

**ROK WATER TECHNOLOGY PLC**

**Annual Report and Accounts**

**For the year ended 30 November 2016**

**Company number 07621331**



# **ROK WATER TECHNOLOGY PLC**

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For the year ended 30 November 2016

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# **ROK WATER TECHNOLOGY PLC**

## **STRATEGIC REPORT**

For the year ended 30 November 2016

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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 2016.

### **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 £160,222 (2015: loss of £370,353). The performance of the Group during 2016 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.

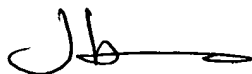
### **Going concern**

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 26 May 2017 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 2016

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The directors present their report and audited accounts for the year ended 30 November 2016.

### **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 pages 6 and 7. 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**

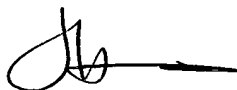
### **DIRECTORS' REPORT**

For the year ended 30 November 2016

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The directors are responsible for the maintenance and integrity of the Group web site, [www.rokwatertechnologies.com](http://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 26 May 2017 and signed by its order.



Mr J L Kendrick

Authorised Representative of ROK Group International Limited

**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 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 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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](http://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 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 £160,222 and the parent company a net loss of £707 for the year ended 30 November 2016 and, at that date, the Group had net liabilities of £863,782 and the parent company had net liabilities of £1,995. 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.

For the year ended 30 November 2016

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**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, 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, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

**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

26 May 2017

**ROK WATER TECHNOLOGY PLC****CONSOLIDATED INCOME STATEMENT**

For the year ended 30 November 2016

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Turnover</b>		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses		(249,430)	(338,755)
Other operating income		127,401	-
<b>Operating loss</b>	5	(122,029)	(338,755)
Interest payable	8	(38,193)	(31,598)
<b>Loss on ordinary activities before taxation</b>		(160,222)	(370,353)
Tax on loss on ordinary activities	9	-	-
<b>Loss on ordinary activities after taxation</b>		(160,222)	(370,353)
Profit/(loss) for the year attributable to:			
Non-controlling interests		(239,297)	22,390
Owners of the parent company		79,075	(392,743)
		(160,222)	(370,353)

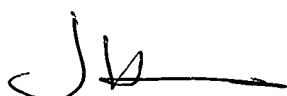


# ROK WATER TECHNOLOGY PLC

## STATEMENT OF FINANCIAL POSITION

For the year ended 30 November 2016

	Note	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
<b>Fixed assets</b>					
Tangible fixed assets	10	2,948	3,582	-	-
Investments	11	-	-	5	6
		<u>2,948</u>	<u>3,582</u>	<u>5</u>	<u>6</u>
<b>Current assets</b>					
Debtors	12	123,615	170,845	-	-
Cash and cash equivalents		<u>3,901</u>	<u>8,930</u>	<u>-</u>	<u>-</u>
		<u>127,516</u>	<u>179,775</u>	<u>-</u>	<u>-</u>
<b>Creditors: Amounts falling due within one year</b>	13	(144,056)	(212,417)	(2,000)	(2,000)
<b>Net current assets</b>		<u>(16,540)</u>	<u>(32,642)</u>	<u>(2,000)</u>	<u>(2,000)</u>
<b>Total assets less current liabilities</b>		<u>(13,592)</u>	<u>(29,060)</u>	<u>(1,995)</u>	<u>(1,994)</u>
<b>Creditors: Amounts falling due after one year</b>	14	(850,190)	(675,206)	-	-
<b>Net assets</b>		<u>(863,782)</u>	<u>(704,266)</u>	<u>(1,995)</u>	<u>(1,994)</u>
<b>Capital and reserves</b>					
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	2,154	1,448	2,154	1,448
Profit and loss account	18	(1,316,778)	(1,395,853)	(720,915)	(720,208)
<b>Equity attributable to owners of the parent company</b>		<u>(597,858)</u>	<u>(677,639)</u>	<u>(1,995)</u>	<u>(1,994)</u>
<b>Non-controlling interests</b>		<u>(265,924)</u>	<u>(26,627)</u>	<u>-</u>	<u>-</u>
		<u>(863,782)</u>	<u>(704,266)</u>	<u>(1,995)</u>	<u>(1,994)</u>



Mr J L Kendrick

Authorised Representative of ROK Group International Limited

Approved by the board on 26 May 2017

Company number 07621331

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

For the year ended 30 November 2016

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	<b>Note</b>	<b>Group 2016 £</b>	<b>Group 2015 £</b>
<b>Net cash from operating activities</b>	19	<b>(3,049)</b>	<b>(310,135)</b>
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets		<u><b>(1,980)</b></u>	<u><b>(2,295)</b></u>
<b>Net cash from investing activities</b>		<b>(1,980)</b>	<b>(2,295)</b>
<b>Cash flows from financing activities</b>			
New loans raised		<u>-</u>	<u>316,592</u>
<b>Net cash from financing activities</b>		<b>-</b>	<b>316,592</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(5,029)</b>	<b>4,162</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<u><b>8,930</b></u>	<u><b>4,768</b></u>
<b>Cash and cash equivalents at the end of the year</b>		<u><b>3,901</b></u>	<u><b>8,930</b></u>

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

For the year ended 30 November 2016

	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 2014	413,950	302,816	748	(1,003,110)	(285,596)	(31,525)	(317,121)
Acquisition of a subsidiary	-	-	-	-	-	(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)
Profit/(loss) for the year	-	-	-	79,075	79,075	(239,297)	(160,222)
Share based payments	-	-	706	-	706	-	706
At 30 November 2016	<u>413,950</u>	<u>302,816</u>	<u>2,154</u>	<u>(1,316,778)</u>	<u>(597,858)</u>	<u>(265,924)</u>	<u>(863,782)</u>

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

For the year ended 30 November 2016

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	Called-up share capital £	Share premium account £	Share based payments reserve £	Profit and loss account £	Total £
At 1 December 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	413,950	302,816	1,448	(720,208)	(1,994)
Loss for the year	-	-	-	(707)	(707)
Share based payments	-	-	706	-	706
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 November 2016</b>	<b><u>413,950</u></b>	<b><u>302,816</u></b>	<b><u>2,154</u></b>	<b><u>(720,915)</u></b>	<b><u>(1,995)</u></b>

# ROK WATER TECHNOLOGY PLC

## NOTES TO THE ACCOUNTS

For the year ended 30 November 2016

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### 1 Company information

ROK Water Technology PLC is a public limited company limited by shares, 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 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 Water Technology PLC (the “Company”) and all its subsidiary undertakings for the year ended 30 November 2016 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 loss for the year was £707 (2015: profit of £3,217).

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 2016

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### 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 2016

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### 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 2016

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### **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.

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 loss for the year was £707 (2015: profit of £3,217).



# ROK WATER TECHNOLOGY PLC

## NOTES TO THE ACCOUNTS

For the year ended 30 November 2016

### 4 Group segment reporting

All activities of the Group and Company were water-related.

#### Turnover

The Group and the Company had no turnover.

#### Profit/(loss) on ordinary activities before taxation and non-controlling interests

	Group 2016 £	Group 2015 £
By geographical location:		
UK	201,522	(93,454)
USA	(361,744)	(276,899)
	<u>(160,222)</u>	<u>(370,353)</u>

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

Net assets	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
By geographical location:				
UK	278,345	(375,193)	(1,995)	(1,994)
USA	(1,142,127)	(329,073)	-	-
	<u>(863,782)</u>	<u>(704,266)</u>	<u>(1,995)</u>	<u>(1,994)</u>

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

### 5 Operating loss

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
This is stated after charging/(crediting):				
Research & Development Tax credit	(127,479)	(88,300)	-	-
Goodwill impairment provision	-	158,100	-	-
Depreciation of owned fixed assets	2,613	1,315	-	-
Share based payments	706	700	706	700
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 2016

### 7 Employees

	<b>Group 2016 No.</b>	<b>Group 2015 No.</b>
Average monthly number of employees:		
Development	5	6
Sales, marketing and operations	3	2
Management and administration	3	3
	<u>11</u>	<u>11</u>

£ £

#### Staff costs:

Wages and salaries	431,869	469,020
Social security and similar foreign employment taxes and charges	45,629	51,660
	<u>477,498</u>	<u>520,680</u>

### 8 Interest payable

**Group  
2016  
£** **Group  
2015  
£**

Interest payable and similar charges	<u>38,193</u>	<u>31,598</u>
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### 9 Taxation

**Group  
2016  
£** **Group  
2015  
£**

#### 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 WATER TECHNOLOGY PLC

## NOTES TO THE ACCOUNTS

For the year ended 30 November 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:

	<b>Group 2016 £</b>	<b>Group 2015 £</b>
Loss on ordinary activities before tax	<u>(160,222)</u>	<u>(370,353)</u>
Standard rate of UK corporation tax	20%	20%
	<b>£</b>	<b>£</b>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	(32,044)	(74,071)
Effects of:		
Capital allowances for year in excess of depreciation	590	716
Other timing differences	31,454	73,355
Current tax charge/(credit) for year	<u>-</u>	<u>-</u>

### 10 Tangible fixed assets

#### Group

#### Plant and machinery £

#### Cost

At 1 December 2015	5,092
Additions	<u>1,979</u>
At 30 November 2016	<u>7,071</u>

#### Depreciation

At 1 December 2015	1,510
Charge for the year	<u>2,613</u>
At 30 November 2016	<u>4,123</u>

#### Net book value

At 30 November 2016	<u>2,948</u>
At 30 November 2015	<u>3,582</u>

# ROK WATER TECHNOLOGY PLC

## NOTES TO THE ACCOUNTS

For the year ended 30 November 2016

<b>11 Investments</b>	<b>Investments in subsidiary undertakings</b>
<b>Company</b>	<b>£</b>
<b>Cost</b>	
At 1 December 2015	1,742
Disposals	(1)
<b>At 30 November 2016</b>	<b>1,741</b>
<b>Provisions</b>	
At 1 December 2015	1,736
Change in provisions during the year	-
<b>At 30 November 2016</b>	<b>1,736</b>
<b>Fair value</b>	
<b>At 30 November 2016</b>	<b>5</b>
At 30 November 2015	6

During the year the Company disposed of its investment in ROK Water Ireland Limited for no consideration.

### Interests in subsidiaries

The Group has no investments.

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	17,769	29,340
ROK Water Inc. *	90	Ordinary	USA	(456,330)	(136,103)
ROK Water Technologies, Inc. *	51	Ordinary	USA	(184,800)	(464,592)
Warston Management Services Limited	100	Ordinary	UK	26,410	548,271

\*sterling equivalents.

<b>12 Debtors</b>	<b>Group 2016</b>	<b>Group 2015</b>	<b>Company 2016</b>	<b>Company 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Research & Development Tax credit	82,001	88,300	-	-
Other debtors	41,614	82,545	-	-
	<b>123,615</b>	<b>170,845</b>	<b>-</b>	<b>-</b>

# ROK WATER TECHNOLOGY PLC

## NOTES TO THE ACCOUNTS

For the year ended 30 November 2016

### 13 Creditors: Amounts falling due within one year

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Trade creditors	129,546	38,338	-	-
Taxes and social security costs	10,667	-	-	-
Other creditors and accruals	3,843	174,079	2,000	2,000
	<u>144,056</u>	<u>212,417</u>	<u>2,000</u>	<u>2,000</u>

### 14 Creditors: Amounts falling due after one year

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Other creditors	<u>850,190</u>	<u>675,206</u>	<u>-</u>	<u>-</u>

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

### 15 Called up share capital

	<b>Nominal Value</b>	<b>2016 Number</b>	<b>Group and Company 2016 £</b>	<b>Group and Company 2015 £</b>
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 account

	<b>Group and Company 2016 £</b>	<b>Group and Company 2015 £</b>
At 30 November	<u>302,816</u>	<u>302,816</u>

# ROK WATER TECHNOLOGY PLC

## NOTES TO THE ACCOUNTS

For the year ended 30 November 2016

<b>17 Share based payments</b>	<b>Group and Company 2016 £</b>	<b>Group and Company 2015 £</b>
At 1 December	1,448	748
Charge for the year	706	700
<b>At 30 November</b>	<b>2,154</b>	<b>1,448</b>

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.

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 £706 (2015 – £700), all of which related to equity-settled share-based payment transactions.

<b>18 Profit and loss account</b>	<b>Group £</b>	<b>Company £</b>
At 1 December 2015	(1,395,853)	(720,208)
Profit/(loss) for the year	79,075	(707)
<b>At 30 November 2016</b>	<b>(1,316,778)</b>	<b>(720,915)</b>

## ROK WATER TECHNOLOGY PLC

### NOTES TO THE ACCOUNTS

For the year ended 30 November 2016

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<b>19 Cash flows from operating activities</b>	<b>Group 2016 £</b>	<b>Group 2015 £</b>
Operating loss	(122,029)	(338,755)
Adjustments for:		
Depreciation of owned fixed assets	2,613	1,315
Decrease/(increase) in debtors	47,230	(134,281)
Increase in creditors	69,137	161,586
	<u>118,980</u>	<u>28,620</u>
Net cash from operating activities	<u>(3,049)</u>	<u>(310,135)</u>

### 20 Related party transactions

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

<b>Group</b>	<b>2016 £</b>
Mr J P DeJoria	805,023
Mr J M Kendrick	<u>45,167</u>

The amounts payable to Mr J P DeJoria, co-founder and shareholder of the Company, and Mr J M Kendrick, co-founder and director of the Company, represent the capital amounts of monies loaned and accrued interest, at 5% per annum, and have no specified terms of repayment. These loans are denominated in US\$ and amount to \$1,004,524 and \$56,360 as at 30 November 2016, respectively.