restated</i> 2015 £'000
Turnover		32	208
Cost of sales		(5)	(115)
Gross profit		<u>27</u>	<u>93</u>
Administrative expenses		(2,090)	(2,405)
Operating loss	5	<u>(2,063)</u>	<u>(2,312)</u>
Interest payable	8	(1,741)	(1,770)
Loss on ordinary activities before taxation		<u>(3,804)</u>	<u>(4,082)</u>
Tax on loss on ordinary activities	9	-	-
Loss on ordinary activities after taxation		<u>(3,804)</u>	<u>(4,082)</u>
Loss for the financial year attributable to:			
Non-controlling interests		(8)	(252)
Owners of the parent company		(3,796)	(3,830)
		<u>(3,804)</u>	<u>(4,082)</u>

There is no separate statement for comprehensive income. The loss after taxation made in the year is the total comprehensive income figure.

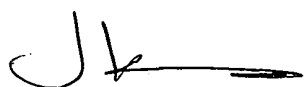
ROK GLOBAL PLC

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2016

	Note	Group 2016 £'000	<i>As restated</i> Group 2015 £'000	Company 2016 £'000	<i>As restated</i> Company 2015 £'000
Fixed assets					
Intangible fixed assets	10	-	-	-	-
Tangible fixed assets	11	-	-	-	-
Investments	12	50	50	50	50
		<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
Current assets					
Debtors	13	54	100	11	-
Creditors: Amounts falling due within one year	14	(811)	(1,365)	(8)	(12)
Net current assets/(liabilities)		<u>(757)</u>	<u>(1,265)</u>	<u>3</u>	<u>(12)</u>
Total assets less current liabilities		(707)	(1,215)	53	38
Creditors: Amounts falling due after one year	15	(33,317)	(29,005)	-	-
Net assets/(liabilities)		<u>(34,024)</u>	<u>(30,220)</u>	<u>53</u>	<u>38</u>
Capital and reserves					
Called up share capital	16	5,834	5,834	5,834	5,834
Share premium account	17	11,600	11,600	11,600	11,600
Share based payments	18	1,526	1,526	1,526	1,526
Profit and loss account	19	(51,696)	(47,900)	(18,907)	(18,922)
Equity attributable to owners of the parent company		<u>(32,736)</u>	<u>(28,940)</u>	<u>53</u>	<u>38</u>
Non-controlling interests		(1,288)	(1,280)	-	-
		<u>(34,024)</u>	<u>(30,220)</u>	<u>53</u>	<u>38</u>

The Company's result for the financial year was a profit of £15,249 (2015 - £1,286).



Mr J L Kendrick
Director

Approved by the board on 31 August 2016
Company number 06253633

ROK GLOBAL PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	Note	Group 2016 £'000	<i>As restated</i> Group 2015 £'000
Cash flows from operating activities			
Loss for the financial year		(2,063)	(2,312)
Adjustments for:			
Depreciation of owned fixed assets		-	1
Decrease in stock		-	30
Decrease in debtors		46	201
Increase in creditors		2,017	1,862
Net cash from operating activities		<u>2,063</u>	<u>2,094</u>
 Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		-	21
Net cash from investing activities		<u>-</u>	<u>21</u>
 Cash flows from financing activities			
New loans raised		-	187
Net cash from financing activities		<u>-</u>	<u>187</u>
 Net decrease in cash and cash equivalents		-	(10)
 Cash and cash equivalents at the beginning of the year		<u>-</u>	<u>10</u>
 Cash and cash equivalents at the end of the year	21	<u>-</u>	<u>-</u>

ROK GLOBAL PLC

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

Group

	Called-up share capital £'000	Share premium account £'000	Share based payments reserve £'000	Profit and loss account £'000	Amount attributable to owners of the parent £'000	Non- controlling interests £'000	Total £'000
At 1 April 2014	5,834	11,600	1,526	(44,070)	(25,110)	(1,028)	(26,138)
Loss for the year	-	-	-	(3,830)	(3,830)	(252)	(4,082)
At 31 March 2015	5,834	11,600	1,526	(47,900)	(28,940)	(1,280)	(30,220)
Loss for the year	-	-	-	(3,796)	(3,796)	(8)	(3,804)
At 31 March 2016	5,834	11,600	1,526	(51,696)	(32,736)	(1,288)	(34,024)

Company

	Called-up share capital £'000	Share premium account £'000	Share based payments reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2014	5,834	11,600	1,526	(18,923)	37
Profit for the year	-	-	-	1	1
At 31 March 2015	5,834	11,600	1,526	(18,922)	38
Profit for the year	-	-	-	15	15
At 31 March 2016	5,834	11,600	1,526	(18,907)	53

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

1 Company information

ROK Global PLC is a public limited company incorporated and registered in England and Wales under company number 06253633 with a registered office address at ROK House, Kingswood Business Park, Holyhead Road, Albrighton, Staffordshire, WV7 3AU, UK.

2 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom including Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”). The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain assets as specified in the accounting policies and notes to the accounts.

This is the first year in which the financial statements have been prepared under FRS 102. Please refer to note 23 for an explanation of this transition. The date of transition to FRS102 was 1 April 2014. The group financial statements (the “Group”) consolidate the financial statements of ROK Global PLC (the “Company”) and all its subsidiary undertakings for the year ended 31 March 2016 using the acquisition method of accounting. The results of the subsidiary undertakings are included from the date of acquisition. The financial statements are presented in Sterling (£), which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest one thousand pounds Sterling (£).

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own income statement in these financial statements. After the adjustments required for the transition to FRS 102, the Company’s profit for the year was £15,249 (2015 - £1,286). The individual accounts of the Company have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes; and
- financial instrument disclosures including categories of financial instruments, items of income, expenses, gains or losses relating to financial instruments and exposure to and management of financial risks.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The Company and the Group continue to meet their day to day working capital requirements from cash generated by the business and the support of the Company’s founders and shareholders. The planned business levels indicate that in the short term the Company and the Group will require additional funding. The amount of additional funding required will be dictated by the performance of the Group. The directors understand that the founders will not demand repayment of their outstanding loan balances and that additional funding may be available. Accordingly, the going concern basis has been adopted in preparing these accounts.

The planned business levels and the availability of additional funding from founders and shareholders indicate the existence of material uncertainties which may cast doubt over the Group’s ability to continue as a going concern. However, the Board expects that the Company and the Group will continue to have adequate funds available to them to be able to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing these accounts which do not include the adjustments that would result if the Group was unable to continue as a going concern.

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

2 Accounting policies (continued)

Business combinations

Subsidiaries acquired during the year are consolidated using the acquisition method of accounting. The cost of the business combination is measured at the aggregate of the fair value (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued or other consideration given by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess, negative goodwill, is immediately accounted for in the income statement.

The results of subsidiaries are incorporated from the date that control passes with uniform accounting policies adopted throughout the Group and all profits or losses arising on inter-group transactions are eliminated.

Intangible fixed assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation rate of that asset is revised to reflect the new expectations.

Tangible fixed assets

Fixed assets are stated at historic purchase cost less accumulated depreciation and any accumulated impairment losses, where historic cost includes the original purchase price of the asset and the costs attributable in bringing the asset to its present location and working condition for its intended use. Depreciation is provided on all fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Investments

Long term investments comprise investments in equity instruments of non-group or non-associated companies. These investments are measured at fair value with changes to fair value being recognised in the income statement. Fair value is estimated by using a valuation technique or market value where shares are publically traded.

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

2 Accounting policies (continued)

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, and hire purchase contracts are capitalised in the statement of financial position and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the statement of financial position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve an effective rate of interest on the remaining balance of the liability. Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

2 Accounting policies (continued)

Taxation (continued)

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (or income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (or income). Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are only offset if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Turnover

Turnover is recognised on the date goods are despatched to customers or when services are provided to customers. Where services are contracted for and supplied over a period of time revenue is recognised equally over the period of the contract with any unrecognised revenue being recorded within creditors as deferred income. Where services are provided in advance of invoice then revenues are recognised in line with the work done and recorded through debtors as accrued income. Revenues are valued net of applicable sales taxes and discounts.

Foreign currencies

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the country or area in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position are presented in Sterling (£).

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pensions

The Group operates and contributes to defined contribution and defined benefit pension schemes and separate funds are accumulated to cover the estimated liabilities. The assets of each of these funds are either held under trusts or managed by insurance companies and are entirely separate from the Group's assets.

For defined contribution pension plans, the Group pays contributions to privately administered schemes on a contractual basis. The Group has no further payment obligations once the contributions have been paid.

The liability recognised at the statement of financial position date is the present value of the Group's obligation under the defined benefit pension scheme less the fair value of the scheme's assets together with valuation adjustments as calculated by independent actuaries.

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

2 Accounting policies (continued)

Transactions and balances

Transactions in currencies other than Sterling (£) are recorded at the rates of exchange prevailing at the dates of the transactions.

At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the estimated vesting period. Fair value is determined using an appropriate pricing model.

At each statement of financial position date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous statement of financial position date is recognised in the income statement, with a corresponding entry in equity. Where an equity-settled award is cancelled, this is recognised in the income statement.

Critical accounting estimates and judgements

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Share based payments - the Company's employees have been granted share options. The share options have been calculated on the Black Scholes model. See note 18 for the disclosures relating to share based payments.

3 Audit exemption and result of the Company

The Company has taken advantage of section 477 of the Companies Act 2006 (the "Act") not to require its subsidiaries to conduct an audit on their accounts. In the opinion of the directors, the subsidiaries qualify under section 479A of the Act with a guarantee to be given to ROK Investment Group Limited (company number - 05289644), ROK Operations Limited (company number - 05120484) and ROK Office Limited (company number - 04613354).

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

4 Group segment reporting

Turnover	Group 2016 £'000	Group 2015 £'000
By activity:		
Provision of software and services	32	147
Product sales	-	61
Media	-	-
	<u>32</u>	<u>208</u>
By geographical location:		
UK	11	45
Rest of World	<u>21</u>	<u>163</u>
	<u>32</u>	<u>208</u>

Geographical analysis of turnover is based on the delivery location of the goods or services supplied.

Profit/(loss) on ordinary activities before taxation and minority interests

	Group 2016 £'000	Group 2015 £'000
By activity:		
Provision of software and services	(112)	(27)
Product sales	-	(114)
Media	(4)	(32)
Head office services	<u>(3,688)</u>	<u>(3,909)</u>
	<u>(3,804)</u>	<u>(4,082)</u>
By geographical location:		
UK	(3,713)	(3,593)
Rest of World	<u>(91)</u>	<u>(489)</u>
	<u>(3,804)</u>	<u>(4,082)</u>

Geographical analysis of loss on ordinary activities before taxation and minority interests is based on the physical location of the entities involved.

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

4 Group segment reporting (continued)

Net assets/(liabilities)	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
By activity:				
Provision of software and services	(142)	(30)	-	-
Product sales	-	-	-	-
Media	-	(195)	-	-
Head office services	(33,882)	(29,995)	53	38
	<u>(34,024)</u>	<u>(30,220)</u>	<u>53</u>	<u>38</u>
By geographical location:				
UK	(31,898)	(27,731)	53	38
Rest of World	(2,126)	(2,489)	-	-
	<u>(34,024)</u>	<u>(30,220)</u>	<u>53</u>	<u>38</u>

Geographical analysis of net assets/(liabilities) is based on the physical location of the entities involved.

5 Operating loss

	Group 2016 £'000	Group 2015 £'000
This is stated after charging/(crediting):		
Depreciation of owned fixed assets	-	1
Operating lease rentals – land and buildings	72	94
Research & Development tax credit	-	100
Foreign currency exchange	2,252	1,056
(Gain)/loss on disposal of subsidiaries	(680)	971
Auditors' remuneration - audit services	<u>6</u>	<u>6</u>

6 Directors' emoluments

No director received any remuneration from the Group during the year (2015 - £55,170).

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

7 Employees	Group 2016 No.	Group 2015 No.
Average monthly number of employees:		
Software development and services	-	11
Media creation and services	-	1
Sales and marketing	-	2
Management and administration	-	3
	<u>-</u>	<u>17</u>
	£'000	£'000
Staff costs:		
Wages and salaries	-	705
Social security, similar foreign employment taxes and charges	-	76
	<u>-</u>	<u>781</u>
8 Interest payable	Group 2016 £'000	Group 2015 £'000
Interest payable on loans	<u>1,741</u>	<u>1,770</u>
9 Taxation	Group 2016 £'000	Group 2015 £'000
Analysis of charge/(credit) in year		
Deferred tax:		
Original and reversal of timing differences	<u>-</u>	<u>-</u>
Tax charge/(credit) on loss on ordinary activities	<u>-</u>	<u>-</u>

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

9 Taxation (continued)

Factors affecting tax charge/(credit) for year

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	Group 2016 £'000	Group 2015 £'000
Loss on ordinary activities before tax	(3,804)	(4,082)
Standard rate of UK corporation tax	20%	23%
	£'000	£'000
Loss on ordinary activities multiplied by the standard rate of corporation tax	(761)	(939)
Effects of:		
Disallowable expenses	349	407
Losses in the year	412	532
Total tax charge for year	-	-

	Intellectual property rights £'000
10 Intangible fixed assets	
Group	
Cost	
At 1 April 2015 and 31 March 2016	22,775
Provisions	
At 1 April 2015 and 31 March 2016	22,775
Amortisation	
At 1 April 2015 and 31 March 2016	-
Net book value	
At 31 March 2016	-
At 31 March 2015	-

The Company has no intangible fixed assets during the current year or the prior year.

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

11 Tangible fixed assets			
Group	Improvements to leasehold property £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 April 2015 and 31 March 2016	<u>2</u>	<u>27</u>	<u>29</u>
Depreciation			
At 1 April 2015 and 31 March 2016	<u>2</u>	<u>27</u>	<u>29</u>
Net book value			
At 31 March 2016	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>

The Company has no intangible fixed assets during the current year or prior year.

12 Investments	Group Other investments £'000	Company Interests in subsidiaries £'000	Company Other investments £'000	Company Total £'000
Cost				
At 1 April 2015 and 31 March 2016	<u>50</u>	<u>-</u>	<u>50</u>	<u>50</u>
Fair value				
At 31 March 2016	<u>50</u>	<u>-</u>	<u>50</u>	<u>50</u>
At 31 March 2015	<u>50</u>	<u>-</u>	<u>50</u>	<u>50</u>

Other investments

The Company holds 2 million ordinary shares in Alpha Prospects PLC, a company which was listed on the GXG First Quote Market until it closed on 18 August 2015. The price at acquisition was 2.5 pence per share and the last traded price of these ordinary shares was 3.0 pence per share. The directors consider that the carrying value of this investment at cost is fairly stated.

Interests in subsidiaries

At the year end the Company held 20% or more of the share capital of the following companies:

Company	%	Class of shares held	Country of registration	Nature of business
ROK Investment Group Limited	100	Ordinary	UK	Holding company
ROK Payments Limited	100	Ordinary	UK	Non-trading

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

13 Debtors	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Trade debtors	3	31	-	-
Other debtors	10	25	9	-
Prepayments and accrued income	41	44	2	-
	<u>54</u>	<u>100</u>	<u>11</u>	<u>-</u>

14 Creditors: Amounts falling due within one year	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Trade creditors	350	285	2	6
Other taxes and social security costs	377	917	-	-
Other creditors	46	112	-	-
Accruals and deferred income	38	51	6	6
	<u>811</u>	<u>1,365</u>	<u>8</u>	<u>12</u>

15 Creditors: Amounts falling due after one year	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Other creditors	<u>33,317</u>	<u>29,005</u>	<u>-</u>	<u>-</u>

Included within Other creditors are amounts due to related parties, as disclosed in note 22.

16 Share capital	Nominal Value	2016 Number	Group and Company 2016 £'000	Group and Company 2015 £'000
Allotted, called up and fully paid: Ordinary shares	£0.01 each	583,377,224	<u>5,834</u>	<u>5,834</u>

17 Share premium	Group and Company 2016 £'000	Group and Company 2015 £'000
Share premium	<u>11,600</u>	<u>11,600</u>

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

18 Share based payments	Group and Company 2016 £'000	Group and Company 2015 £'000
Share based payments	<u>1,526</u>	<u>1,526</u>

Share options to subscribe for shares at par value using a cash less settlement principle, through a calculated reduction in allotted shares, were initially granted to subcontracted employees and consultants on 17 February 2011 and then to employees of the Group on 5 January 2012. The options have a contractual life of 10 years and allow 50% of an option holder's total number of shares to be exercised immediately and 50% on the first anniversary of the grant. Options were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations. The fair value per option granted and the assumptions used in the calculation are as follows:

Grant date	17 February 2011	5 January 2012
Share price at date of grant	Not quoted	€0.028
Estimated fair value at date of grant	€0.75	€0.028
Exercise price	£0.01	£0.01
Number of grants	46	1
Shares under option	2,352,784	2,000,000
Vesting period (years)	2	2
Expected volatility	120.0%	223.1%
Option life (years)	10	10
Expected life (years)	2	2
Risk-free interest rate	0.91%	0.91%
Expected dividends expressed as a dividend yield	0.00%	0.00%
Fair value per option	£1.01	£0.01

Given the nature of these share options, expected volatility does not have a material impact hence the observed volatility over the last 16 months is used. The expected life is the average expected period to exercise. The risk-free rate of return is the yield on zero coupon UK government bonds of a term consistent with the assumed option life.

Date of grant	Shares at date of grant (number)	Shares under option 1 April 2015 (number)	Exercised in year (number)	Cancelled, lapsed or became ineligible in year (number)	Shares under option 31 March 2016 (number)
17 February 2011	2,352,784	2,245,415	-	-	2,245,415
5 January 2012	2,000,000	2,000,000	-	-	2,000,000
	<u>4,352,784</u>	<u>4,245,415</u>	<u>-</u>	<u>-</u>	<u>4,245,415</u>

The total equity-settled share based payment charge for the year was £nil (2015 – £nil).

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

19 Profit and loss account	Group £'000	Company £'000
At 1 April 2015	(47,900)	(18,922)
Profit/(loss) for the year	<u>(3,796)</u>	<u>15</u>
At 31 March 2016	<u>(51,696)</u>	<u>(18,907)</u>

20 Other financial commitments

The Group had future minimum rentals payable under non-cancellable operating leases as set out below:

	Land and buildings 2016 £'000	Land and buildings 2015 £'000
Operating leases which expire:		
Within one year	68	68
Within two to five years	<u>63</u>	<u>91</u>
	<u>131</u>	<u>159</u>

21 Cash and cash equivalents	Group 2016 £'000	Group 2015 £'000
Cash and cash equivalents	<u>-</u>	<u>-</u>

22 Related party transactions

Included within "Creditors: amounts falling due after one year" are the following amounts with related parties:

Group	2016 £'000
Mr J P DeJoria	32,849
Mr J M Kendrick	411
Mr J L Kendrick	<u>57</u>

The amount payable to Mr J P DeJoria, co-founder and shareholder of the Company, represents the capital amounts of monies loaned and accrued interest at 10% per annum. The capital and interest amounts of these loans are denominated in United States dollars and amount to \$47,683,363 as at 31 March 2016. The amounts payable to Mr J M Kendrick, co-founder, and Mr J L Kendrick, both directors of the Company, represents the capital amounts of monies loaned and accrued interest at 3% above base rate per annum. The directors understand that repayment of these amounts will not be demanded within one year and so these balances are recorded as amounts falling due after one year.

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

23 Transition to FRS 102 and prior year restatements

The Group and Company transitioned to FRS 102 from previously extant UK GAAP on 1 April 2014. This transition and prior year adjustments led to a restatement of the comparative prior year amounts. The impacts of the transition to FRS 102 and prior year restatements are as follows:

Restated consolidated statement of financial position

	Note	Group 31 March 2015 £'000	Group 1 April 2014 £'000	Company 31 March 2015 £'000	Company 1 April 2014 £'000
Original shareholders' funds		(11,961)	(5,742)	18,696	18,696
Intellectual property rights	A	(17,931)	(21,229)	-	-
Deferred tax	B	(1,842)	(1,859)	-	-
Loans	C	2,794	3,720	(18,658)	(18,659)
		<u>(28,940)</u>	<u>(25,110)</u>	<u>38</u>	<u>37</u>

Restated profit/(loss) for the year ended 31 March 2015

	Note	Group 2015 £'000	Company 2015 £'000
Original loss on ordinary activities before tax		(6,454)	-
Intellectual property rights	A	1,138	-
Loans	C	1,234	1
		<u>(4,082)</u>	<u>1</u>
Original tax on ordinary activities		(17)	-
Deferred tax	B	17	-
Restated tax on ordinary activities		<u>-</u>	<u>-</u>
Restated profit/(loss) for the financial year		<u>(4,082)</u>	<u>1</u>

Changes for FRS 102 transition and prior year restatements

Impairment of assets and long term investments

The Company and Group has performed impairment reviews on the following assets and has made provisions for impairment where considered necessary.

A Intellectual property rights

The Group previously recorded purchased intellectual property rights at cost and these balances were then amortised in equal instalments over their estimated economic life. In preparing the financial statements for 31 March 2016, the directors concluded that insufficient impairment had been provided for in prior years and as a result have restated the carrying value of prior year intellectual property rights to reflect this. Following the adoption of FRS 102 intellectual property rights are now recognised at fair value at the end of each accounting year with changes in fair value being recognised in the income statement.

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

23 Transition to FRS 102 and prior year restatements (continued)

Changes for FRS 102 transition and prior year restatements (continued)

B Deferred tax

The Group recognised deferred tax assets arising in a year based on the likelihood of achieving sufficient and suitable taxable profits in the near future being more likely than not. FRS 102 suggests that the very existence of unrelieved tax losses is strong evidence that there may not be other future taxable profits against which the losses will be relieved in the future. Therefore, unrelieved tax losses and other deferred tax assets shall now be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

C Loans

Loans were previously stated at an expected carrying value in the statement of financial position with provision being made for any impairment in value. In preparing the financial statements for 31 March 2016, the directors concluded that insufficient impairment had been provided for in prior years and as a result have restated prior year loans to reflect this. Following the adoption of FRS 102, loans are now recognised at fair value at the end of each accounting year with changes in fair value being recognised in the income statement.