

ROK GLOBAL PLC
Annual Report and Group Accounts
For the year ended 31 March 2021

Company number 06253633



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ROK GLOBAL PLC

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ROK GLOBAL PLC

COMPANY INFORMATION

For the year ended 31 March 2021

Directors:	Mr J L Kendrick Mr J M Kendrick
Secretary:	David Venus & Company LLP Highdown House Yeoman Way Worthing West Sussex BN99 3HH UK
Registrars:	SLC Registrars Highdown House Yeoman Way Worthing West Sussex BN99 3HH UK
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 2021

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 2021.

Review of the business

The Group has developed a 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. No contracts have been signed in the year and no contracts are anticipated to be signed in the next 12 months.

Results and performance

The results of the Group for the year, as set out on pages 9 and 10, show a profit on ordinary activities before tax of £4.2m (2020: loss of £4.7m). The Group has a deficit of shareholders' funds of £46.1m (2020: deficit of £48.8m).

The net liabilities of the Group at 31 March 2021 were made up of loans from the founders and directors of £46.1m, as disclosed in note 21.

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.

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 within the next twelve months 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.

ROK GLOBAL PLC

STRATEGIC REPORT

For the year ended 31 March 2021

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 23 August 2021 and signed by its order.

A handwritten signature in black ink, appearing to be 'JL Kendrick', followed by a horizontal line.

Mr J L Kendrick
Director

ROK GLOBAL PLC

DIRECTORS' REPORT

For the year ended 31 March 2021

The directors present their report and audited accounts for the year ended 31 March 2021.

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 9 and 10. 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.

ROK GLOBAL PLC

DIRECTORS' REPORT

For the year ended 31 March 2021

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.

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 23 August 2021 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 2021

Independent Auditor's Report to the Members of ROK Global PLC

Opinion

We have audited the financial statements of ROK Global PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated income statement, the consolidated and company statement of financial position, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021, and of the group's profit 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.

Basis for opinion

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

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's ability to continue as a going concern.

The group incurred a net profit of £4,157,612 and the parent company a net profit of £1,494,162 for the year ended 31 March 2021 and, at that date, the group had net liabilities of £46,138,354 and the parent company had net assets of £43,937. These conditions along with other matters explained in note 2 of 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 in the group or parent company being unable to continue as a going concern.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROK GLOBAL PLC

For the year ended 31 March 2021

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 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.

Matters on which we are required to report by exception

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

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 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.

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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas the override of controls by management, going concern and shareholders loans. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and review of accounting estimates for biases.

ROK GLOBAL PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROK GLOBAL PLC

For the year ended 31 March 2021

Auditor's responsibilities for the audit of the financial statements (continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Webb FCA (Senior Statutory Auditor)

For and on behalf of

Edwards

Chartered Accountants

Statutory Auditor

34 High Street

Aldridge

Walsall

West Midlands

WS9 8LZ

23 August 2021

ROK GLOBAL PLC**CONSOLIDATED INCOME STATEMENT**

For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(119)	(100)
Operating loss	4	(119)	(100)
Other income	5	1	1
Exceptional items	6	6,428	(2,315)
Interest payable	8	(2,152)	(2,238)
Profit/(loss) on ordinary activities before taxation		4,158	(4,652)
Tax on result on ordinary activities	9	-	-
Profit/(loss) on ordinary activities after taxation		4,158	(4,652)
Profit/(loss) for the financial year attributable to:			
Non-controlling interests		33	(40)
Owners of the parent company		4,125	(4,612)
		4,158	(4,652)

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

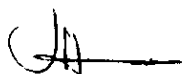
ROK GLOBAL PLC

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2021

	Note	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Fixed assets					
Intangible fixed assets	10	-	-	-	-
Tangible fixed assets	11	-	8	-	-
Investments	12	44	52	44	52
		<u>44</u>	<u>60</u>	<u>44</u>	<u>52</u>
Current assets					
Debtors	13	1	10	-	7
Cash and cash equivalents		7	1	4	-
		<u>8</u>	<u>11</u>	<u>4</u>	<u>7</u>
Creditors: Amounts falling due within one year	14	(73)	(106)	(4)	(26)
Net current liabilities		<u>(65)</u>	<u>(95)</u>	<u>-</u>	<u>(19)</u>
Total assets less current liabilities		(21)	(35)	44	33
Creditors: Amounts falling due after one year	15	(46,117)	(48,778)	-	-
Net assets/(liabilities)		<u>(46,138)</u>	<u>(48,813)</u>	<u>44</u>	<u>33</u>
Capital and reserves					
Called up share capital	17	5,836	5,836	5,836	5,836
Share premium account	18	11,600	11,600	11,600	11,600
Share based payments	19	43	1,526	43	1,526
Profit and loss account		(62,124)	(66,249)	(17,435)	(18,929)
Equity attributable to owners of the parent company		<u>(44,645)</u>	<u>(47,287)</u>	<u>44</u>	<u>33</u>
Non-controlling interests		(1,493)	(1,526)	-	-
		<u>(46,138)</u>	<u>(48,813)</u>	<u>44</u>	<u>33</u>

The net liabilities of the Group at 31 March 2021 of £46.1m were made up of loans from the founders and directors of £46.1m. The Company's result for the financial year was a profit of £1,494,162 (2020 – £12,666 loss).



Mr J L Kendrick

Director, approved by the board on 23 August 2021

Company number 06253633

ROK GLOBAL PLC**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 March 2021

	Note	Group 2021 £'000	Group 2020 £'000
Cash flows from operating activities			
Operating loss for the financial year		(119)	(100)
Adjustments for:			
Depreciation of fixed assets		8	9
Decrease/(increase) in debtors		9	(3)
Increase in creditors		108	92
Net cash from operating activities		<u>125</u>	<u>98</u>
 Net increase/(decrease) in cash and cash equivalents		 6	 (2)
 Cash and cash equivalents at the beginning of the year		 <u>1</u>	 <u>3</u>
 Cash and cash equivalents at the end of the year	20	 <u>7</u>	 <u>1</u>

ROK GLOBAL PLC**CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 March 2021

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 2019	5,836	11,600	1,526	(61,637)	(42,675)	(1,486)	(44,161)
Loss for the year	-	-	-	(4,612)	(4,612)	(40)	(4,652)
At 31 March 2020	5,836	11,600	1,526	(66,249)	(47,287)	(1,526)	(48,813)
Profit for the year	-	-	(1,483)	4,125	2,642	33	2,675
At 31 March 2021	5,836	11,600	43	(62,124)	(44,645)	(1,493)	(46,138)

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 2019	5,836	11,600	1,526	(18,916)	46
Loss for the year	-	-	-	(13)	(13)
At 31 March 2020	5,836	11,600	1,526	(18,929)	33
Profit for the year	-	-	(1,483)	1,494	11
At 31 March 2021	5,836	11,600	43	(17,435)	44

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

1 Company information

ROK Global PLC is a public limited company limited by shares, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.

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 2021 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. The Company's profit for the year was £1,494,162 (2020 - £12,666 loss).

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 within the next twelve months 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 2021

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 acquired 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 all assets, whether intangible, fixed or current, 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, a provision is made and the carrying amount is reduced to its estimated recoverable amount and the 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 income statement.

Investments

Long term investments held by the Company and the Group comprise investments in equity instruments of subsidiaries and 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 publicly traded.

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

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. Liabilities on assets held under finance leases or hire purchase are secured against the assets to which they relate.

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 2021

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 (£).

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 of subsidiaries reporting in the functional currency are included in the income statement for the period. Gains and losses of subsidiaries reporting in other currencies are taken to reserves.

Exceptional item

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide a further understanding of the financial performance of the Group. They are material either because of their size or nature.

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

2 Accounting policies (continued)

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 on-going 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:

Investments

The amounts stated as investments have been reviewed and compared to their historical cost and current market value. Provisions have been made where considered appropriate and the directors believe that the current carrying value is fairly stated for each investment held.

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 19 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 subsidiary to conduct an audit on its accounts.

In the opinion of the directors, the Company's subsidiary qualifies under section 479A of the Act with a guarantee to be given to ROK Investment Group Limited (company number - 05289644).

ROK GLOBAL PLC**NOTES TO THE ACCOUNTS**

For the year ended 31 March 2021

4 Operating loss	Group	Group
	2021	2020
	£'000	£'000
This is stated after charging:		
Foreign currency exchange	143	-
Auditors' remuneration - audit services	<u>4</u>	<u>4</u>

5 Other income	Group	Group
	2021	2020
	£'000	£'000
Income from investments	<u>1</u>	<u>1</u>

6 Exceptional items	Group	Group
	2021	2020
	£'000	£'000
Exchange gain/(loss) on related party loans	4,945	(2,315)
Release of share-based payments provision	1,483	-
	<u>6,428</u>	<u>(2,315)</u>

As disclosed in note 19, certain share option agreements lapsed during the year and the applicable share-based payments provision, provided for in prior periods, has been released to the income statement.

7 Directors' emoluments

No director received any remuneration from the Group during the year (2020 - nil).

8 Interest payable	Group	Group
	2021	2020
	£'000	£'000
Interest payable on related party loans	2,151	2,236
Other interest payable	1	2
	<u>2,152</u>	<u>2,238</u>

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

9 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

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 2021 £'000	Group 2020 £'000
Profit/(loss) on ordinary activities before tax	<u>4,158</u>	<u>(4,652)</u>
Standard rate of UK corporation tax	19%	19%
	£'000	£'000
Loss on ordinary activities multiplied by the standard rate of corporation tax	790	(884)
Effects of:		
Accelerated capital allowances	-	2
Disallowable expenses	409	425
Other timing differences	(1,199)	457
Total tax charge for year	<u>-</u>	<u>-</u>

	Intellectual property rights £'000
10 Intangible fixed assets	
Group	
Cost	
At 1 April 2020 and 31 March 2021	<u>22,775</u>
Provisions	
At 1 April 2020 and 31 March 2021	<u>22,775</u>
Amortisation	
At 1 April 2020 and 31 March 2021	<u>-</u>
Net book value	
At 1 April 2020 and 31 March 2021	<u>-</u>

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 2021

11 Tangible fixed assets	Improvements to leasehold property £'000	Plant and equipment £'000	Total £'000
Group			
Cost			
At 1 April 2020	1	56	57
Disposals	(1)	(56)	(57)
At 31 March 2021	-	-	-
Depreciation			
At 1 April 2020	1	48	49
Charge for year	-	8	8
Eliminated on disposals	(1)	(56)	(57)
At 31 March 2020	-	-	-
Net book value			
At 31 March 2021	-	-	-
At 31 March 2020	-	8	8

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

12 Investments	Group Other investments £'000	Company Other investments £'000
Cost		
At 1 April 2020 and 31 March 2021	52	52
Fair value		
At 1 April 2020	52	52
Provision against carrying value	(8)	(8)
At 31 March 2021	44	44

Other investments

The Company holds 2.2 million shares in Alpha Prospects Limited. The average price at acquisition was 2.36 pence per share but the current share price recorded for these ordinary shares is 2 pence. The directors have made a provision in the year against the carrying value of these shares to reflect their current fair value.

ROK GLOBAL PLC**NOTES TO THE ACCOUNTS**

For the year ended 31 March 2021

12 Investments (continued)**Interests in subsidiaries**

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

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

13 Debtors

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Other debtors	1	6	-	4
Prepayments and accrued income	-	4	-	3
	<u>1</u>	<u>10</u>	<u>-</u>	<u>7</u>

14 Creditors: Amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Obligations under finance leases and hire purchase contracts	-	14	-	-
Trade creditors	22	34	-	22
Other creditors	-	7	-	-
Accruals and deferred income	51	51	4	4
	<u>73</u>	<u>106</u>	<u>4</u>	<u>26</u>

15 Creditors: Amounts falling due after one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Other creditors	<u>46,117</u>	<u>48,778</u>	<u>-</u>	<u>-</u>

Included within Other creditors are amounts due to related parties, as disclosed in note 21.

ROK GLOBAL PLC**NOTES TO THE ACCOUNTS**

For the year ended 31 March 2021

**16 Obligations under finance leases
and hire purchase contracts**

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
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Amounts payable:

Within one year	-	14	-	-
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17 Share capital

	Nominal Value	2021 Number	Group and Company 2021 £'000	Group and Company 2020 £'000
Allotted, called up and fully paid: Ordinary shares	£0.01 each	583,577,224	<u>5,836</u>	<u>5,836</u>

18 Share premium

	Group and Company 2021 £'000	Group and Company 2020 £'000
Share premium	<u>11,600</u>	<u>11,600</u>

19 Share-based payments

	Group and Company 2021 £'000	Group and Company 2020 £'000
Share-based payments	<u>43</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 allowed 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.

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

19 Share-based payments (continued)

The fair value per option granted and the assumptions used in the calculation are as follows:

Grant date	5 January 2012
Share price at date of grant	€0.028
Estimated fair value at date of grant	€0.028
Exercise price	£0.01
Number of grants	1
Shares under option	2,000,000
Vesting period (years)	2
Expected volatility	223.1%
Option life (years)	10
Expected life (years)	2
Risk-free interest rate	0.91%
Expected dividends expressed as a dividend yield	0.00%
Fair value per option	£0.01

Given the nature of these share options, expected volatility does not have a material impact. 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 2020 (number)	Exercised in year (number)	Cancelled, lapsed or became ineligible in year (number)	Shares under option 31 March 2021 (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>(2,245,415)</u>	<u>2,000,000</u>

The options granted on 17 February 2011, lapsed during the year and the share-based payments provision of £1,482,937, accrued during prior periods, has been released to the income statement, as disclosed in note 6, Exceptional Items.

The total equity-settled share-based payment result for the year was £1,482,937 credit (2020 – £nil).

20 Cash and cash equivalents

	Group 2021 £'000	Group 2020 £'000
Cash and cash equivalents	<u>7</u>	<u>1</u>

ROK GLOBAL PLC

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

21 Related party transactions

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

Group	2021 £'000	2020 £'000
Mr J P DeJoria	44,852	47,645
Mr J M Kendrick	1,200	1,070
Mr J L Kendrick	<u>65</u>	<u>63</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 \$61,548,888 as at 31 March 2021 (2020 - \$58,777,654). 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.