

ROK WATER TECHNOLOGY PLC

Annual Report and Accounts

For the year ended 30 November 2015

Company number 07621331



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ROK WATER TECHNOLOGY PLC

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ROK WATER TECHNOLOGY PLC

STRATEGIC REPORT

For the year ended 30 November 2015

The financial statements contain information about ROK Water Technology 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 30 November 2015

Review of the business

The Company's principal activity during the year was that of a holding company of a group of companies involved in water-related activities

Results and performance

The results of the Group for the year, as set out on pages 6 and 7, show a loss on ordinary activities before tax of £370,353 (2014 loss of £1,034,835) The performance of the Group during 2015 has produced encouraging results

Future developments

The Company and the Group expect to grow in the future

Business environment

The worldwide business within water-related activities is highly competitive However the Group believes it is in the process of developing a product which has attributes to be able to generate a profitable business

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 It also relies on the development of products within its portfolio

The Group will continue its development and will concentrate its efforts on achieving maximum growth in its existing market segments whilst also being aware of, and being ready to react to, new developments and trends in the market

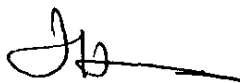
Going concern

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 27 May 2016 and signed by its order



Mr J L Kendrick

Authorised Representative of ROK Group International Limited

ROK WATER TECHNOLOGY PLC

DIRECTORS' REPORT

For the year ended 30 November 2015

The directors present their report and audited accounts for the year ended 30 November 2015

Directors

The following persons served as directors during the year.

Mr J M Kendrick
ROK Group International Limited

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

Results and dividends

The results for the year are set out on page 6 The directors of the Company do not recommend a dividend

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

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

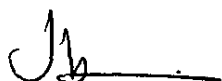
ROK WATER TECHNOLOGY PLC

DIRECTORS' REPORT

For the year ended 30 November 2015

The directors are responsible for the maintenance and integrity of the Group web site, www.rokwatertechnologies.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 27 May 2016 and signed by its order



Mr J L Kendrick

Authorised Representative of ROK Group International Limited

ROK WATER TECHNOLOGY PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROK STARS PLC

For the year ended 30 November 2015

TO THE MEMBERS OF ROK WATER TECHNOLOGY PLC

We have audited the Group and parent Company financial statements of ROK Water Technology PLC for the year ended 30 November 2015 (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 30 November 2015 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 £370,353 and the parent company a net profit of £3,217 for the year ended 30 November 2015 and, at that date, the Group had net liabilities of £704,266 and the parent company had net liabilities of £1,994. 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 WATER TECHNOLOGY PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROK STARS PLC

For the year ended 30 November 2015

Opinion on other matters 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 Auditor
34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

27 May 2016

ROK WATER TECHNOLOGY PLC**CONSOLIDATED INCOME STATEMENT**

For the year ended 30 November 2015

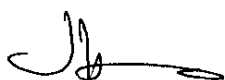
	Note	2015 £	2014 £
Turnover		-	336,989
Cost of sales		-	(211,257)
Gross profit		-	125,732
Administrative expenses		(338,755)	(1,150,717)
Operating loss	5	(338,755)	(1,024,985)
Interest payable	8	(31,598)	(9,850)
Loss on ordinary activities before taxation		(370,353)	(1,034,835)
Tax on loss on ordinary activities	9	-	-
Loss on ordinary activities after taxation		(370,353)	(1,034,835)
Profit/(loss) for the year attributable to			
Non-controlling interests		22,390	(31,725)
Owners of the parent company		(392,743)	(1,003,110)
		(370,353)	(1,034,835)

ROK WATER TECHNOLOGY PLC

STATEMENT OF FINANCIAL POSITION

For the year ended 30 November 2015

	Note	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Fixed assets					
Tangible fixed assets	10	3,582	2,602	-	-
Investments	11	-	-	6	4
		<u>3,582</u>	<u>2,602</u>	<u>6</u>	<u>4</u>
Current assets					
Debtors	12	170,845	36,564	-	-
Cash and cash equivalents		8,930	4,768	-	-
		<u>179,775</u>	<u>41,332</u>	<u>-</u>	<u>-</u>
Creditors: Amounts falling due within one year	13	(212,417)	(34,039)	(2,000)	(5,915)
Net current assets		<u>(32,642)</u>	<u>7,293</u>	<u>(2,000)</u>	<u>(5,915)</u>
Total assets less current liabilities		(29,060)	9,895	(1,994)	(5,911)
Creditors: Amounts falling due after one year	14	(675,206)	(327,016)	-	-
Net assets		<u>(704,266)</u>	<u>(317,121)</u>	<u>(1,994)</u>	<u>(5,911)</u>
Capital and reserves					
Called up share capital	15	413,950	413,950	413,950	413,950
Share premium account	16	302,816	302,816	302,816	302,816
Share based payments	17	1,448	748	1,448	748
Profit and loss account	18	(1,395,853)	(1,003,110)	(720,208)	(723,425)
Equity attributable to owners of the parent company		<u>(677,639)</u>	<u>(285,596)</u>	<u>(1,994)</u>	<u>(5,911)</u>
Non-controlling interests		<u>(26,627)</u>	<u>(31,525)</u>	<u>-</u>	<u>-</u>
		<u>(704,266)</u>	<u>(317,121)</u>	<u>(1,994)</u>	<u>(5,911)</u>



Mr J L Kendrick
 Authorised Representative of ROK Group International Limited
 Approved by the board on 27 May 2016

Company number 07621331

ROK WATER TECHNOLOGY PLC**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 30 November 2015

	Note	Group 2015 £	Group 2014 £
Net cash from operating activities	19	(310,135)	(976,367)
Cash flows from investing activities			
Purchases of tangible fixed assets		(2,295)	(2,797)
Net cash from investing activities		(2,295)	(2,797)
Cash flows from financing activities			
Issue of ordinary share capital		-	666,766
New loans raised		316,592	317,166
Net cash from financing activities		316,592	983,932
Net increase in cash and cash equivalents		4,162	4,768
Cash and cash equivalents at the beginning of the year		4,768	-
Cash and cash equivalents at the end of the year		8,930	4,768

ROK WATER TECHNOLOGY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2015

	Called-up share capital £	Share premium account £	Share based payments reserve £	Profit and loss account £	Amount attributable to owners of the parent £	Non- controlling interests £	Total £
At 1 December 2013	50,000	-	-	-	50,000	-	50,000
Acquisition of a subsidiary	-	-	-	-	-	200	200
Loss for the year	-	-	-	(1,003,110)	(1,003,110)	(31,725)	(1,034,835)
Share based payments	-	-	748	-	748	-	748
Issue of shares	363,950	302,816	-	-	666,766	-	666,766
At 30 November 2014	413,950	302,816	748	(1,003,110)	(285,596)	(31,525)	(317,121)
Acquisition of subsidiaries	-	-	-	-	-	(17,492)	(17,492)
Profit/(loss) for the year	-	-	-	(392,743)	(392,743)	22,390	(370,353)
Share based payments	-	-	700	-	700	-	700
At 30 November 2015	413,950	302,816	1,448	(1,395,853)	(677,639)	(26,627)	(704,266)

ROK WATER TECHNOLOGY PLC**COMPANY STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 November 2015

	Called-up share capital £	Share premium account £	Share based payments reserve £	Profit and loss account £	Total £
At 1 December 2013	50,000	-	-	-	50,000
Loss for the year	-	-	-	(723,425)	(723,425)
Share based payments	-	-	748	-	748
Issue of shares	363,950	302,816	-	-	666,766
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2014	413,950	302,816	748	(723,425)	(5,911)
Profit for the year	-	-	-	3,217	3,217
Share based payments	-	-	700	-	700
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2015	<u>413,950</u>	<u>302,816</u>	<u>1,448</u>	<u>(720,208)</u>	<u>(1,994)</u>

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

1 Company information

ROK Water Technology PLC is a public limited company incorporated and registered in England and Wales under number 07621331 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 21 for an explanation of this transition. The date of transition to FRS 102 was 1 December 2013. The group financial statements (the “Group”) consolidate the financial statements of ROK Water Technology PLC (the “Company”) and all its subsidiary undertakings for the year ended 30 November 2015 using the acquisition method of accounting. The results of the subsidiary undertakings are included from the date of acquisition.

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 £3,217 (2014: loss of £723,425).

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 WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

2 Accounting policies (continued)

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, as follows

Plant and machinery	3 years
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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.

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.

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.

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

2 Accounting policies (continued)

Taxation (continued)

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.

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 represents the value, net of value added tax and discounts, of goods supplied to customers and work carried out in respect of services rendered to customers.

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 (£) which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

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.

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

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 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.

There are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

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 for Pure ROK Limited (company number – 08317602), ROK Research Limited (company number – 05120344) and Warston Management Services Limited (company number – 07303491).

As permitted by Section 408(3) of the Act, the Company's income statement and statement of comprehensive income has not been presented. The Company's profit for the year was £3,217 (2014: loss of £723,425).

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

4 Group segment reporting

All activities of the Group and Company were water-related

Turnover

All Group turnover was in the USA. The Company had no turnover

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

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
By geographical location				
UK	(93,454)	(954,687)	3,217	(723,425)
USA	<u>(276,899)</u>	<u>(80,148)</u>	<u>-</u>	<u>-</u>
	<u>(370,353)</u>	<u>(1,034,835)</u>	<u>3,217</u>	<u>(723,425)</u>

Geographical analysis of profit/(loss) on ordinary activities before taxation and minority interests is based on the physical location of the entities involved

Net assets	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
By geographical location				
UK	(375,193)	(246,824)	(1,994)	(5,911)
USA	<u>(329,073)</u>	<u>(70,297)</u>	<u>-</u>	<u>-</u>
	<u>(704,266)</u>	<u>(317,121)</u>	<u>(1,994)</u>	<u>(5,911)</u>

Geographical analysis of net assets is based on the physical location of the entities involved

5 Operating loss	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
This is stated after charging/(crediting)				
Research & Development Tax credit	(88,300)	-	-	-
Goodwill impairment provision	158,100	43,889	-	-
Depreciation of owned fixed assets	1,315	195	-	-
Share based payments	700	748	700	748
Auditors' remuneration for audit services	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

6 Directors' emoluments

During the year no director received any remuneration from the Group

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

7 Employees

	Group 2015 No.	Group 2014 No
Average monthly number of employees		
Development	6	1
Sales, marketing and operations	2	-
Management and administration	3	-
	<u>11</u>	<u>1</u>
	£	£
Staff costs:		
Wages and salaries	469,020	27,667
Social security and similar foreign employment taxes and charges	51,660	3,453
	<u>520,680</u>	<u>31,120</u>

8 Interest payable

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Interest payable and similar charges	31,598	9,850	-	-
	<u>31,598</u>	<u>9,850</u>	<u>-</u>	<u>-</u>

9 Taxation

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Analysis of charge/(credit) in year				
Deferred tax				
Original and reversal of timing differences	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax charge/(credit) on loss on ordinary activities	-	-	-	-

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

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 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Profit/(loss) on ordinary activities before tax	<u>(370,353)</u>	<u>(1,034,835)</u>	<u>3,217</u>	<u>(723,425)</u>
Standard rate of UK corporation tax	20%	23%	20%	23%
	£	£	£	£
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	(74,071)	(238,012)	643	(166,388)
Effects of Capital allowances for year in excess of depreciation	716	598	-	-
Other timing differences	73,355	237,414	(643)	166,388
Current tax charge/(credit) for year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

10 Tangible fixed assets

Group	Plant and machinery £
Cost	
At 1 December 2014	2,797
Additions	2,295
At 30 November 2015	<u>5,092</u>
Depreciation	
At 1 December 2014	195
Charge for the year	1,315
At 30 November 2015	<u>1,510</u>
Net book value	
At 30 November 2015	<u>3,582</u>
At 30 November 2014	<u>2,602</u>

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

11 Investments	Investments in subsidiary undertakings
Company	£
Cost	
At 1 December 2014	803
Additions	939
At 30 November 2015	1,742
Provisions	
At 1 December 2014	799
Change in provisions during the year	937
At 30 November 2015	1,736
Fair value	
At 30 November 2015	6
At 30 November 2014	4

During the year the additions by the Company were

a) Pure ROK Limited

On 1 December 2014 the Company acquired 80% of the issued share capital of Pure ROK Limited for a consideration of £800. Pure ROK Limited was a newly formed UK company that was set up in preparation to carry out water-related trade in the UK. The company has not yet traded.

b) ROK Water Ireland Limited

On 19 December 2014 the Company acquired 51% of the issued share capital of ROK Water Ireland Limited for a consideration of £80. ROK Water Ireland Limited was a newly formed Irish company that was set up in preparation to carry out water-related trade in Ireland. The company has not yet traded.

c) ROK Water Inc.

On 3 March 2015 the Company acquired 90% of the issued share capital of ROK Water Inc. This company was set up to carry out water-related trade in the US and the consideration was \$90. The fair value of the assets acquired was considered to be the same as the book value and the details are as follows:

	\$
Goodwill	264,053
Debtors	268,618
Creditors	(532,581)
Consideration – satisfied by related party loan	90

Since acquisition, the amounts included in the consolidated statement of comprehensive income for the year ended 30 November 2015 are revenue of \$0 and loss of \$213,958. At the year end, the goodwill arising on acquisition was provided for in full.

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

11 Investments (continued)

Interests in subsidiaries

The Company holds 20% or more of the share capital of the following companies, listed in alphabetical order

Company	%	Class of shares held	Country of registration	Capital and reserves	Profit/(loss) for year
Pure ROK Limited	80	Ordinary	UK	1,000	-
ROK Research Limited	100	Ordinary	UK	(11,571)	69,556
ROK Water Inc *	90	Ordinary	USA	(317,958)	(142,344)
ROK Water Ireland Limited *	51	Ordinary	Ireland	141	-
ROK Water Technologies, Inc *	51	Ordinary	USA	9,998	74,742
Warston Management Services Limited	100	Ordinary	UK	(521,861)	(294,859)

*sterling equivalents

The Group has no investments

12 Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	-	2,130	-	-
Research & Development Tax credit	88,300	-	-	-
Other debtors	82,545	34,434	-	-
	<u>170,845</u>	<u>36,564</u>	<u>-</u>	<u>-</u>

13 Creditors: Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	38,338	5,756	-	-
Taxes and social security costs	-	13,390	-	-
Other creditors and accruals	174,079	14,893	2,000	5,915
	<u>212,417</u>	<u>34,039</u>	<u>2,000</u>	<u>5,915</u>

14 Creditors: Amounts falling due after one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Other creditors	<u>675,206</u>	<u>327,016</u>	<u>-</u>	<u>-</u>

Other creditors are amounts due to related parties as disclosed in note 20

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

15 Share capital	Nominal Value	2015 Number	Group and Company 2015 £	Group and Company 2014 £
Allotted, called up and fully paid Ordinary shares	£0 001 each	413,949,946	<u>413,950</u>	<u>413,950</u>

There were no shares issued during the year

16 Share premium	Group and Company 2015 £	Group and Company 2014 £
At 30 November	<u>302,816</u>	<u>302,816</u>

17 Share based payments	Group and Company 2015 £	Group and Company 2014 £
At 1 December	748	-
Charge for the year	700	748
At 30 November	<u>1,448</u>	<u>748</u>

Share options granted are valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations and the fair value per option granted and the assumptions used in the calculation are as follows:

Grant date	22 11 13	22 11 13
Share price at date of grant *	£0 001	£0 001
Exercise price **	£0 001	£0 001
Number of grants	2	52
Shares under option	4,322,358	3,545,000
Vesting period (years)	3-5	3-5
Option life (years)	10	10
Expected life (years)	3-5	-
Risk-free interest rate	0.91%	0.91%
Expected dividends expressed as a dividend yield	0.00%	0.00%
Fair value per option	£0 001	£0 001

* the Company's shares were not listed on any stock exchange during the year and so their share price at date of grant has been assumed to be at par value

** exercise price is payable using cashless principles through a calculated reduction in allotted shares

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

17 Share based payments (continued)

Given the nature of these share options, expected volatility does not have a material effect. 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. None of the above share options were exercised during the year. The two options granted when the share price was £0.001 were granted to the founders and supporters of the Company, Mr J M Kendrick and Mr J P DeJoria, and are not expected to be exercised in the foreseeable future and accordingly, no charge has been taken to the income statement to date. The total charge for the year was £700 (2014 – £748), all of which related to equity-settled share-based payment transactions.

18 Profit and loss account	Group £	Company £
At 1 December 2014	(1,003,110)	(723,425)
Profit/(loss) for the year	(392,743)	3,217
At 30 November 2015	<u>(1,395,853)</u>	<u>(720,208)</u>

19 Cash flows from operating activities	Group 2015 £	Group 2014 £
Operating loss	(338,755)	(1,024,985)
Adjustments for:		
Depreciation of owned fixed assets	1,315	195
(Increase)/decrease in debtors	(134,281)	13,436
Increase in creditors	<u>161,586</u>	<u>34,987</u>
	<u>28,620</u>	<u>48,618</u>
Net cash from operating activities	<u>(310,135)</u>	<u>(976,367)</u>

20 Related party transactions

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

Group	2015 £
Mr J P DeJoria	636,155
Mr J M Kendrick	<u>39,051</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 5% per annum and has no specified terms of repayment. The capital and interest amounts of these loans are denominated in US\$ and amount to \$940,800 as at 30 November 2015. The amount payable to Mr J M Kendrick, co-founder and director of the Company, represents the capital amounts of monies loaned and accrued interest at 5% above base rate and has no specified terms of repayment.

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2015

21 Transition to FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP on 1 December 2013. This has led to a restatement of the comparative prior year amounts. The impact from the transition to FRS 102 is as follows:

Transition to FRS 102 – reconciliations

Restated consolidated statement of financial position as at 30 November 2014

	Group £	Company £
Original shareholders' funds	194,273	350,100
Loans	(511,394)	(356,011)
	<u>(317,121)</u>	<u>(5,911)</u>

Restated loss for the year ended 30 November 2014

	Group £	Company £
Original loss on ordinary activities before tax	(624,359)	(367,414)
Loans	(410,476)	(356,011)
	<u>(1,034,835)</u>	<u>(723,425)</u>

Changes for FRS 102 adoption

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

Loans

Loans were previously stated at an expected carrying value in the statement of financial position with provision being made for any impairment in the value of loans. 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.